

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,

Petitioner,

v.

BLACKHAWK NETWORK INC.,

Patent Owner.

Case No. IPR2023-01235

U.S. Patent No. 9,865,135

**PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION TO
EXCLUDE**

Patent Owner seeks to exclude evidence that is responsive to claim construction arguments raised in Patent Owner's Response and which Patent Owner had notice of and an opportunity to respond. The Board should decline to do so.

I. LEGAL STANDARD

"A reply may only respond to arguments raised in the ... patent owner response." 37 C.F.R. § 42.23(b). However, "where a patent owner in an IPR first proposes a claim construction in a patent owner response, a petitioner must be given the opportunity in its reply to argue and present evidence of anticipation or obviousness under the new construction, at least where it relies on the same embodiments for each invalidity ground as were relied on in the petition." *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1384 (Fed. Cir. 2023). *Parkervision, Inc. v. Vidal*, 88 F.4th 969, 979-80 (Fed. Cir. 2023) ("Because the Board's institution decision did not contain an express claim construction, the APA required the Board to give [Petitioner] adequate notice and an opportunity to respond under the new construction first proposed in [the] patent owner response."); *Ericsson Inc. v. Intellectual Ventures I LLC*, 901 F.3d 1374, 1380 (Fed. Cir. 2018) (reversing Board's decision not to consider Reply argument that "expressly follow from ... contentions raised in the Petition" and were necessary to address new claim construction). Moreover, the Board cannot decline to consider "evidence of the background understanding of skilled artisans ... simply because the [evidence] had

not been identified at the petition stage as one of the pieces of prior art defining a combination for obviousness.” *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1365 (Fed. Cir. 2015) (reversing Board’s decision not to consider background art that was cited in the Petition and raised in Reply).

In addition, there is “no blanket prohibition against the introduction of new evidence ... as long as the opposing party is given notice of the evidence and an opportunity to respond to it.” *Anacor Pharmaceuticals, Inc. v. Iancu*, 889 F.3d 1372, 1380 (Fed. Cir. 2018).

II. EXHIBIT 1038 SHOULD NOT BE EXCLUDED

As an initial matter, Patent Owner only objects to paragraphs 6-18 and 25-32 of Exhibit 1038—thus, exclusion of the entire supplemental declaration is improper.

As for the portions Patent Owner seeks to exclude, Mr. Hutton’s testimony is properly responsive to arguments raised by Petitioner in its POR. Paragraphs 6-13 properly respond to Patent Owner’s argument that “pre-printed lottery ticket” should not be given its plain and ordinary meaning. Paragraphs 14-18 properly respond to Patent Owner’s argument that Szrek does not disclose or render obvious a “pre-printed lottery ticket” as construed by Patent Owner. And paragraphs 25-32 properly respond to Patent Owner’s construction of “product information” and argument that Szrek does not disclose “product information” as construed by Patent Owner.

A. Paragraphs 6-13

Paragraphs 6-13 of Mr. Hutton's Supplemental Declaration are responsive to Petitioner's POR argument that "pre-printed lottery ticket" should not be given its plain meaning but should instead be construed as "a lottery ticket which has no lottery numbers associated with it at the time of customer purchase," because statements made during prosecution amounted to a "clear disavowal of claim scope." POR 20-23.

Petitioner could not have foreseen Patent Owner's novel argument. As explained in Petitioner's Reply, Patent Owner's construction excludes multiple embodiments described in the specification. Reply 10-12. Yet case law requires that a disclaimer "indicat[e] that the claims should be read to exclude [the specification's embodiments]." *Quest Integrity USA, LLC v. Cokebusters USA Inc.*, 924 F.3d 1220, 1229-30 (Fed. Cir. 2019). The Reply also explains how Patent Owner's construction is not consistent with how it prosecuted the related '894 and '451 patents, nor its statements in the Arizona litigation. Reply 12-15.

In addition, in the PGR against the related '894 patent, Patent Owner agreed that "pre-printed lottery ticket" should be given its plain and ordinary meaning, a position inconsistent with its disclaimer argument here. Ex. 1008, 13; *Omega Engineering, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1334 (Fed. Cir. 2003) ("[T]he same claim term in ... related patents carries the same construed meaning.").

Thus, Petitioner was entitled to respond to Patent Owner's claim construction argument, including through its expert's testimony that the prosecution statements did not amount to a clear, unmistakable disclaimer that excludes multiple embodiments described in the specification. Ex. 1038, ¶¶6-13. Consistent with Federal Circuit precedent, the Board must allow a petitioner to respond to a claim construction first proposed in a Patent Owner Response. *Axonics*, 75 F.4th at 1384; *Syngenta Crop Protection AG v. UPL Ltd.*, PGR2023-00017, Paper 58 at 23-24 (July 26, 2024).

Patent Owner has suffered no prejudice because it had an opportunity to cross-examine Mr. Hutton (which Patent Owner declined to do) and respond to his testimony in its Sur-Reply. Moreover, Mr. Hutton's testimony that the disclaimer precludes multiple embodiments was entirely foreseeable and could have been addressed in Patent Owner's Response—in fact, Patent Owner admitted in its POR that at least one embodiment was disclaimed. POR 21 n.2.

B. Paragraphs 14-18

Paragraphs 14-18 of Mr. Hutton's Supplemental Declaration are responsive to Petitioner's POR argument that Szrek does not disclose or render obvious a "pre-printed lottery ticket" under Patent Owner's newly-offered construction. Mr. Hutton opines that, as he explained in his opening declaration, pre-printed lottery tickets without pre-printed numbers were well-known in the art and therefore would have

been considered obvious in view of Szrek and a POSITA's knowledge. Ex. 1038, ¶¶14-18. Mr. Hutton relies on the Gilmore reference, which was identified in the Petition, as evidence of a POSITA's knowledge.

As discussed above, Petitioner could not have reasonably foreseen Patent Owner's novel claim construction argument presented for the first time in its POR. In addition, "where a patent owner in an IPR first proposes a claim construction in a patent owner response, a petitioner must be given the opportunity in its reply to argue and present evidence of anticipation or obviousness under the new construction." *Axionics*, 75 F.4th at 1374. It is also proper for a Reply to rely on prior art that was used as background art in the Petition. *Ericsson*, 901 F.3d at 1380.

Patent Owner again cannot claim any prejudice, because it was "given notice of the evidence and an opportunity to respond to it." *Anacor*, 889 F.3d at 1380. Both the Petition and Mr. Hutton's original declaration pointed out that such tickets were well-known, obvious, and cited to Gilmore. Pet. 7-8; Ex. 1003, ¶¶64-71; Ex. 1029. Moreover, in the PGR proceeding against the related '894 patent, filed ***over four years ago*** and heavily discussed in the Petition here, Petitioner presented the combination of Szrek and Gilmore as rendering obvious a pre-printed lottery ticket where "randomly determined lottery numbers [are] generated at the time the pre-printed lottery ticket is purchased." Ex. 1007, 120-25. The Board accepted these arguments in finding those claims unpatentable. Ex. 1008, 65-67. Thus, Patent

Owner has long been on notice of the Gilmore reference and the argument that pre-printed tickets without pre-printed numbers were well-known and obvious to combine with Szrek, and had every opportunity to cross-examine Mr. Hutton about such arguments (which Patent Owner declined to do) and rebut them in its Patent Owner Response and Sur-Reply.

Patent Owner argues that Mr. Hutton's supplemental declaration is "contrary to Mr. Hutton's initial declaration where he notes that Szrek discloses that '[t]he ticket can be preprinted ... as [] computer generated selections (quick pick).'" Paper 25 at 5. Yet, Mr. Hutton's initial declaration addressed the plain meaning of "pre-printed lottery ticket," whereas his supplemental declaration addresses Patent Owner's new construction for "pre-printed lottery ticket." These are not inconsistent positions. Nor is it inconsistent for Mr. Hutton to opine that Szrek alone discloses a pre-printed ticket and that Szrek in view of a POSITA's knowledge also renders obvious a pre-printed ticket without pre-printed numbers.

C. Paragraphs 25-32

Paragraphs 25-32 are responsive to Petitioner's POR argument that "product information" should be narrowly construed as "information that identifies a product but is separate and distinct from wager information and unique identification information," and that Szrek does not disclose "product information" under this

construction. Mr. Hutton opines that even under this construction, Szrek both discloses and renders it obvious. Ex. 1038, ¶¶25-32.

Petitioner could not have foreseen Patent Owner's construction of product information. As explained in Petitioner's Reply, Patent Owner's construction is not supported by the intrinsic evidence and is inconsistent with claims from the child '894 patent. Reply 20-23. Moreover, in the PGR against the '894 patent, Patent Owner did not seek to construe "product information" and agreed it should be given its plain meaning. Ex. 1008, 13.

Regardless, Mr. Hutton is entitled to respond to Patent Owner's argument that Szrek does not disclose "product information" as construed by Patent Owner. *Axonics*, 75 F.4th at 1384; *see also Parkervision*, 88 F.4th at 979-80 ("[T]he APA required the Board to give [Petitioner] adequate notice and an opportunity to respond under the new construction first proposed in [the] patent owner response.").

Patent Owner also cannot claim any prejudice because it was given an opportunity to both cross-examine Mr. Hutton (which Patent Owner declined to do) and respond in its Sur-Reply.

III. EXHIBITS 1034, 1035, AND 1036 SHOULD NOT BE EXCLUDED

Patent Owner seeks to exclude exhibits 1034, 1035, and 1036 as not relevant and relied upon for new arguments. Not so.

Exhibits 1034 and 1035 are the '894 and '451 patents, respectively. These are child patents to the '135 patent and share the same specification. Exhibit 1036 are interrogatory responses from Patent Owner from the Arizona litigation, served June 26, 2023.

Patent Owner argues these exhibits should be excluded because they are not relevant. Paper 25, 7-8. But as explained in Petitioner's Reply, these exhibits are highly relevant to the question of the proper construction of "pre-printed lottery ticket." Reply, 13, 14-15.

Exhibits 1034 and 1035 recite claims that are indisputably inconsistent with Patent Owner's construction of "pre-printed lottery ticket." Thus, they prove there could not have been a disclaimer during prosecution of the '135 patent, because that would violate both the principle that disclaimers carry to child applications and that the same term from the same patent family should be construed in the same manner. They also establish that Petitioner should be estopped from making its disclaimer argument. Reply 17-20.

As for Exhibit 1036, the Reply explains its relevance: it shows that Patent Owner has asserted in the Arizona litigation that "QuickTicket V2," which uses pre-printed tickets with pre-printed numbers, is embodied by the '135 patent. Reply 14-15; Ex. 1036, 13, 35. This is inconsistent with Patent Owner's construction of "pre-printed lottery ticket," and thus its relevance could not be clearer.

It also makes little sense to exclude the '894 patent (Ex. 1034) when the prosecution history to the '894 patent (Ex. 1033) has been entered into evidence and Patent Owner does not seek to exclude it.

In addition, each of these exhibits were known to Patent Owner and therefore Patent Owner “[was] given notice of the evidence and [had] an opportunity to respond to it,” both in its POR and in its Sur-Reply. *Anacor Pharmaceuticals, Inc. v. Iancu*, 889 F.3d 1372, 1380 (Fed. Cir. 2018). Indeed, these exhibits are not just known to Patent Owner—they are *Patent Owner's patents and interrogatory responses*. Patent Owner cannot credibly claim it suffers from any prejudice by their introduction when Patent Owner was aware of them and had an opportunity to address them, both in its POR and its Sur-Reply.

IV. CONCLUSION

For these reasons, the Board should not exclude Exhibits 1034, 1035, 1036, or Paragraphs 6-18 and 25-32 of Exhibit 1038.

Date: October 25, 2024

Respectfully submitted,

By: /s/ James M. Glass
James M. Glass

Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 25, 2024, true and correct copies of the foregoing document and supporting materials were served in its entirety on the Patent Owner at the following email addresses:

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Date: October 25, 2024

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