

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

Patent Owner provides no actual justification for its violation of the Board's regulations in submitting Exhibit 2045 with its Sur-Reply—including Patent Owner's failure to properly seek leave with the Board to submit new evidence. *See* 37 C.F.R. § 42.23(b). Instead, Patent Owner deflects its violation by erroneously stating that Exhibit 2045 was necessary to address supposedly new arguments presented in Petitioner's Reply.¹ Patent Owner provides no legal basis that allows it to violate the Board's regulations to respond to new arguments. Moreover, Exhibit 2045 does not address any actual point raised by Petitioner and instead, even by Patent Owner's own admission, is merely an attempt to deflect Patent Owner's litigation gamesmanship by arguing "it is Petitioner, not Patent Owner, that is making inconsistent arguments." Paper 26, 1.

I. PATENT OWNER INDISPUTABLY VIOLATED THE BOARD'S REGULATIONS

Patent Owner does not dispute that it violated Rule 42.23(b) in submitting evidence with its Sur-Reply. Instead, Patent Owner asks the Board not to apply "a

¹ As discussed in Petitioner's Opposition to Patent Owner's Motion to Exclude, these arguments were appropriately responsive to Patent Owner's claim construction arguments. Paper 27; *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1384 (Fed. Cir. 2023) ("[T]he petitioner must be afforded a reasonable opportunity in reply to present argument and evidence under that new construction.").

strict application of Rule 42.23(b)” because it “works an unfairness to Patent Owner by denying Patent Owner the opportunity to present evidence that corroborates its correction of factual misrepresentations made by Patent Owner in its Reply.” Paper 26 at 4.

Yet Patent Owner provides no legal basis to expressly ignore Rule 42.23(b) merely because its new evidence purportedly addresses an argument raised in Petitioner's Reply. Patent Owner cites to *Axonics*, but that case is inapposite—the Court's *dicta* contemplates a Patent Owner providing in Surreply a new declaration to address a “new expert declaration ... submitted with a reply.” *Axonics*, 75 F.4th at 1384. Moreover, the Court in *Axonics* admonished Patent Owner for failing to “ask[] for leave to submit” the new evidence—just as Patent Owner here has failed to request leave to submit Exhibit 2045 as required by the rules. *Id.*; 37 C.F.R. § 42.123.

II. EXHIBIT 2045 IS NOT RESPONSIVE TO PETITIONER'S ARGUMENTS

Patent Owner's only justification for its violation of the Board's rules is that it must be “permitted to present evidence that responds to Petitioner's new argument and evidence presented in the Reply,” specifically that “Petitioner necessitated the introduction of Exhibit 2045 by accusing **Patent Owner** of an inconsistency where there was none.” Paper 26 at 5 (emphasis in original). Yet Patent Owner cannot

credibly claim that Exhibit 2045, which is a court filing submitted by an affiliate of Petitioner, explains anything about *Patent Owner's* inconsistent positions.

Instead, Patent Owner seeks to deflect its litigation gamesmanship by arguing “it is Petitioner, not Patent Owner, that is making inconsistent arguments.” Paper 26, 1. But as discussed in the opening Motion, Petitioner has not made any inconsistent arguments—not least because Exhibit 2045 is not from Petitioner and in any case, is the same assertion made in this proceeding: that Patent Owner inconsistently seeks to disavow claim scope here while reclaiming it in the Arizona litigation. Paper 24 at 3.

Moreover, Patent Owner does not address the fact that any alleged inconsistency has no relevance to the issues in this proceeding—the patentability of the '135 patent and, especially, whether disclaimer is properly found or whether Patent Owner is estopped. Paper 24 at 2. Patent Owner merely argues that if evidence of Patent Owner “gain[ing] an unfair advantage against Petitioner's affiliates” is relevant, then so must evidence of Petitioner's alleged inconsistency. Paper 26 at 6. This is hardly a response. Patent Owner's litigation position is *directly relevant* to its claim construction and whether it is estopped. By contrast, the position of a different entity from a litigation not involving patent assertions has *no relevance* to claim construction, and Patent Owner has not argued estoppel.

For these reasons, the Board should exclude Exhibit 2045.

Date: November 1, 2024

Respectfully submitted,

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

Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on November 1, 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: November 1, 2024

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