

***Interactive Communications Int'l, Inc. v.
Blackhawk Network Inc.***

**IPR2023-01235
U.S. Patent No. 9,865,135**

Petitioner's Demonstratives

Hearing: November 21, 2024

Summary: Grounds

Ground	Claim(s) challenged
1. Szrek	1-6
2. Llach + Szrek	1-6

Summary: Disputed Points

Ground	Disputed Issues	Claim
All Grounds	Patent Owner's claim construction for "pre-printed lottery ticket" is incorrect. Prosecution history does not clearly and unmistakably disavow embodiments from the specification that include pre-printed numbers.	All Claims
All Grounds	Szrek discloses or renders obvious "pre-printed lottery ticket" under either construction	All Claims
All Grounds	Patent Owner's claim construction for "product information" is incorrect—it ignores ordinary meaning and is inconsistent with the specification and child applications.	1-3, 5-6
All Grounds	Szrek or Llach/Szrek disclose transmitting "product information" under either construction	1-3, 5-6

'135 Patent Overview

'135 Patent Overview

- 135 Patent – Prior Art:

“Tickets for draw based lotteries are typically printed at the time of purchase on special ticket paper by a printing device approved by the lottery administering body. ...

Typically, the printing device is attached to a single lottery terminal operated by the lottery organization. Although the model of a single terminal and printer is effective for single checkout lane environments such as convenience stores and gas stations, it is not ideal for multi-lane environments such as grocery stores, discount and big box retailers. Here, the majority of customers complete their shopping and pay through any one of many checkout lanes. A second stop and purchase is required at the lottery terminal location in order to purchase the lottery draw ticket. This is extremely inconvenient for most customers who simply bypass the lottery counter.”

Ex. 1001 (135 Patent) at 1:38-58; Pet. 5-6

'135 Patent Overview

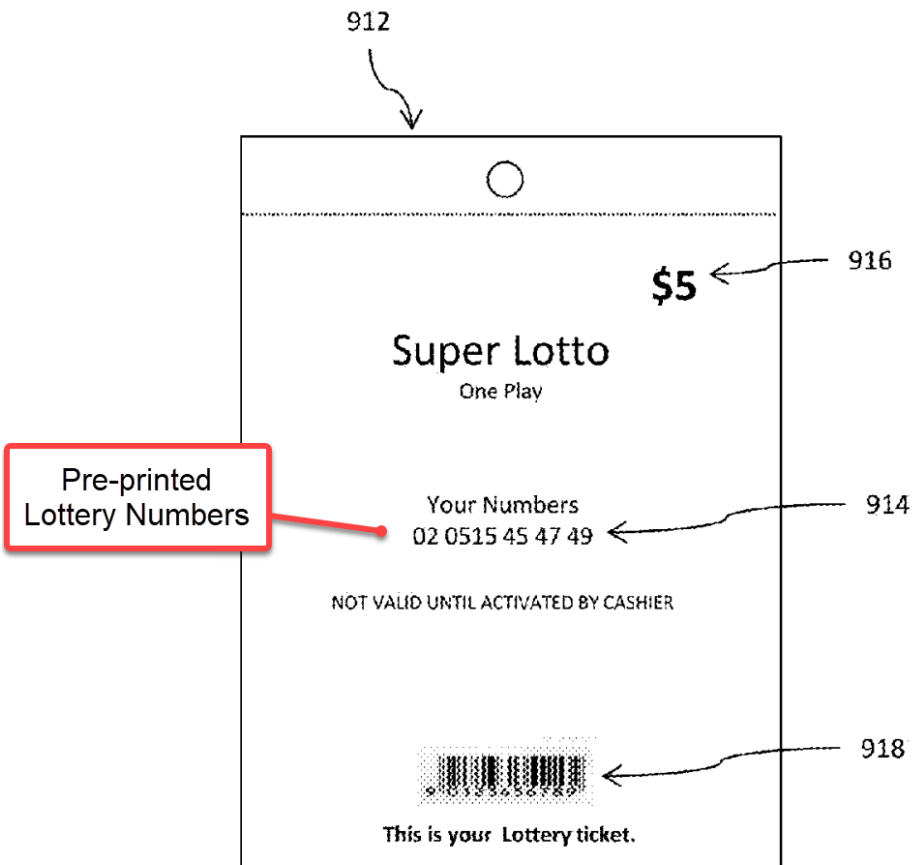
- 135 Patent – Purported Solution:

“A system is described further herein that provides the ability to include online lottery tickets that can be placed in a customer's shopping cart and paid for during the normal checkout process **without the use of specialized hardware** such as lottery terminals, ticket printers or customized devices at the point of purchase for the purpose of producing the lottery ticket. ... [T]he systems and methods allow the online lottery ticket to be **displayed and purchased as a common in-store product** making the purchase of an online ticket common practice for the customer and the retailer.”

Ex. 1001 (135 Patent) at 2:46-64; POR 2-3

'135 Patent Overview

- 135 Patent – Purported Solution:



“A variation of the above is to produce pre-printed tickets with **pre-printed wagers on the ticket.**”

“[T]he **pre-printed lottery ticket** 912 is **already associated with wager information** 914 which may be printed on the ticket ...”

“A **pre-printed lottery ticket** is scanned [and] a lottery system 220, ... determines draw and wager information (306), **if the wager information is not already associated with the ticket information.**”

“The lottery system ... determine[s] draw and wager information, **if the wager information is not already associated with the ticket information....**”

“[A] lottery system 220 ... determines draw and wager information, **if the wager information is not already associated with the ticket information ...**”

“A pre-printed lottery ticket is scanned (702) at a POS terminal 202 and ... a lottery system 220 ... determines draw and wager information ..., **if the wager information is not already associated with the ticket information.**”

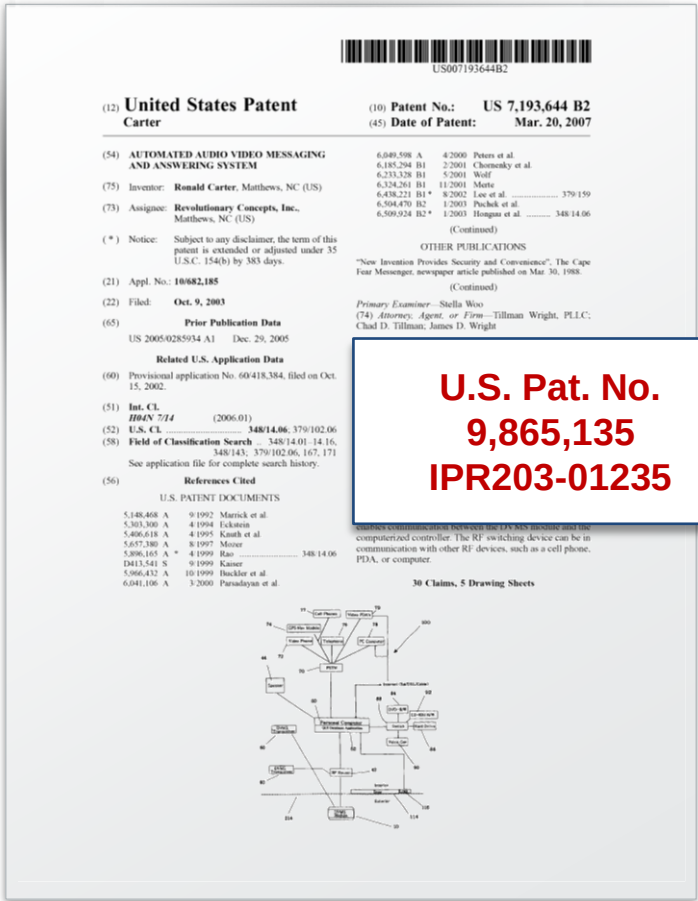
“The lottery system 220 ... determines draw and wager information ... **if the wager information is not already associated with the ticket information.**”

Ex. 1001 (135 patent) at 3:45-52, 10:7-10, 6:67-7:3, 7:28-33, 9:4-8, 9:45-49; Reply 10-11

1. A method of providing a lottery ticket for a random draw comprising:

- scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket;
- transmitting the unique identification information and product information from the POS terminal to a lottery administration system;
- receiving at the POS terminal payment confirmation;
- transmitting payment confirmation from the POS terminal to the lottery administration system;
- receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket; and
- printing the draw details on a receipt.

'135 Patent Overview: Patent Family



**U.S. Pat. No.
9,865,135
IPR203-01235**

Cont.

U.S. Pat. No. 10,769,894
• PGR2020-00084 (invalidated in March 15, 2022 FWD)

Cont.

U.S. Pat. No. 11,488,451
• IPR2024-00465 (pending)

'135 Patent Overview: Child '894 Patent

1. A method of providing a lottery ticket for a random draw comprising:
scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket;
transmitting the unique identification information and product information from the POS terminal to a lottery administration system;
receiving at the POS terminal payment confirmation;
transmitting payment confirmation from the POS terminal to the lottery administration system;
receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket; and
printing the draw details on a receipt.

Ex. 1001 (135 patent), cl. 1

Scan Ticket

Transmit
unique ID

Receive
draw
details

Print Draw
details on
receipt

7. A method for providing a lottery ticket for a random draw comprising:

- (a) receiving, by a transaction processor, a transaction request from a retailer point of sale (POS) to activate a pre-printed lottery ticket;
- (b) providing, by the transaction processor or retailer, to a lottery administration system unique identification information associated with pre-printed lottery ticket information received from the retailer POS without the use of lottery hardware; and
- (c) receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed lottery ticket; wherein said pre-printed lottery ticket comprises two or more codes.

12. The method of claim 7, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online web site or mobile application.

Ex. 2040 (894 patent) at cls. 7, 12

Summary of Prior Art

Summary of Prior Art: Szrek (Ex. 1005)

- Szrek:

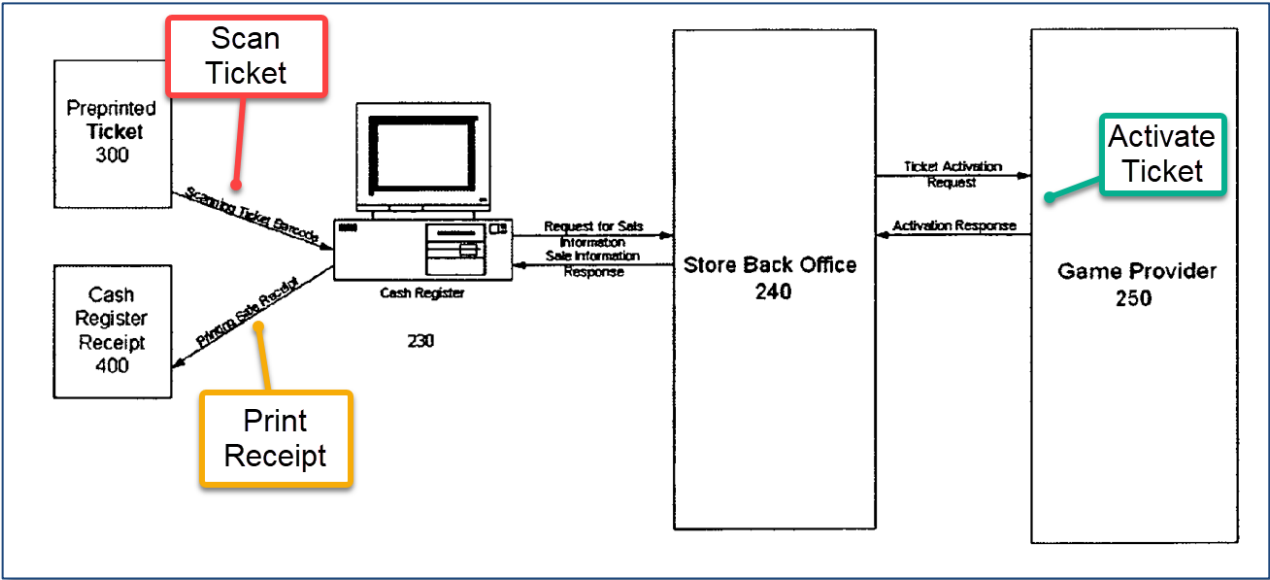
“The goal of the present invention is to enable the secure sale of lottery tickets at general retail point of sale (POS) checkout points, such as standard cash registers, and other similar devices. ... Availability of lottery sales in every supermarket lane is very attractive to consumers. Ideally one would want to allow for sales in lanes w/o any additional lottery equipment required in lane and with minimal additional overall cost.”

“In accordance with the novel method of the present invention, instead of printing the lottery ticket, from a legitimate and authorized game provider, on the cash register, the ticket is preprinted (printed ahead of the ticket sale by a commercial printer capable of printing lottery tickets ...).”

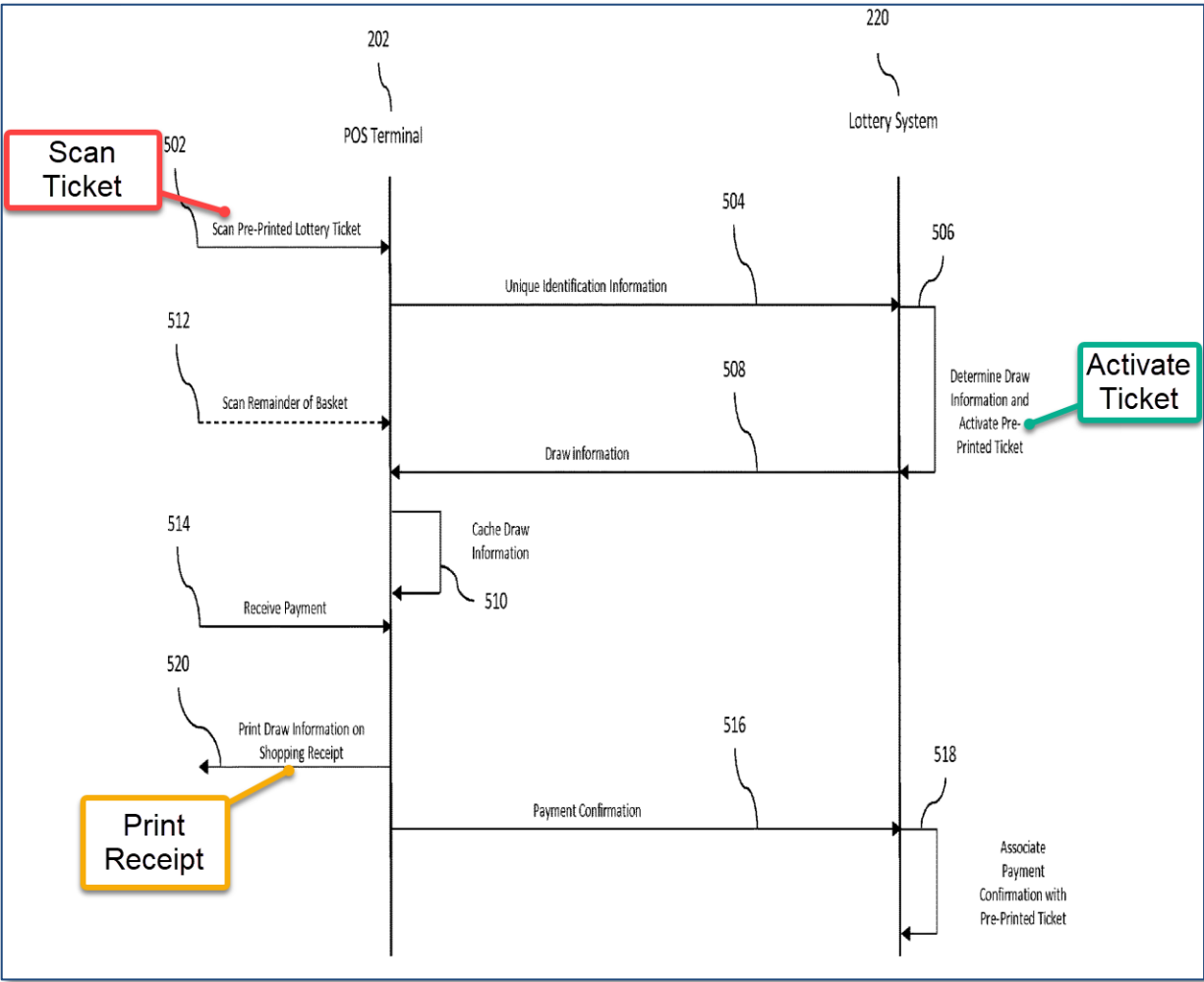
Ex. 1005 (Szrek) at 1:16-19, 1:33-36, 3:22-28; Pet. 26, Reply 24, Surreply 15

Summary of Prior Art: Szrek (Ex. 1005)

- Both Szrek and 135 Patent scan a ticket, activate the ticket, then print receipt with draw information



Ex. 1005 (Szrek) at Fig. 2; Pet. 11, 37



Ex. 1001 (135 patent) at Fig. 5; Reply 22

Summary of Prior Art: Llach (Ex. 1006)

“In one embodiment a stored value card transaction processor receives an activation or redemption request for a stored value card from a point of sale terminal. The activation or redemption request comprises at least one of a card identification, ... The processor then transmits the modified request to the card issuer authorization system and receives a response which is forwarded to the point of sale terminal.”

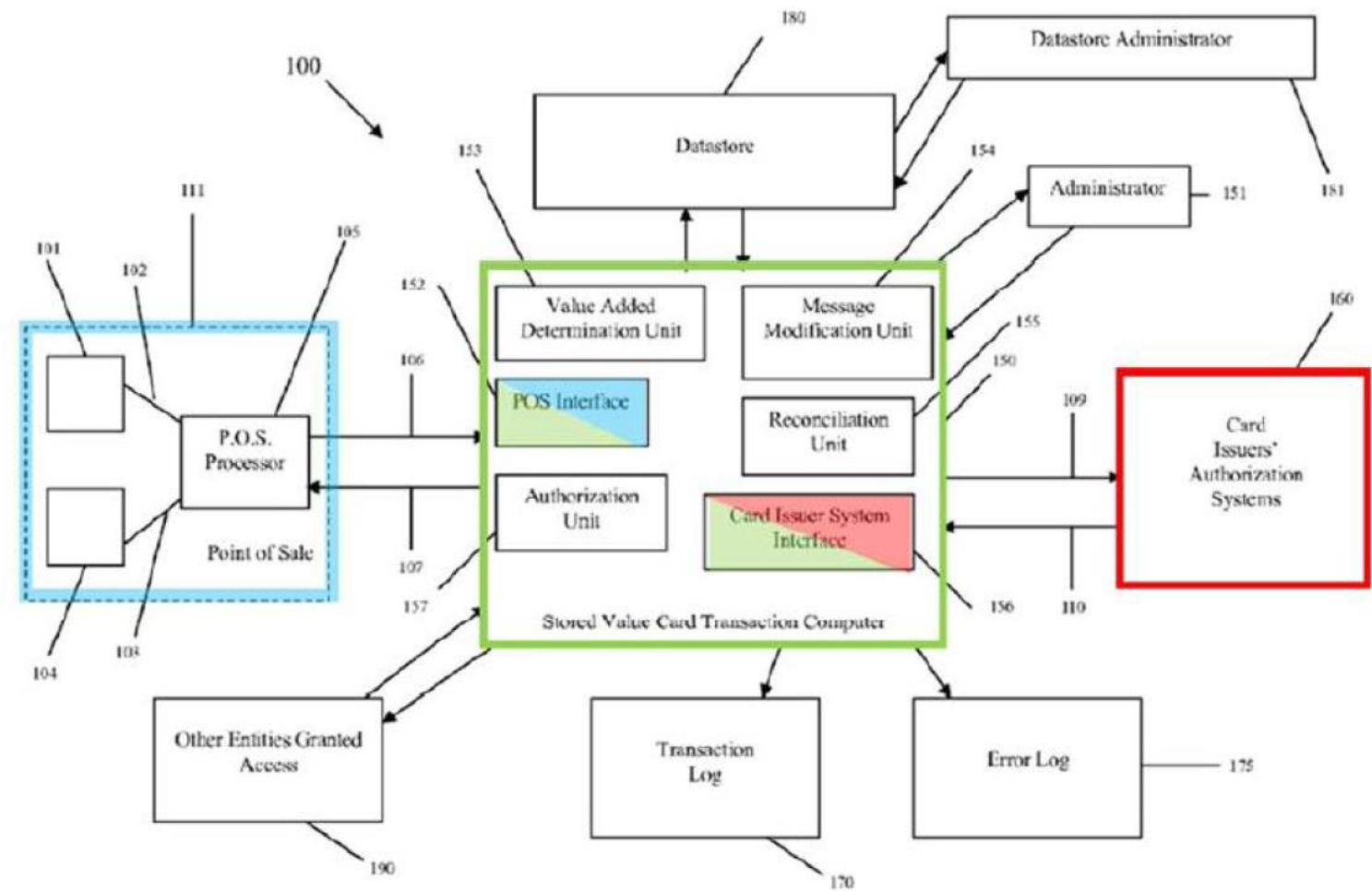


Figure 1

Ex. 1006 (Llach) at Abstract; Fig. 1; Pet. 12-13

Summary of Prior Art: Gilmore (Ex. 1029)

“A lottery system controller 12 (transaction processor) receives the data from the scan and, when a ticket for an online lottery game is scanned, the controller 12 either generates quick pick lottery numbers and sends the numbers to the lottery system 28, or controller 12 sends a quick pick request to the lottery system where the numbers are generated. The lottery system 28 confirms the lottery numbers are recorded and the controller 12 provides confirmation to the POS system.”

Ex. 1003 (Hutton Decl.) at ¶71; Pet. 7-8

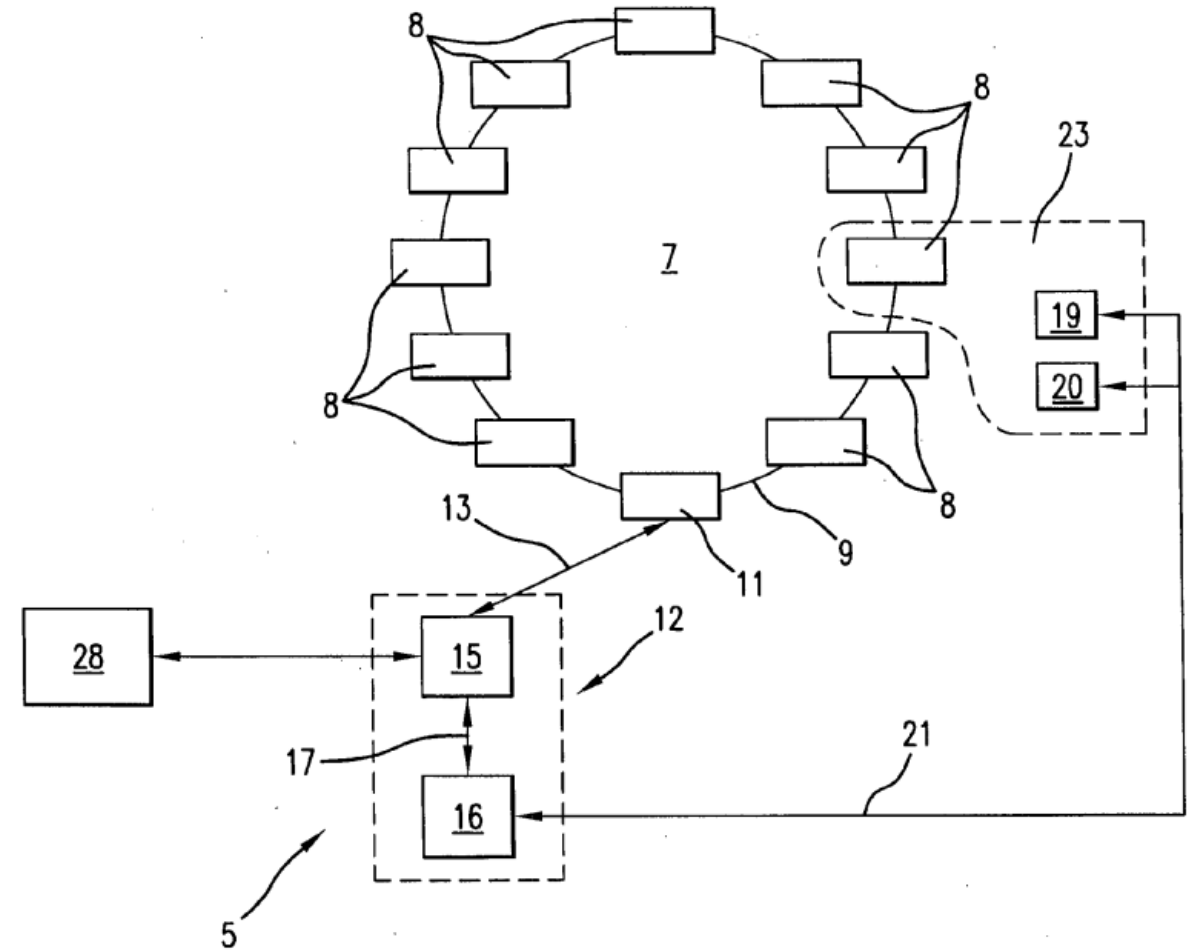


FIG. 1

Ex. 1029 (Gilmore) at Fig. 1; Surreply 15

Summary of Prior Art: Gilmore (Ex. 1029)

“Returning now again to step 54, where using a token for an on-line lottery game, the process proceeds to step 64 which generates a quick-pick transaction and sends the transaction data or request to the off-site lottery computer 28 (FIG. 1) performing one of the two separate subroutines illustrated in FIGS. 6A and 6B. The type of on-line lottery game described for use with the tokens of the system is a “quick-pick” game in which the lottery system or off-site host computer generates a series of random lottery game play numbers for the game player, and then forwards the lottery play numbers to the ticket printer located at the POS terminal.”

“Referring now to FIG. 5, once the on-line lottery ticket quick-pick number generation sequence has been completed, a determination of whether a quick-pick number has been successfully generated is performed in step 75. If not, then an error message is produced in step 63 and the lottery transaction is concluded. If, however, the quick-pick number transaction has been successful, a print ticket command is sent by the ticket dispensing system in step 76 to the ticket printer 20 (FIG. 3), such that in step 78 the desired number of on-line lottery game tickets are printed.”

“Another feature of this invention, therefore, is that this system may be rapidly and readily retrofit to existing POS systems in multi-lane store environments. The lottery system controller 12 is networked to the POS system controller 11 with a simple, single network connection. The lottery system controller is then networked to each lottery ticket dispenser and/or ticket printer, which preferably can be done by using a wireless network such that hard wiring of the system components need not occur, and which allows the system to be quickly installed within existing multi-lane store environments.”

Claim Construction of “Pre-Printed Lottery Ticket”

Claim Construction – “Pre-printed Lottery Ticket”: Summary of Arguments

Proposed Construction	
Petitioner	Patent Owner
Plain and Ordinary Meaning	a lottery ticket which has <u>no lottery numbers</u> associated with it at the time of customer purchase

- Prosecution history did not disavow lottery tickets with no lottery numbers
- Patent Owner’s construction:
 - Excludes all claimed embodiments
 - Inconsistent with the PGR ruling
 - Inconsistent with PO’s claim construction in the PGR
 - Inconsistent with claims from child ‘451 and ‘894 patents
 - Inconsistent with PO’s litigation positions
 - Limits the scope of “product information”
 - Renders claim 4 indefinite
- Patent Owner is estopped

Claim Construction – “Pre-printed Lottery Ticket”: Law of Disclaimer

- Multiple interpretations cannot be clear and unmistakable



“Where an applicant's statements are *amenable to multiple reasonable interpretations*, they cannot be deemed clear and unmistakable.”

3M Innovative Properties Co. v. Tredegar Corp., 725 F.3d 1315, 1326 (Fed. Cir. 2013); Reply 6

- Standard for justifying disclaimer is high



“When the prosecution history is used solely to support a conclusion of patentee disclaimer, the *standard for justifying the conclusion is a high one*.”

Avid Technology, Inc. v. Harmonic, Inc., 812 F.3d 1040, 1045 (Fed. Cir. 2016); Reply 6

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s arguments to overcome Yacenda:

Yacenda does not disclose a pre-printed lottery ticket comprising unique identification information. *See Yacenda* at col. 3, l. 23 – col. 4, l. 50. Instead of disclosing a pre-printed lottery ticket, *Yacenda* discloses that its system allows the customer to select the numbers it wishes to play – i.e., not a pre-printed lottery ticket. *Yacenda* explains this important difference as follows:

Ex. 1002 (135 file history) at 75-76; Reply 8-9

Patent Owner did not distinguish Yacenda on the basis that it discloses virtual tickets but, instead, on the basis that “[i]nstead of disclosing a pre-printed lottery ticket, *Yacenda* discloses that ***its system allows the customer to select the numbers it wishes to play*** - i.e., not a pre-printed lottery ticket.” EX1002.0075-76 (emphasis added). And Patent Owner’s disavowal is explicit. *Id.* at 0076-0077

Surreply at 2

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s arguments to overcome Yacenda:

Referring to FIGS. 2A and 2B, a flowchart illustrates a method for facilitating play of on-line state lottery games. To purchase lottery tickets, **a lottery player enters** his/her player information and **ticket information at a player terminal (step 101)**. The player information includes name, age, address, and account information of the lottery player. **The ticket information includes types and numbers of the lottery tickets to be purchased by the lottery player**. A lottery agent receives the player and ticket information through an electronic network, such as the Internet (step 103), and

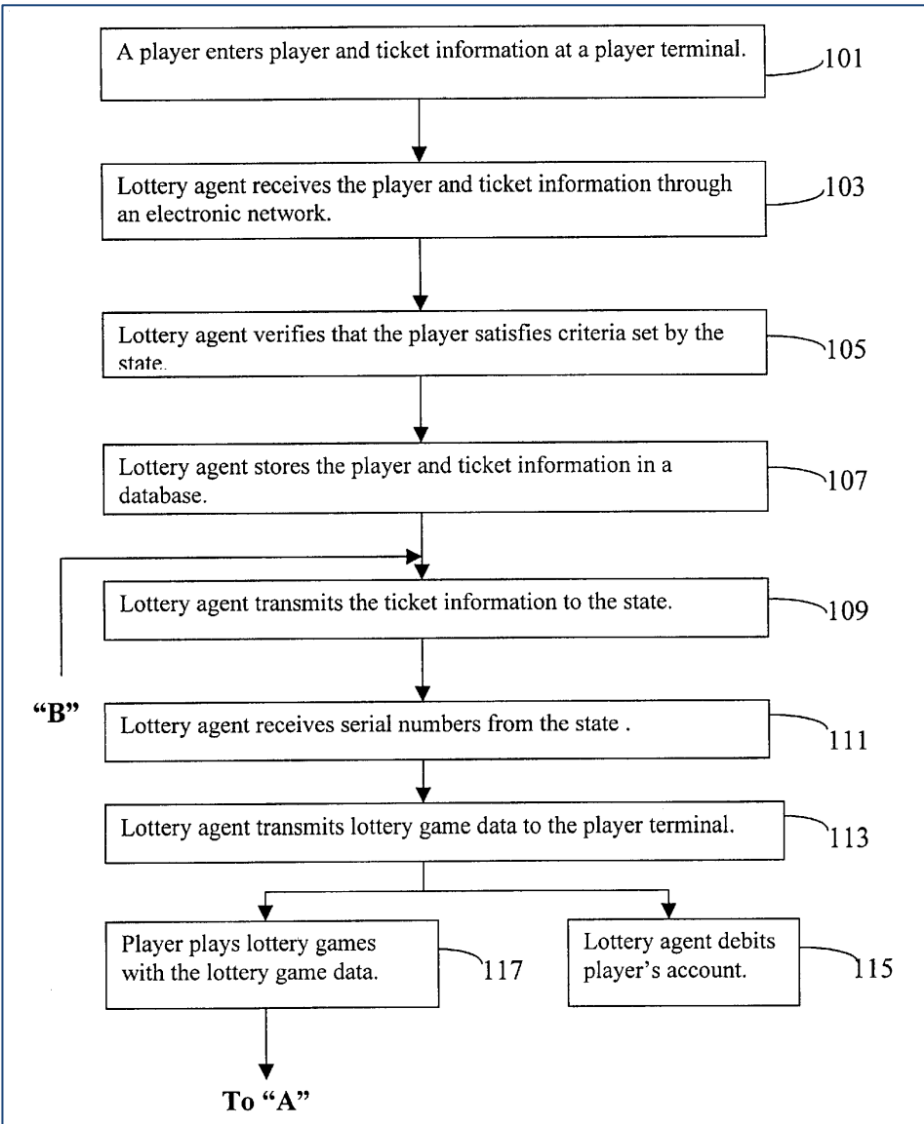
...

with the lottery game data, the player terminal displays virtual lottery tickets corresponding to the lottery tickets purchased **including ticket numbers selected by the player and associated with the serial numbers**. The player then plays a lottery game with the virtual lottery tickets displayed on the player terminal (step 117). After winning numbers are drawn by the state and transmitted to the lottery agent (step 119), **the lottery agent compares the winning numbers with the ticket numbers selected by the lottery player (step 121)**.

See *Yacenda* at col. 6, l. 44 – col. 7, l. 13 (emphasis added). Based on the foregoing, *Yacenda*’s system is directly opposite of the instant claims, as the instant claims require a “pre-printed lottery ticket” which has no lottery numbers associated with it at the time of customer purchase. The instant Specification defines the “pre-printed lottery ticket” as follows:

The online lottery ticket is manufactured and distributed as pre-printed lottery tickets that do not have a draw date or wager (i.e. lottery numbers) assigned or associated to the pre-printed ticket.

Ex. 1002 (135 file history) at 75-77 (quoting Yacenda); Reply 8-9



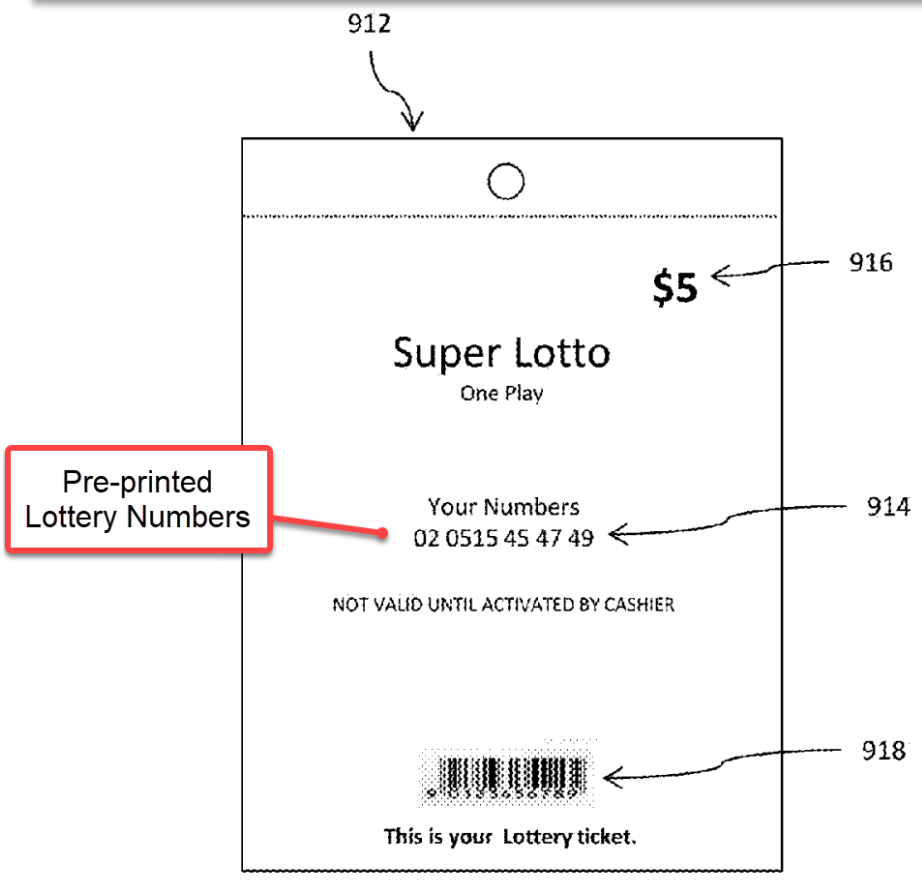
Ex. 2041 (Yacenda) at Fig. 2A; Reply 8-9

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s construction inconsistent with specification:

“The specification discloses another embodiment in which a lottery ticket 912 already is associated with wager information 914 which may be printed on a ticket to allow selection of preferred numbers by a consumer. ... [T]his embodiment was disavowed ...”

POR 21 n.2



“A variation of the above is to produce pre-printed tickets with pre-printed wagers on the ticket.”

Ex. 1001 (135 patent) at 3:45-52; Reply 10

“[T]he *pre-printed lottery ticket* 912 is already associated with wager information 914 which may be printed on the ticket to allow selection of preferred numbers by a customer.”

Ex. 1001 (135 patent) at 10:7-10; Reply 10

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s construction inconsistent with specification:
- Fig. 3 embodiment:

“A *pre-printed lottery ticket* is scanned (302) at a POS terminal 202 and unique identification information and details of the pre-printed ticket is communicated (304) to a lottery system 220, which verifies the ticket information and determines draw and wager information (306), **if the wager information is not already associated with the ticket information**.

Ex. 1001 (135 patent) at 6:67-7:3; Reply 11

- Fig. 4 embodiment:

“The lottery system may receive and verify the ticket information and determine draw and wager information, **if the wager information is not already associated with the ticket information** and which can activate the pre-printed lottery ticket (412) for the subsequent draw.”

Ex. 1001 (135 patent) at 7:28-33; Reply 11

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s construction inconsistent with specification:
- Fig. 5 embodiment:

“A pre-printed lottery ticket is scanned (502) at a POS terminal 202 and unique identification information along with product information of the pre-printed ticket is communicated (504) to a lottery system 220, which verifies the ticket information, determines draw and wager information, **if the wager information is not already associated with the ticket information** and activates the pre-printed ticket (506).”

Ex. 1001 (135 patent) at 7:48-51; Reply 11

- Fig. 7 embodiment:

“A pre-printed lottery ticket is scanned (702) at a POS terminal 202 and unique identification information and details of the pre-printed ticket is communicated (704) to the transaction processor 630 who in turn communicates (706) the unique identifier and pre-printed ticket details to a lottery system 220, which verifies the ticket information and determines draw and wager information and activates the pre-printed ticket (708), **if the wager information is not already associated with the ticket information.**”

Ex. 1001 (135 patent) at 9:4-8; Reply 11

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s construction inconsistent with specification:
- Fig. 8 embodiment:

“The lottery system 220 verifies the ticket information and determines draw and wager information and activates the pre-printed ticket (814), if the wager information is not already associated with the ticket information.”

Ex. 1001 (135 patent) at 9:45-49; Reply 11

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s disclaimer inconsistent with the PGR, where PO argued for a different negative limitation:

information’] are properly construed.” *Id.* Patent Owner contends that “pre-printed lottery ticket” is properly defined “with a negative limitation that prohibits the inclusion of certain draw information—namely, draw date—on the pre-printed ticket” and that “draw information” is properly defined as “information that includes at least draw date.” *Id.*

Ex. 2042 (894 ID) at 11; POR 36

“Petitioner proposes that each claim term in the Challenged Claims be given its plain and ordinary meaning, and that no specific construction of any claim term is required because the prior art relied on in this Petition meets each of the claim terms under any reasonable construction.” Pet. 18. Patent Owner does not dispute Petitioner’s contention generally, but proposes clarifications for two recited phrases: (1) transaction processor system/transaction processor; and (2) data package. PO Resp. 19–26, 71–

Ex. 1008 (894 FWD) at 13; Pet. 13

- The Surreply argues that Board in PGR2020-00084 “declined” to consider this disclaimer.
- This is incorrect:

At this stage of the proceeding, however, we do not find it necessary to define expressly either “pre-printed lottery ticket” or “draw information” to determine whether the evidence cited in the Petition is sufficient to show it is more likely than not that the prior art discloses these limitations. This is so because, based on the current record, the evidence identified by Petitioner as disclosing a pre-printed lottery ticket and draw information appears sufficient, even if we were to accept Patent Owner’s contentions. We

Ex. 2042 (894 ID) at 11; POR 36

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

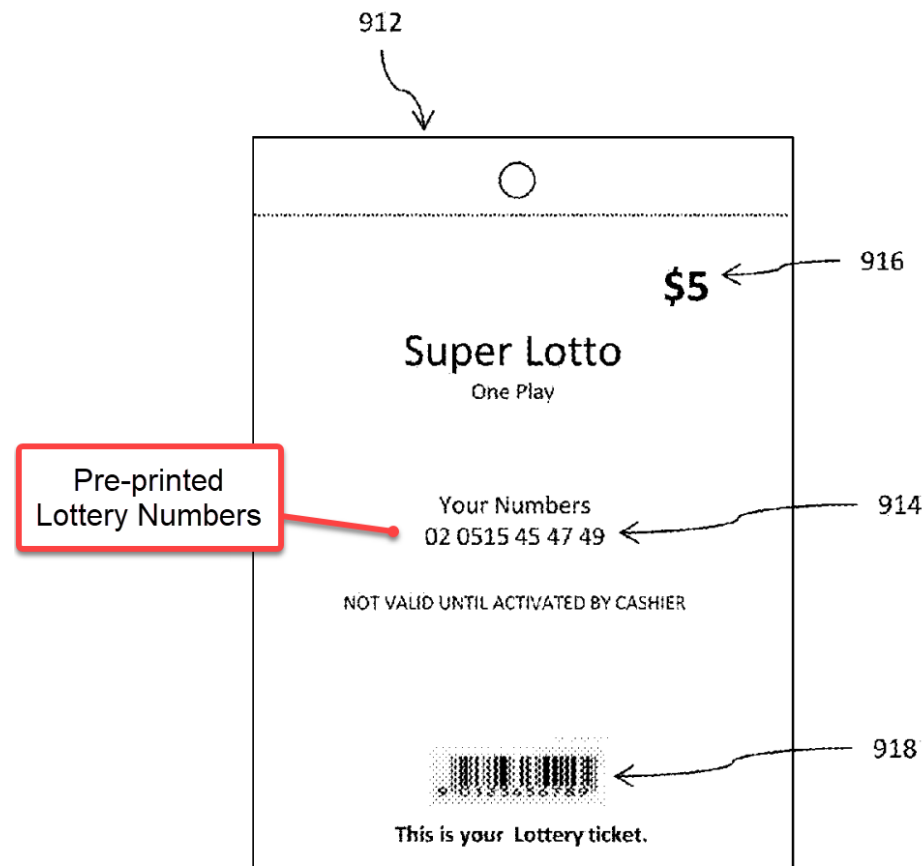
- PO’s construction inconsistent with child patents:

21. The method of claim 7, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the pre-printed lottery ticket prior to the time the pre-printed lottery ticket is purchased at the POS.

Ex. 1034 (894 patent) at cl. 21; Reply 13

12. The method of claim 1, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the manufactured, pre-printed, random draw lottery ticket prior to the time the manufactured, pre-printed lottery ticket is purchased at the retailer POS.

Ex. 1035 (451 patent) at cl. 12; Reply 13



Ex. 1001 (135 patent) at Fig. 9; Reply 10-11

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- Child patents were prosecuted by same prosecuting attorney and examined by same examiner
- When adding Claim 21 to 894 patent, PO represented that “no new matter is introduced”

No new matter is introduced by way of this amendment. Applicant hereby request examination of the presently claimed application.

Ex. 1033 (894 file history) at 275; Reply 13

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- In a continuation application, disclaimer applies to identical claim terms



“As long as the same claim limitation is at issue, prosecution disclaimer made on the same limitation in an ancestor application will attach.”

Omega Engineering, Inc. v. Raytek Corp., 334 F.3d 1314, 1333 (Fed. Cir. 2003); Reply 12-13

- In *Omega*, the parent prosecution disclaimed “appreciable heat from entering the energy zone” from the claim term “to outline”
- Federal Circuit found that disclaimer attached to child patent, because ***it used the identical term***



“[A] disclaimer in the parent application carries forward into the construction of the same claim term in the child.”

Cordis Corp. v. Boston Scientific Corp., 658 F. 3d 1347, 1356 n.5 (Fed. Cir. 2011); Reply 12-13

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO's cited authority does not support its position:



“The ’055 patent, as a **continuation-in-part** of the ’132 patent, includes extensive disclosures that were not present in the ’132 or ’304 patents, and those **subsequent disclosures *directly contradict* the prosecution-based surrenders** of claim scope discussed in eSpeed. ...

Furthermore, the claims of the ’055 patent lack the ‘do not move’ limitations that accompanied the term ‘static’ in the ’132 and ’304 patents.”

Trading Techs. Int’l, Inc. v. Open E Cry, LLC, 728 F.3d 1309, 1323 (Fed. Cir. 2013); Surreply 6

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO's disclaimer inconsistent with its litigation positions:



Ex 2001 (Arizona Complaint) at ¶¶48; Reply 14

Blackhawk owns three United States patents and a Canadian patent covering QuickTicket™. QuickTicket™ allows customers to purchase an actual lottery ticket in the form of a card that hangs on a display hook in a store, have the lottery ticket activated by a cashier and entered into the next lottery drawing.

8. Blackhawk’s patents disclose an embodiment of QuickTicket™ (known as “QuickTicket™ V2”), which allows the lottery numbers to be pre-printed on the ticket and draw information is not on the point-of-sale receipt. Once activated by the cashier, the QuickTicket™ V2 lottery ticket would be entered into the next lottery drawing, and the customer could scratch off the ticket to reveal her lottery numbers.

Ex 2001 (Arizona Complaint) at ¶¶7-8; Reply 14

76. The QuickTicket™ V2, a second embodiment of QuickTicket™, is a product also disclosed in the ’135 patent that pre-dates Linq3-DE’s claim of inventorship.

78. Therefore, QuickTicket™ V2 qualifies as Blackhawk’s Preexisting Intellectual Property under the Distribution Agreement.

Ex 2001 (Arizona Complaint) at ¶¶76-78; Reply 14

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO's disclaimer inconsistent with its litigation positions:



Ex 2001 (Arizona Complaint) at ¶48; Reply 14

Blackhawk’s QuickTicket V2. The QuickTicket is a physical, pre-printed lottery ticket that would allow it to be placed on a display hook in a retail outlet. The clerk scans the bar code on the ticket at the point-of-sale to “activate” the ticket through the use of Blackhawk’s existing network. The transaction would then be routed to a lottery computer, which would verify the transaction, and activate the ticket for the next drawing. QuickTicket™ is the customer’s actual lottery ticket, rather than any printed receipt.

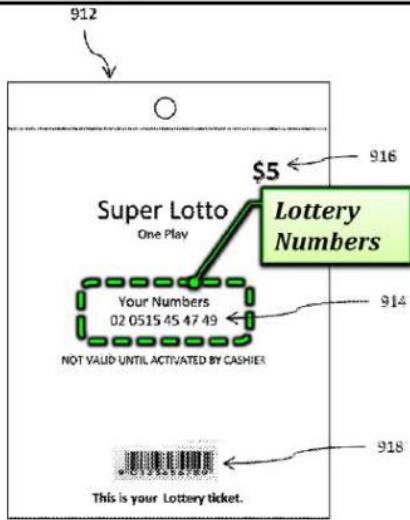
A U.S. patent application for the QuickTicket was filed on April 6, 2015 (which was later assigned to Blackhawk). The patent application was granted as U.S. Patent No. 9,865,135 (“the ’135 patent”) on January 9, 2018. Blackhawk owns another QuickTicket Patent, U.S. Patent 10,769,894 (“the ’894 patent”). The ’894 patent was issued by the United States Patent

Ex 1036 (PO’s Interrogatory Responses) at 3-4; Reply 14-15

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s disclaimer inconsistent with its preliminary response:

The '135 Patent also discloses, in a second embodiment, the QuickTicket V2 product configuration that Blackhawk disclosed to Linq3 in December 2017. As explained, QuickTicket V2 contains lottery numbers preprinted on the lottery ticket before the time of purchase. EX2012.0010. The '135 Patent discloses this same configuration:

QuickTicket V2 Lottery Ticket	'135 Patent, FIG. 9 (excerpt)
 EX2012.0010	 EX1001.0002

“This IPR attempts to destroy the very intellectual property that Linq3 agreed to respect in the PDA. The Patent Office should close the door to Petitioner’s IPR petition.”

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- PO’s construction further requires that lottery numbers are not associated “at the time of customer purchase”
- All claimed embodiments generate lottery numbers **before** purchase:

“A **pre-printed lottery ticket** is scanned (302) at a POS terminal 202 and unique identification information and details of the pre-printed ticket is communicated (304) to a lottery system 220, which verifies the ticket information and **determines draw and wager information** (306), ... [O]nce all of the items being purchased are scanned, **payment may be made** (310).”

Ex. 1001 (135 patent) at 6:64-7:9; Reply 11

“[T]he **determination of the draw and wager information** by the lottery system and communication of the information to the POS is **not dependent on the receiving of payment** by the POS.”

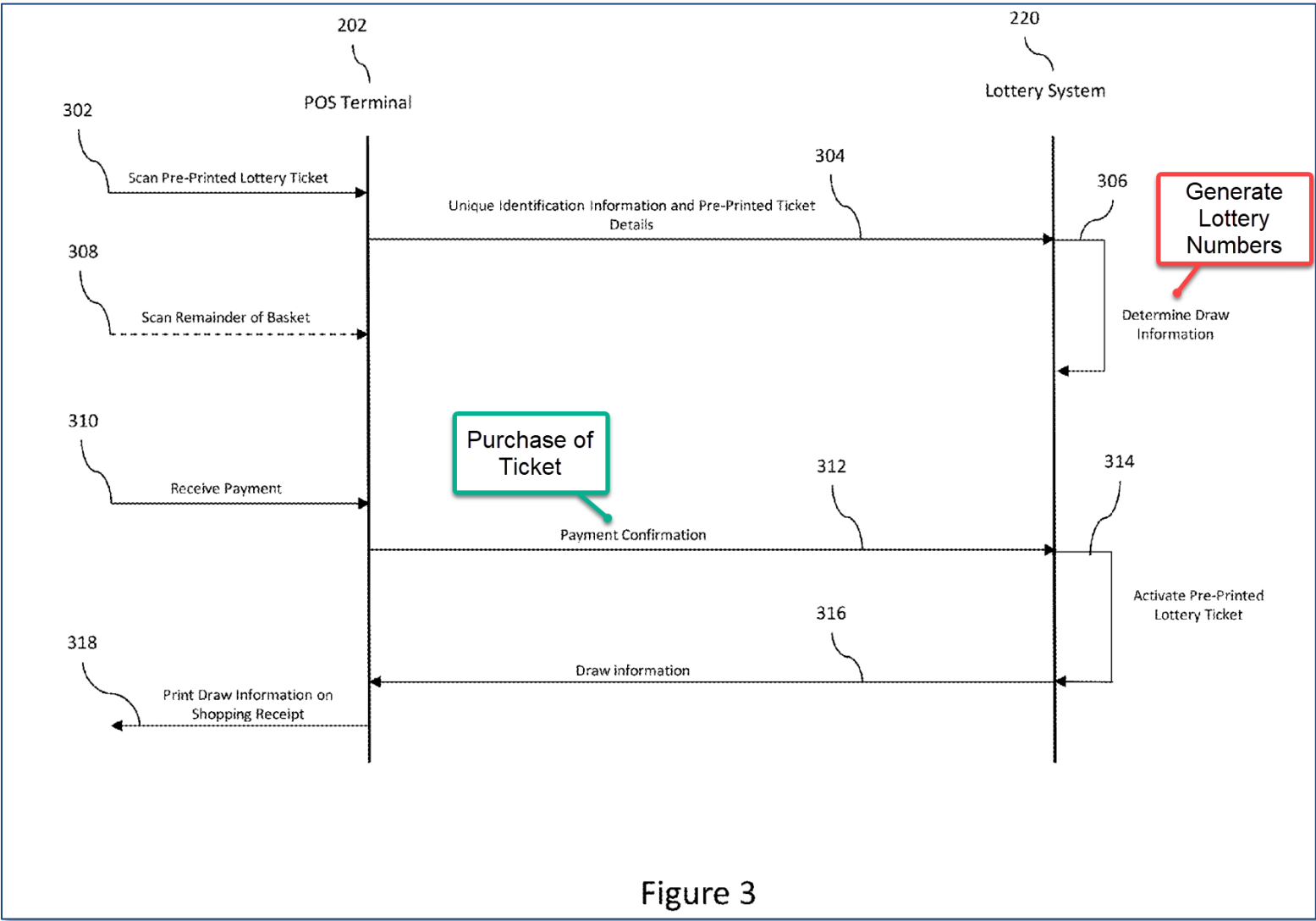
Ex. 1001 (135 patent) at 7:41-44; Reply 11-12

“In my opinion, without receipt of payment, no purchase has occurred.”

Ex. 1038 (Hutton Decl.) at ¶12; Reply 12

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- All claimed embodiments generate lottery numbers **before** purchase:



Ex. 1001 (135 Patent) at Fig. 3; Reply 11-12

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- All claimed embodiments generate lottery numbers **before** purchase
- PO is incorrect that purchase occurs when ticket is scanned, purchase does not occur until after payment:

“FIG. 1 depicts a pre-printed lottery ticket and **purchase receipt**. ... The receipt is similar to commonly provided receipts and includes an **itemized list of purchased items** 116. The list 116 includes an **indication 118 of the purchase** of the pre-printed ticket. ”

Ex. 1001 (135 patent) at 5:46-47, 5:66-6:2; Reply 11-12

“**After payment is received**, the POS terminal 202 may communicate the payment confirmation (312) to the lottery system 220, which can **activate the pre-printed lottery ticket** (314) for the subsequent draw.

Ex. 1001 (135 patent) at 7:6-10; Reply 11-12

“In my opinion, without receipt of payment, no purchase has occurred.”

Ex. 1038 (Hutton Decl.) at ¶12; Reply 12

Claim Construction – “Pre-printed Lottery Ticket”: No disclaimer

- Claim 4 determines lottery numbers before purchase:

4. A lottery administration system comprising:
at least one communication interface for communicating with other computing systems;
at least one processing unit for executing instructions; and
at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw wherein the method of generating a lottery ticket for a random draw comprises receiving at the lottery administration system unique identification information from a pre-printed lottery ticket, determining at the lottery administration system draw information for a subsequent draw being held, associating at the lottery administration system the determined draw information with the unique identification information, receiving at the lottery administration system payment confirmation; and transmitting from the lottery administration draw information to the lottery ticket.

Generate Lottery Numbers

Receive Payment

Ex. 1001 (135 patent) at cl. 4; Reply 16

Claim Construction – “Pre-printed Lottery Ticket”: Judicial Estoppel

- PO is judicially estopped from arguing its claim construction:



“(1) [T]he party's later position must be clearly inconsistent with its earlier position;

(2) the party must have succeeded in persuading a court to adopt the earlier position, thereby posing a risk of inconsistent court determinations; and

(3) the party seeking to assert an inconsistent position would derive an unfair advantage or impose an unfair detriment on the opposing party if not estopped.”

Transclean Corp. v. Jiffy Lube Intern., Inc., 474 F. 3d 1298, 1307 (Fed. Cir. 2007); Reply 19

Claim Construction – “Pre-printed Lottery Ticket”: Judicial Estoppel

- **PO’s positions are inconsistent:** PO’s position that no new matter was introduced when adding claim 21 of the 894 patent is inconsistent with its position here that the material was disclaimed:

No new matter is introduced by way of this amendment. Applicant hereby request examination of the presently claimed application.

Ex. 1033 (894 file history) at 275; Reply 13

- **The claim was allowed** in reliance on PO’s representation:

21. The method of claim 7, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the pre-printed lottery ticket prior to the time the pre-printed lottery ticket is purchased at the POS.

Ex. 1034 (894 patent) at cl. 21; Reply 13

- **PO has an unfair advantage**

Szrek Discloses “Pre-Printed Lottery Ticket”

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- PO does not dispute that Szrek discloses “pre-printed lottery ticket” under its plain meaning:

“In accordance with the novel method of the present invention, instead of printing the lottery ticket, from a legitimate and authorized game provider, on the cash register, **the ticket is preprinted** (printed ahead of the ticket sale by a commercial printer capable of printing lottery tickets or on a wagering terminal, self-service lottery terminal, or at a lottery kiosk).”

Ex. 1005 (Szrek) at 3:25-28; Reply 24

- PO only argues that Szrek fails to disclose under *its disclaimer-based* claim construction

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- Szrek’s disclosure of pre-printed lottery tickets:

“The ticket can be preprinted according to player's selection, his favorite bet, or as a computer generated selections (quick pick).”

Ex. 1005 (Szrek) at 3:29-31; Reply 24

“The game provider 250 either issues a processing request for preprinted ticket 300 or it agrees with commercial printer 140 on methods of its assignment and relation between ticket identifier 330 and data bet on the ticket 350 (via algorithm or some database or file information).”

Ex. 1005 (Szrek) at 7:13-18; Reply 24

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- PO's construction: "a lottery ticket which has no lottery numbers associated with it at the time of customer purchase"
- No dispute: pre-printed lottery tickets without associated lottery numbers were well-known

“A lottery system controller 12 (transaction processor) receives the data from the scan and, when a ticket for an online lottery game is scanned, the controller 12 either generates quick pick lottery numbers and sends the numbers to the lottery system 28, or controller 12 sends a quick pick request to the lottery system where the numbers are generated. The lottery system 28 confirms the lottery numbers are recorded and the controller 12 provides confirmation to the POS system.”

Ex. 1003 (Hutton Decl.) at ¶71; Pet. 7-8

“[P]re-printed lottery tickets that did not have pre-printed numbers and which numbers were randomly generated during check-out were well-known.”

Ex. 1038 (Supp. Hutton Decl.) at ¶15; Reply 25

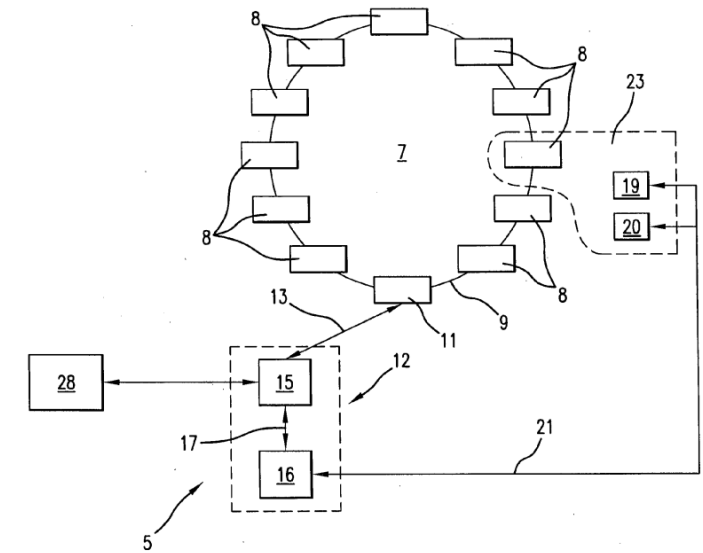


FIG. 1

Ex. 1029 (Gilmore) at Fig. 1; Pet. 7-8

20. The method of claim 7, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers generated at the time the pre-printed lottery ticket is purchased at the POS.

Ex. 1034 (894 patent) at cl. 20

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- No dispute: pre-printed lottery tickets without associated lottery numbers were well-known
- The Board ruled in PGR2020-00084 that Gilmore discloses pre-printed tickets without associated lottery numbers—***PO did not appeal that ruling***

Nevertheless, Petitioner contends that Gilmore demonstrates that a skilled artisan fully appreciated that POS terminals could successfully provide the functionality of generating the quick pick numbers at the time of purchase. *Id.* at 122–24 (citing Ex. 1009 ¶¶ 63, Figs. 5, 6A; Ex. 1005 ¶¶ 204–205).

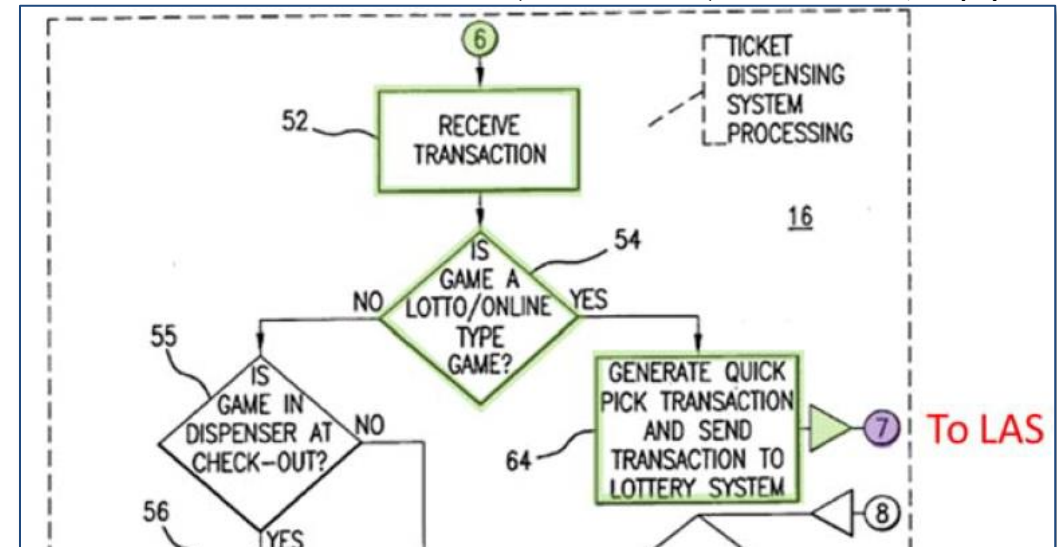
Ex. 1008 (894 FWD) at 66; Reply 26

After studying the submissions by both parties, we find that a preponderance of the evidence, as cited by Petitioner, supports Petitioner’s contention that Szrek and Gilmore satisfy the elements recited in claims 20 and 43 and that a skilled artisan would have had a reason to combine the references’ teachings. We adopt the supporting analysis in the Petition as our own in this Decision.

Ex. 1008 (894 FWD) at 67; Reply 27

“However as shown in Fig. 5, Gilmore describes generating quick pick numbers at the time of purchase. ... Fig. 6A describes receiving the transaction with quick pick numbers, and recording the received numbers.”

Ex. 1007 (894 Petition) at 129-130; Reply 26-27



Ex. 1029 (Gilmore) at Fig. 5; Reply 26-27

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- No dispute: pre-printed lottery tickets without associated lottery numbers were well-known
- The Board ruled in PGR2020-00084 that Gilmore discloses pre-printed tickets without associated lottery numbers—***PO did not appeal that ruling***

Nevertheless, Petitioner contends that Gilmore demonstrates that a skilled artisan fully appreciated that POS terminals could successfully provide the functionality of generating the quick pick numbers at the time of purchase. *Id.* at 122–24 (citing Ex. 1009 ¶¶ 63, Figs. 5, 6A; Ex. 1005 ¶¶ 204–205).

Ex. 1008 (894 FWD) at 66; Reply 26

After studying the submissions by both parties, we find that a preponderance of the evidence, as cited by Petitioner, supports Petitioner’s contention that Szrek and Gilmore satisfy the elements recited in claims 20 and 43 and that a skilled artisan would have had a reason to combine the references’ teachings. We adopt the supporting analysis in the Petition as our own in this Decision.

Ex. 1008 (894 FWD) at 67; Reply 27

“I also note that the Board in PGR2020-00084, relying on my testimony from that case, found that it would be obvious to combine Szrek with known teachings in the prior art of generating lottery numbers at the time of purchase.”

Ex. 1038 (Hutton Supp. Decl.) at ¶18; Reply 26

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- A POSITA would have been motivated to combine the knowledge of PO’s “pre-printed” tickets with Szrek

“In my opinion, it would have been obvious to a POSITA to incorporate the generation of lottery numbers (i.e. “quick picks”) at the time of purchase into the system of Szrek, whether generating numbers at the cash register or the central game provider. A POSITA would have been motivated to incorporate such knowledge in order to: 1) distribute the generation of numbers away from the central office (if generated at the cash register); 2) further reduce the need for a kiosk to print quick picks; 3) minimize the in lane wait time associated with the lottery administrator generating the numbers (if generated at the cash register); and 4) provide each quick pick customer access to all the possible combinations of the current draw, a feature not possible when the random draw is already associated with the pre-printed tickets.

In my opinion, a POSITA would have had a reasonable expectation of success in this combination, since it could be accomplished by deferring the generation of lottery numbers to the time of purchase, and performing generation of lottery numbers at Szrek’s game provider or cash register, which was a generally-known and ubiquitous process by the time of the ’135 patent.”

Ex. 1038 (Hutton Supp. Decl.) at ¶¶16-17; Reply 25-26

“There is a particular demand for the ability to sell both player chosen and computer generated tickets. ...

The ticket can be preprinted according to player's selection, his favorite bet, or as a computer generated selections (quick pick).”

Ex. 1005 (Szrek) at 2:63-64, 3:29-31; Reply 24

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- The Board concluded in PGR2020-00084 that a POSITA would be motivated to modify Szrek according to the teachings of Gilmore:

¶¶ 204–205). And Petitioner contends that a skilled artisan would have been motivated to modify Szrek to allow the retailer POS to generate the quick pick numbers at the time of purchase in order to:

1) distribute the generation of numbers away from the central office as taught by Gilmore; 2) further reduce the need for a kiosk to print quick picks; 3) minimize the in lane wait time associated with the lottery administrator generating the numbers; and 4) provide each quick pick customer access to all the possible combinations of the current draw, a feature not possible when the random draw is already associated with the pre-printed tickets.

Id. at 124–25 (citing Ex. 2005 ¶ 206). Because “the generation of random numbers (quick pick) was ubiquitous in processors and relied upon well-known technologies,” Petitioner contends that a skilled artisan would have understood modifying Szrek in this manner as having “a high likelihood of success.” *Id.* at 125 (citing Ex. 1005 ¶ 207).

Ex. 1008 (894 FWD) at 66-67; Reply 25-26

“I also note that the Board in PGR2020-00084, relying on my testimony from that case, found that it would be obvious to combine Szrek with known teachings in the prior art of generating lottery numbers at the time of purchase.”

Ex. 1038 (Hutton Supp. Decl.) at ¶18; Reply 26

After studying the submissions by both parties, we find that a preponderance of the evidence, as cited by Petitioner, supports Petitioner’s contention that Szrek and Gilmore satisfy the elements recited in claims 20 and 43 and that a skilled artisan would have had a reason to combine the references’ teachings. We adopt the supporting analysis in the Petition as our own in this Decision.

Ex. 1008 (894 FWD) at 67; Reply 26

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- PO argues in Surreply no motivation to combine because Gilmore uses specialized hardware.
- PO misapprehends Petitioner’s combination—it does not rely on Gilmore’s printing process or hardware.



“[A] reference must be considered for everything it teaches by way of technology and is not limited to the particular invention it is describing and attempting to protect.”

Belden Inc. v. Berk-Tek LLC, 805 F.3d 1064, 1076 (Fed. Cir. 2015)

- PO’s arguments contradict the Board’s ruling which is a final decision:

“Patent Owner argues that the proposed modification is incompatible because Szrek is allegedly centered around a system in which the pre-printed lottery tickets are ‘preloaded’ and Gilmore discloses the use of specialized lottery printing devices at the POS terminal. ... Patent Owner’s ... argument is unavailing because it focuses on the references individually, and on specific embodiments within each, rather than what Szrek and Gilmore teach or suggest when viewed collectively and in their entirety.”

Ex. 1008 (894 FWD) at 67; Reply 24

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- The POR argues that Board in PGR2020-00084 “declined” to consider the disclaimer.
- PO’s construction in the PGR **did not address** the alleged disclaimer they raise here—PO argued the claims should be narrowed using **different** limitations:

information’] are properly construed.” *Id.* Patent Owner contends that “pre-printed lottery ticket” is properly defined “with a negative limitation that prohibits the inclusion of certain draw information—namely, draw date—on the pre-printed ticket” and that “draw information” is properly defined as “information that includes at least draw date.” *Id.*

Ex. 2042 (894 ID) at 11; POR 36

At this stage of the proceeding, however, we do not find it necessary to define expressly either “pre-printed lottery ticket” or “draw information” to determine whether the evidence cited in the Petition is sufficient to show it is more likely than not that the prior art discloses these limitations. This is so because, based on the current record, the evidence identified by Petitioner as disclosing a pre-printed lottery ticket and draw information appears sufficient, even if we were to accept Patent Owner’s contentions. We

Ex. 2042 (894 ID) at 11; POR 36

- PO also incorrectly argues that “the ’894 Patent’s claims contain materially different recitations than those of the ’135 Patent”

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- Petitioner’s reply arguments are properly responsive to the POR:



“[T]he Board was declining to consider Exhibit 1010, even as evidence of the background understanding of skilled artisans as of January 2010, simply because the brochure had not been identified at the petition stage as one of the pieces of prior art defining a combination for obviousness. If that is what the Board meant, *the Board erred*.”

Ariosa Diagnostics v. Verinata Health, Inc., 805 F.3d 1359, 1365 (Fed. Cir. 2015); Pet. MTE Opp. at 1-2

- **Pre-institution:** Petitioner presented combination of Dhallan and Binladen, and cited Exhibit 1010 in background
- **PO’s Post-institution Argument:** POR argued lack of motivation to use Binladen’s DNA indexing
- **Alleged New Argument:** Reply submitted new declaration arguing obvious to use Exhibit 1010’s DNA indexing—*Ex. 1010 was not part of the grounds*
- **Board Ruling:** Board declined to consider for failure to not include in Petition
- **Federal Circuit:** *Vacated*, with instructions to consider Exhibit 1010

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- Petitioner’s reply arguments are properly responsive to the POR:



“Barring argument and evidence in a reply directed to a new claim construction proposed by the patent owner would *create opportunities for sandbagging by the patent owner* in order to create an estoppel. ...

[W]here 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); Pet. MTE Opp. at 1

- Pre-institution:** Petitioner proposed PAOM for all terms; PO agreed
- PO’s Post-institution Argument:** POR proposed new construction for “measured input”
- Alleged New Argument:** Reply submitted new declaration and cited to new disclosures in the references to meet new construction
- Board Ruling:** Board adopted PO’s construction and refused to consider “what amounts to a new ground not set forth in the Petition,” saying Petitioner *could have anticipated* new construction
- Federal Circuit:** *Vacated*, with instructions to consider Petitioner’s arguments and evidence

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- Petitioner’s reply arguments are properly responsive to the POR:



“[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. ...

[T]he Board, in considering [Petitioner’s] reply arguments, did not deprive the patent owner of notice and an opportunity to respond.”

Parkervision v. Vidal, 88 F.4th 969, 979-80 (Fed. Cir. 2023); Pet. MTE Opp. at 1

- **Pre-institution:** Neither party proposed any construction
- **PO’s Post-institution Argument:** POR proposed new construction of “storage element” based on a reference incorporated in the challenged patent
- **Alleged New Argument:** Reply argued the incorporated reference had a different definition for “storage element,” and presented new arguments and evidence to meet both definitions
- **Board Ruling:** Board adopted Petitioner’s construction, and adopted Petitioner’s Reply arguments
- **Federal Circuit:** *Affirmed*

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds)

- Petitioner’s reply arguments are properly responsive to the POR:



“Ericsson’s Petition describes how one of skill in the art would be familiar with the concepts of interleaving. ... The portions of the Reply the Board declined to consider **expressly follow from these contentions raised in the Petition**. ... The [Board’s] error was exacerbated by the fact that the significance of interleaving arose after the Petition was filed.”

Ericsson, Inc. v. Intellectual Ventures LLC, 901 F.3d 1374, (Fed. Cir. 2023); Pet. MTE Opp. at 1

- **Pre-institution:** Parties did not construe “encoding”
- **PO’s Post-institution Argument:** POR proposed new construction for “encoding” to require packet “interleaving”
- **Alleged New Argument:** Reply submitted new declaration and argued that packet “interleaving” was well-known and not substantially different from prior art
- **Board Ruling:** Board agreed with PO’s construction, and also that “interleaving” was well-known, but declined to consider Petitioner’s argument
- **Federal Circuit:** ***Vacated***, with instructions to consider Petitioner’s arguments and evidence

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds): CFR Estoppel

- PO is estopped from arguing that Szrek fails to disclose a pre-printed ticket:



(3) Patent applicant or owner. A patent applicant or owner is precluded from **taking action inconsistent with the adverse judgment**, ...

37 C.F.R. § 42.73(d)(3)

- PO’s argument here that Szrek **fails** to disclose a pre-printed ticket is an “action inconsistent” with the Board’s finding in PGR2020-00084 that Szrek **does** disclose a “pre-printed lottery ticket”

“Petitioner contends ‘Szrek discloses that the store back office 240 (transaction processor system) provides unique identification information from a **pre-printed lottery ticket** 300 to the game provider 250 (lottery administration system).’

...

[W]e are persuaded by a preponderance of the evidence that there are no patentable differences between the subject matter Szrek discloses to a skilled artisan at the time of the invention and the subject matter recited in independent claims 1, 6, 7, 29, and 33.”

“Szrek discloses store back office 240, cash register/POS terminal 230, and game provider system 250 that are configured to communicate information back and forth to allow for the **sale of a pre-printed ticket** at a POS terminal without the need for special lottery printing media at the cash register.”

Ex. 1008 (894 FWD) at 33, 40, 42; Pet. 21, 25

Obviousness: “Pre-Printed Lottery Ticket” (All Grounds): CFR Estoppel

- PO argues that since the ‘135 claims issued before the PGR final decision, 42.73(d)(3) does not apply and PO is free to raise inconsistent arguments.
- PO’s cited authority (*Softview*) is inapplicable.
- In that case, the Board canceled issued claims under 42.73(d)(3)(i) despite agreeing the examiner’s rejection lacked an articulated reasoning:



“Although we agree that the PTO was authorized to promulgate section 42.73(d)(3)(i), we disagree with the Board’s application of that regulation to previously issued claims. By its terms, the regulation applies to ‘obtaining’ a claim—not maintaining an existing claim.”

Softview LLC v. Apple Inc., 108 F.4th 1366, 1373 (Fed. Cir. 2024); Surreply 7

Claim Construction of “Product Information”

Claim Construction – “Product Information”: Summary of Arguments

Proposed Construction of “Product Information”	
Petitioner	Patent Owner
Plain and Ordinary Meaning, <i>i.e.</i> information about the lottery ticket product	“information that identifies a product but is separate and distinct from wager information and unique identification information”

- **PO’s Positions:**
 - Construction is mandated by the specification
 - “product information” and “unique identification” are listed separately in the claims therefore must be separate and distinct
 - “bet combination” cannot be “product information” due to disclaimer
 - Independent Claim 4 does not recite “product information”

- **PO’s Positions:**
 - Ignores ordinary meaning with no legal basis
 - Contrary to the specification
 - Inconsistent with claims of the child 894 patent

Claim Construction – “Product Information”

- “Product information” is **not** “separate and distinct” from wager information and unique identification information
- The specification is clear that “product information” is not a distinct and separate component:

“The pre-printed tickets would each have a unique bar code that identifies the particular pre-printed ticket and would also have a Universal Product Code bar code that would identify the lottery product. **One bar code may contain both pieces of information.**”

Ex. 1001 (135 patent) at 3:1 -5; Reply 21

“Barcode information will contain the **Ticket Unique Identifier, Universal Product Code** and may contain price information.”

Ex. 1001 (135 patent) at 5:56-61; Reply 21

Claim Construction – “Product Information”

- “Product information” is **not** “separate and distinct” from wager information and unique identification information
- Claims 14 and 15 of child 894 patent recite “product information” that is not separate from wager information and unique identification information:

14. The method of claim 13, wherein the **product information** is sufficient to determine one or more of:
a game type associated with the pre-printed lottery ticket;
a wager amount associated with the pre-printed lottery ticket; and
a **number of wagers** associated with the pre-printed lottery ticket.

Ex. 1034 (894 patent) at cl. 14; Reply 23

15. The method of claim 7, further comprising retrieving **unique identification information** associated with the pre-printed lottery ticket **from the received product information**.

Ex. 1034 (894 patent) at cl. 15; Reply 23



“[T]he same claim term in ... related patents carries the same construed meaning.”

Omega Engineering, Inc. v. Raytek Corp., 334 F.3d 1314, 1334 (Fed. Cir. 2003); Reply 23

Claim Construction – “Product Information”

- “Product information” is **not** “separate and distinct” from wager information and unique identification information
- PO argues in Surreply that “wager information” is limited to lottery numbers. Surreply 17-18.
- PO ignores that the ordinary meaning of “wager information” includes “wager amount” and “number of wagers”:

“I also note that in a child patent, the ’894 patent, claim 14 describes that product information can include wager information such as ‘wager amount’ and ‘number of wagers.’”

Ex. 1038 (Supp. Hutton Decl.) at ¶20; Reply 23

Claim Construction – “Product Information”

- “Product information” is **not** “separate and distinct” from wager information and unique identification information
- PO argues that Claim 4 supports its construction:

4. A lottery administration system comprising:
at least one communication interface for communicating with other computing systems;
at least one processing unit for executing instructions; and
at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw, wherein the method of generating a lottery ticket for a random draw comprises receiving at the lottery administration system unique identification information from a pre-printed lottery ticket, determining at the lottery administration system draw information for a subsequent draw being held, associating at the lottery administration system the determined draw information with the unique identification information, receiving at the lottery administration system payment confirmation; and transmitting from the lottery administration draw details.

Ex. 1001 (135 Patent) at cl. 4

Claim Construction – “Product Information”

- “product information” need not “identify a product”
- The specification discloses other examples of “product information” such as “cost”:

“The main ticket portion 102 includes advertising and purchase information, such as the **cost of the pre-printed ticket 108** and the product the pre-printed ticket is for 110. Additionally, the main ticket portion 102 may include barcode information 112, which may be in the form of one or more barcodes although only one is depicted. Barcode information will contain the Ticket Unique Identifier, Universal Product Code and **may contain price information.**”

Ex. 1001 (135 patent) at 5:53-61; Reply 23

“A POSITA would understand that product type, product code, **ticket price**, bet combination, or sequence counter are **product information** because they are information about the product that was purchased, i.e. the lottery ticket.”

Ex. 1003 (Hutton Decl.) at ¶111; Pet. 22

Szrek or Llach-Szrek Discloses “Product Information”

Obviousness: “Product Information” (Ground 1: Szrek) – Ordinary Meaning

- No dispute that Szrek discloses transmitting “product information” under its plain meaning

“[P]art of ticket identifier 330 could correspond to the **bet combination 350** chosen by the players [or] some element making this ticket unique, such as issued tickets **sequence counter** on said self-service terminal 130 or kiosk 130.”

Ex. 1005 (Szrek) at 7:21-31; Pet. 22

“A POSITA would understand that product type, product code, ticket price, bet combination, or sequence counter are **product information** because **they are information about the product that was purchased**, i.e. the lottery ticket.”

Ex. 1003 (Hutton Decl.) at ¶111; Pet. 22

“[D]uring ticket activation, the game provider ... **recognizes from the ticket identifier what transaction is activated** (e.g. lotto, 6 specific boards known to the system and the player).”

Ex. 1005 (Szrek) at 3:47-50; Pet. 23-24

Obviousness: “Product Information” (Ground 1: Szrek) – Ordinary Meaning

- The Board in the '894 PGR already concluded that Szrek discloses transmitting “product information”:

7. A method for providing a lottery ticket for a random draw comprising:

- (a) receiving, by a transaction processor, a transaction request from a retailer point of sale (POS) to activate a pre-printed lottery ticket;
- (b) providing, by the transaction processor or retailer, to a lottery administration system **unique identification information** associated with pre-printed lottery ticket information received from the retailer POS without the use of lottery hardware; and
- (c) receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed lottery ticket; wherein said pre-printed lottery ticket comprises two or more codes.

11. The method of claim 7, wherein receiving the transaction request comprises receiving **unique product information** associated with the pre-printed lottery ticket over a secure communication channel from a point of sale (POS) system.

Ex. 1034 (894 Patent) at cls. 7, 11; Pet. 21-23

“Petitioner contends that evidence shows that ‘[t]he **transaction request received** by the transaction processor (store back office 240) from the POS system (cash register 230) includes **information identifying the unique lottery product** being purchased. ...’

After studying the submissions by both parties, we find that a preponderance of the evidence supports Petitioner’s obviousness contention that, at the time of the invention, a skilled artisan would have had a reason to modify Szrek in a manner that results in the transaction processor **receiving the disclosed transaction request, which includes unique product information** associated with the pre-printed lottery ticket, over a secure communication channel from a point of sale (POS) system.”

Ex. 1008 (894 FWD) at 55-56; Pet. 23

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- Szrek also discloses transmitting “product information” under PO’s construction
- No dispute: Szrek discloses that a “bar code” contains “product information”:

“In a preferred embodiment, barcode 310 is one of the supported standard barcodes. The fixed part of the barcode should indicate the product type; the variable part of the barcode should contain ticket identifier 330.”

Ex. 1005 (Szrek) at 6:11-12; Pet. 22

- Szrek discloses that the “bar code” information is transmitted to the game provider:

“Normally when a barcode 310 is scanned for any merchandise, the checkout register 230 application looks up the merchandise price in database or checks the price by using some algorithmic interface. In case of the ticket 300 of the present invention, this request will be transformed into transactional request to the game provider 250 who verifies if this Checkout Play 300 was already activated.”

Ex. 1005 (Szrek) at 4:56-58; Reply 28

“[The request] contains, at a minimum, the information from the barcode that was scanned off the object.”

Ex. 2044 (Hutton Dep. Tr.) at 63:25-64:7; Reply 29

“[F]or lottery tickets, the request is ‘transformed into transactional request to the game provider 250,’ indicating that the product type is sent to the game provider to request price information.”

Ex. 1038 (Hutton Decl.) at ¶30; Reply at 28

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- The Board in PGR2020-00084 agreed with Petitioner that Szrek transmits the barcode and meets the “product information” limitation.
- Petitioner:

“The **transaction request** received by the transaction processor (store back office 240) from the POS system (cash register 230) includes **information identifying the unique lottery product being purchased**. Szrek discloses that the **barcode** on the pre-printed lottery ticket “should be compatible with barcode technology commonly used at the cash register” and that the barcode may contain information such as a lottery product code.”

Ex. 1007 (894 Pet.) at 72; Pet. 23, 26

- The Board:

“Petitioner contends that evidence shows that ‘[t]he **transaction request received** by the transaction processor (store back office 240) from the POS system (cash register 230) includes **information identifying the unique lottery product** being purchased. ...’

After studying the submissions by both parties, we find that a preponderance of the evidence supports Petitioner’s obviousness contention that, at the time of the invention, a skilled artisan would have had a reason to modify Szrek in a manner that results in the transaction processor **receiving the disclosed transaction request, which includes unique product information** associated with the pre-printed lottery ticket, over a secure communication channel from a point of sale (POS) system.”

Ex. 1008 (894 FWD) at 55-56; Pet. 23, 26

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- PO argues that all barcode information except the ticket identifier is removed prior to transmitting. POR 42.
- Szrek states only that the request containing the barcode is “**usually** transformed” (not always) by appending a security code:

“This request is **usually transformed** into an activation request by the store back office software. ... The store back office may append its own security code.”

Ex. 1005 (Szrek) at 4:59-64; POR 42

- Szrek **does not** state that information is **removed**
- Szrek also discloses that the cash register communicates directly with the game provider, without the back office:

“[C]ash register is capable of communicating with the game provider system (**directly or indirectly**).”

Ex. 1005 (Szrek) at 3:15-17; POR 29

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- PO argues that Szrek’s “standard barcode” and non-“custom software” can process barcodes and so would not improve efficiency. Surreply 22-23
- PO ignores Mr. Hutton’s testimony on motivation to combine:

“In addition, in my opinion, it would have been obvious to communicate the barcode, including both product type and ticket identifier, to the game provider, including through the back office. Since it is the entire barcode that is scanned, transmitting the entire barcode information would be the most efficient method of transmitting information to the game provider, where it can centrally distinguish the product type and ticket identifier from the barcode. Otherwise, if only the ticket identifier is transmitted, every cash register or back office would need to know how to separate it from the barcode and if the lottery administrator wishes to change the format of the barcode, that change would need to be communicated to every cash register or back office in order to support that change. This is highly inefficient and undesirable.”

Ex. 1038 (Hutton Decl.) at ¶¶31; Reply 30

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- Szrek also discloses transmitting a “ticket identifier” which contains both “product information” and “unique identifying information”
- Szrek’s “ticket identifier” is split into distinct parts:

“[T]he preprinted ticket identifier 330 on the self-service terminal 130 or kiosk 130 could be constructed in a way that **part of ticket identifier 330** could correspond to the bet combination 350 chosen by the players.”

Ex. 1005 (Szrek) at 4:44-46; Pet. 22

- Part of the “ticket identifier” identifies the product type (e.g. lotto):

“All tickets are ‘preloaded’ in the game provider’s system, and during ticket activation, the game provider system merely **recognizes from the ticket identifier what transaction is activated** (e.g. **lotto**, 6 specific boards known to the system and the player).”

Ex. 1005 (Szrek) at 3:47-50; Pet. 23-24

“Szrek also discloses that a part of the ‘ticket identifier’ indicates ‘what transaction is activated,’ which a POSITA would understand identifies the lottery product type, such as ‘lotto.’ Id., 3:47-50. This would be separate from the rest of the ticket identifier, which would be unique identifying information.”

Ex. 1038 (Hutton Decl.) at ¶¶28; Reply 27

Obviousness: “Product Information” (Ground 1: Szrek) – PO’s Construction

- Mr. Hutton’s testimony:

6 A person of ordinary skill in the
7 art, when it reads this sentence, would
8 conclude that the game provider system only
9 needs the ticket identifier to activate a
10 lottery ticket; is that correct?

11 MR. LU: Objection, vague.
12 Mischaracterizes the document.

13 THE WITNESS: It discusses -- it
14 goes on to say "In some embodiments ticket
15 identifier may indicate, in an algorithmic
16 fashion, what transaction was being activated
17 and game provider system would load this
18 transaction."

19 So it's saying that the ticket
20 identifier containing any information that the
21 particular embodiment puts in the ticket
22 identifier is what's sent to the game provider
23 system.

Ex. 2044 (Hutton Dep.) at 69:6-23; Surreply 21-22

3 Q. I asked whether a person of ordinary
4 skill in the art, when reading the first
5 sentence of this paragraph, would conclude
6 that the game provider system only needs the
7 ticket identifier to activate a lottery
8 ticket; is that correct?

9 MR. LU: Same objection.

10 THE WITNESS: I would recognize
11 that what it's saying is that is the minimum
12 amount of information it would need. And it
13 goes on to say "in some embodiments" after
14 that.

15 So a person of ordinary skill
16 would say that -- basically what a person of
17 ordinary skill would interpret that as is that
18 an embodiment of this or the ticket identifier
19 is the lookup key to the ticket that's
20 preloaded in the database. And all you would
21 need is the ticket identifier to look up that
22 ticket in the case where the tickets are
23 preloaded into the game provider system.

Ex. 2044 (Hutton Dep.) at 70:3-23; Surreply 21-22

Obviousness: “Product Information” (Ground 2: Llach-Szrek) – Ordinary Meaning

- No dispute that Szrek discloses transmitting “product information” under its plain meaning

“[P]art of ticket identifier 330 could correspond to the **bet combination 350** chosen by the players [or] some element making this ticket unique, such as issued tickets **sequence counter** on said self-service terminal 130 or kiosk 130.”

Ex. 1005 (Szrek) at 7:21-31; Pet. 22

“A POSITA would understand that product type, product code, ticket price, bet combination, or sequence counter are **product information** because **they are information about the product that was purchased**, i.e. the lottery ticket.”

Ex. 1003 (Hutton Decl.) at ¶111; Pet. 22

“[D]uring ticket activation, the game provider ... **recognizes from the ticket identifier what transaction is activated** (e.g. lotto, 6 specific boards known to the system and the player).”

Ex. 1005 (Szrek) at 3:47-50; Pet. 23-24

Obviousness: “Product Information” (Ground 2: Llach-Szrek) – PO’s Construction

- Ground 2 relies on Llach as a primary reference for teaching transmitting
- Undisputed: Llach-Szrek discloses “product information” that identifies a “product type” and is separate and distinct from unique identifying information:

“In a preferred embodiment, barcode 310 is one of the supported standard barcodes. The fixed part of the barcode should indicate the product type; the variable part of the barcode should contain ticket identifier 330.”

Ex. 1005 (Szrek) at 6:11-12; Pet. 22

“Szrek discloses ‘Preprinted tickets (PT) 300,’ where ‘[e]ach ticket 300 preferably has a barcode 310 that could be scanned on the cash register [i.e. POS terminal], with information allowing identifying this barcode as lottery ticket 300 and uniquely identifying the ticket 330,’ element 330 being the ‘unique ticket identifier 330.’”

Ex. 1003 (Hutton Decl.) at ¶109; Pet. 21

“Szrek further discloses that the ‘fixed part of the [pre-printed lottery ticket’s] barcode should indicate the product type,’ i.e. product information. Ex. 1005, 6:11-12.”

Ex. 1003 (Hutton Decl.) at ¶111; Pet. 22

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- The Llach-Szrek combination expressly describes transmitting **all** scanned barcode information, including product information and unique identifying information, and provided a motivation to do so:

“[A]s I discussed above in limitation 2[a], the Llach-Szrek combination uses Llach’s POS terminals to scan Szrek’s pre-printed lottery ticket to obtain unique identification and product information.”

Ex. 1003 (Hutton Decl.) at ¶224; Pet. 60

“Llach discloses that, after scanning the stored value card’s barcode, “a request for activation ... by a point of sale transaction component 104 is made.” Ex. 1006, [0020]. ... Thus, in the Llach-Szrek combination, the POS terminal sends the activation request with the unique identification and product information obtained from scanning Szrek’s pre-printed lottery ticket.”

Ex. 1003 (Hutton Decl.) at ¶225; Pet. 61

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO incorrectly argues that Llach was not identified and explained in connection with the transmitting step:

“A POSITA would be motivated to combine Llach’s system with Szrek’s system for activating pre-printed lottery tickets by modifying Llach’s system to send and receive the data disclosed in Szrek, as well as modifying Llach’s authorization system to perform the same functions as Szrek’s game provider.”

Pet. 56

“[U]nique identification information and product information: As discussed above in limitation 2[a], the Llach-Szrek combination uses Llach’s POS terminals to scan Szrek’s pre-printed lottery ticket to obtain unique identification and product information.”

Pet. 60

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO incorrectly argues that Llach was not identified and explained in connection with the transmitting step:

“**[T]ransmitting** ... *information from the POS terminal to a transaction processor*: Llach discloses that, after scanning the stored value card’s barcode, “a request for activation ... by a point of sale transaction component 104 is made.” Ex. 1006, [0020]. This “activation request from the point of sale component 111” at least contains the “stored value card identification,” i.e. the information obtained from scanning the stored value card’s barcode. Id., [0034]. Thus, in the Llach-Szrek combination, the POS terminal sends **the activation request** with the unique identification and **product information obtained from scanning** Szrek’s pre-printed lottery ticket. Ex. 1003, ¶225.”

Pet. 61

“**[T]ransmitting** ... *information from the transaction processor to a lottery administration system*: Llach further teaches that, from the transaction computer 150 (i.e. transaction processor), **the activation request** “is then **forwarded** as message 109 to the appropriate card issuers’ authorization system 160 for authorizing the activation request.”

Pet. 62

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO incorrectly argues that Llach was not identified and explained in connection with the transmitting step:

“A POSITA would be motivated to combine Llach’s system with Szrek’s system for activating pre-printed lottery tickets by modifying Llach’s system to **send and receive the data disclosed in Szrek** for activating lottery tickets, as well as modifying Llach’s authorization system to perform the same functions as Szrek’s game provider.”

Ex. 1003 (Hutton Decl.) at ¶212; Pet. 56

“As I[]discussed above in Ground 1 for limitation 1[a], Szrek discloses a pre-printed lottery ticket containing a bar code from which unique identification information and product information (such as bet combination or sequence counter) are **obtained when the bar code is scanned.**”

Ex. 1003 (Hutton Decl.) at ¶222; Pet. 60

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO incorrectly argues that Llach was not identified and explained in connection with the transmitting step:

“For the term “**transmitting** ... *information from the POS terminal to a transaction processor*: Llach discloses that, after scanning the stored value card’s barcode, “a request for activation ... by a point of sale transaction component 104 is made.” Ex. 1006, [0020]. This “activation request from the point of sale component 111” at least contains the “stored value card identification,” i.e. the information obtained from scanning the stored value card’s barcode. Id., [0034]. Thus, in the Llach-Szrek combination, the POS terminal sends the **activation request** with the unique identification and **product information obtained from scanning** Szrek’s pre-printed lottery ticket.

Ex. 1003 (Hutton Decl.) at ¶225; Pet. 61

“For the term “**transmitting** ... *information from the transaction processor to a lottery administration system*,” Llach further teaches that, from the transaction computer 150 (i.e. transaction processor), the **activation request** “is then **forwarded** as message 109 to the appropriate card issuers’ authorization system 160 for authorizing the activation request.” Id., [0037].”

Ex. 1003 (Hutton Decl.) at ¶227; Pet. 62

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO incorrectly argues that Llach was not identified and explained in connection with the transmitting step:

“But Petitioner’s combination transmits more than the ‘ticket identifier’—it transmits all information from Szrek’s lottery ticket. The combination scans from Szrek’s barcode the ‘product type,’ ‘lottery product code,’ or ‘ticket price.’ POR 60 (‘[T]he Llach-Szrek combination results in Llach’s POS terminal scanning the barcode of Szrek’s pre-printed lottery ticket to obtain ... product information from the ticket.’); POR 22 (identifying product information). And in view of Llach’s disclosure of transmitting ‘information obtained from scanning the stored value card’s barcode,’ it would have been obvious to transmit ‘product information obtained from scanning Szrek’s pre-printed lottery ticket,’ including ‘product type,’ ‘product code,’ and ‘ticket price.’”

Reply at 31

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO argues no motivation to transmit the barcode because “Szrek’s game provider activates tickets based only on the ticket identifier.” Surreply 26.
- PO has not rebutted the motivations to combine Llach and Szrek:

“A POSITA would be motivated to do this because it would allow Llach’s system to sell pre-printed lottery tickets, thereby providing numerous benefits, including increased revenue streams for retailers, greater flexibility in retailers’ POS terminals or cash registers, simplification of operations by having POS terminals allow transactions for both gift cards and lottery tickets, reduction in time of transaction, and greater customer satisfaction.

Pet. 55

“A POSITA would be motivated to combine Llach’s system with Szrek’s system for activating pre-printed lottery tickets by modifying Llach’s system to send and receive the data disclosed in Szrek, as well as modifying Llach’s authorization system to perform the same functions as Szrek’s game provider. By doing this, the modified system would support the sale and activation of pre-printed lottery tickets as well as gift cards, which would have provided a number of known benefits. For example, a retailer’s POS terminals would be able to allow transactions for both gift cards and lottery tickets, which is cheaper, operationally simpler, and more efficient than having two different types of POS terminals. Moreover, the sale of lottery tickets gives retailers an additional source of revenue, which is obviously desirable. Customers also would not be required to use different terminals to activate gift cards and lottery tickets, thereby reducing the time of transaction and increasing customer satisfaction, all of which are desirable to a retailer.”

Pet. 56-57

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO argues no motivation to transmit the barcode because “Szrek’s game provider activates tickets based only on the ticket identifier.” Surreply 26.
- PO has not rebutted the motivations to combine Llach and Szrek:

“A POSITA would also be motivated to combine the two references because Szrek expressly teaches their compatibility. In particular, Szrek teaches that its process for activating pre-printed lottery tickets “is similar to a model following selling phone cards at the cash register.” Ex. 1006, 2:36-46. According to Szrek, “phone cards do not work unless they are sold and activated through the cash register in the store” and “[i]n this case the sale of the card would be registered and authorization request, including phone card identifier, would be sent to the card issuer or his agent for the phone card activation.” *Id.* This broadly describes the same system disclosed by Llach.”

Pet. 57

“A POSITA would have combined Llach and Szrek as proposed with a reasonable expectation of success. As discussed, Llach and Szrek disclose that their systems are compatible with one another. Indeed, Llach’s POS terminals require little modification to support scanning and decoding of the EAN-128 barcode on Szrek’s pre-printed lottery tickets. Modifying Llach’s transaction computer and authorization system would also be well within the capabilities of a POSITA, because such modification would be minimal and trivial to implement. Indeed, Szrek provides numerous implementation details for implementing the functionalities of its game provider, which include well-known, conventional functions such as receiving identifying information, checking the unique identifying information to determine if it was already activated, and providing draw details in response.

Pet. 58

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO has not rebutted the motivations to combine Llach and Szrek:

“In my opinion, a POSITA would have found it obvious to modify Llach’s system for activating “stored value cards” (i.e gift cards) by incorporating Szrek’s teachings of activating pre-printed lottery tickets, including the identification, product, and payment information sent and the draw details that are received. A POSITA would be motivated to do this because it would allow Llach’s system to sell pre-printed lottery tickets, thereby providing numerous benefits, including increased revenue streams for retailers, greater flexibility in a retailers’ POS terminals or cash registers, simplification of operations by having POS terminals allow transactions for both gift cards and lottery tickets, reduction in time of transaction, and greater customer satisfaction.”

Ex. 1003 (Hutton Decl.) at ¶¶210; Pet. 55

“A POSITA would be motivated to combine Llach’s system with Szrek’s system for activating pre-printed lottery tickets by modifying Llach’s system to send and receive the data disclosed in Szrek for activating lottery tickets, as well as modifying Llach’s authorization system to perform the same functions as Szrek’s game provider. By doing this, the modified Llach system would support the sale and activation of pre-printed lottery tickets as well as gift cards, which would have provided a number of known benefits. For example, a retailer’s POS terminals would be able to allow transactions for both gift cards and lottery tickets, which is cheaper, operationally simpler, and more efficient than having two different types of POS terminals. Moreover, the sale of lottery tickets gives retailers an additional source of revenue, which is obviously desirable. Customers also would not be required to use different terminals to activate gift cards and lottery tickets, thereby reducing the time of transaction and increasing customer satisfaction, all of which are desirable to a retailer.

Ex. 1003 (Hutton Decl.) at ¶¶212; Pet. 56-57

Obviousness: “Product Information” (Ground 2: Llach-Szrek)

- PO has not rebutted the motivations to combine Llach and Szrek:

“A POSITA would also be motivated to combine the two references because Szrek expressly teaches their compatibility. In particular, Szrek teaches that its process for activating pre-printed lottery tickets “is similar to a model following selling phone cards at the cash register.” Ex. 1006, 2:36-46. According to Szrek, “phone cards do not work unless they are sold and activated through the cash register in the store” and “[i]n this case the sale of the card would be registered and authorization request, including phone card identifier, would be sent to the card issuer or his agent for the phone card activation.” *Id.* This broadly describes the same system disclosed by Llach.”

Ex. 1003 (Hutton Decl.) at ¶¶213; Pet. 57

“A POSITA would have combined Llach and Szrek as proposed with a reasonable expectation of success. As discussed, Llach and Szrek disclose that their systems are compatible with one another. Indeed, Llach’s POS terminals require little modification to support scanning and decoding of the EAN-128 barcode on Szrek’s pre-printed lottery tickets. Modifying Llach’s transaction computer and authorization system would also be well within the capabilities of a POSITA, because such modification would be minimal and trivial to implement. Indeed, Szrek provides numerous implementation details for implementing the functionalities of its game provider, which include well-known, conventional functions such as receiving identifying information, checking the unique identifying information to determine if it was already activated, and providing draw details in response.”

Ex. 1003 (Hutton Decl.) at ¶¶216; Pet. 58

Patent Owner's Motion to Exclude

PO's Motion to Exclude

- PO seeks to exclude the following exhibits:

Exhibit	Description	PO's Basis
Exhibit 1038	Supplemental Declaration of Mr. Hutton	In support of improper new argument
Exhibit 1034	894 Patent	In support of improper new argument and lacks relevance
Exhibit 1035	451 Patent	In support of improper new argument and lacks relevance
Exhibit 1036	PO's Interrogatory Responses from Arizona Litigation	In support of improper new argument and lacks relevance

- PO is wrong:
 - Petitioner is entitled to bring evidence to respond to PO's new claim construction
 - The exhibits are relevant to PO's alleged disavowal and estoppel

PO's Motion to Exclude

- The exhibits are responsive to PO's new claim construction:



“[T]he Board was declining to consider Exhibit 1010, even as evidence of the background understanding of skilled artisans as of January 2010, simply because the brochure had not been identified at the petition stage as one of the pieces of prior art defining a combination for obviousness. If that is what the Board meant, *the Board erred*.”

Ariosa Diagnostics v. Verinata Health, Inc., 805 F.3d 1359, 1365 (Fed. Cir. 2015); Pet. MTE Opp. at 1-2

- Pre-institution:** Petitioner presented combination of Dhallan and Binladen, and cited Exhibit 1010 in background
- PO's Post-institution Argument:** POR argued lack of motivation to use Binladen's sequencing
- Alleged New Argument:** Reply submitted new declaration arguing obvious to use Exhibit 1010's sequencing
- Board Ruling:** Board declined to consider for failure to not include in Petition
- Federal Circuit:** *Vacated*, with instructions to consider Petitioner's arguments and evidence

PO's Motion to Exclude

- The exhibits are responsive to PO's new claim construction:



“Barring argument and evidence in a reply directed to a new claim construction proposed by the patent owner would *create opportunities for sandbagging by the patent owner* in order to create an estoppel. ...

[W]here 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); Pet. MTE Opp. at 1

- **Pre-institution:** Petitioner proposed PAOM for all terms; PO agreed
- **PO's Post-institution Argument:** POR proposed new construction for “measured input”
- **Alleged New Argument:** Reply cited to new disclosures in the references to meet new construction
- **Board Ruling:** Board adopted PO's construction and refused to consider “what amounts to a new ground not set forth in the Petition,” saying Petitioner could have anticipated new construction
- **Federal Circuit:** *Vacated*, with instructions to consider Petitioner's arguments and evidence

PO's Motion to Exclude

- The exhibits are responsive to PO's new claim construction:



“[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. ...

[T]he Board, in considering [Petitioner's] reply arguments, did not deprive the patent owner of notice and an opportunity to respond.”

Parkervision v. Vidal, 88 F.4th 969, 979-80 (Fed. Cir. 2023); Pet. MTE Opp. at 1

- **Pre-institution:** Neither party proposed any construction
- **PO's Post-institution Argument:** POR proposed new construction of “storage element” based on a reference incorporated in the challenged patent
- **Alleged New Argument:** Reply argued the incorporated reference had a different definition for “storage element,” and presented new arguments and evidence to meet Petitioner's construction
- **Board Ruling:** Board adopted Petitioner's construction, and adopted Petitioner's Reply arguments
- **Federal Circuit: Affirmed**

PO's Motion to Exclude

- The exhibits are responsive to PO's new claim construction:



“Ericsson’s Petition describes how one of skill in the art would be familiar with the concepts of interleaving. ... The portions of the Reply the Board declined to consider **expressly follow from these contentions raised in the Petition**. ... The [Board’s] error was exacerbated by the fact that the significance of interleaving arose after the Petition was filed.”

Ericsson, Inc. v. Intellectual Ventures LLC, 901 F.3d 1374, (Fed. Cir. 2023); Pet. MTE Opp. at 1

- **Pre-institution:** Parties did not construe “encoding” prior to institution
- **PO’s Post-institution Argument:** POR proposed new construction for “encoding” to require packet “interleaving”
- **Alleged New Argument:** Reply argued that packet “interleaving” was well-known and not substantially different from prior art
- **Board Ruling:** Board agreed with PO’s construction, but also that “interleaving” was well-known, but declined to consider Petitioner’s argument
- **Federal Circuit:** *Vacated*, with instructions to consider Petitioner’s arguments and evidence

PO's Motion to Exclude

- Exhibit 1034 (894 Patent) and 1035 (451 Patent) are relevant to claim construction and estoppel

21. The method of claim 7, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the pre-printed lottery ticket prior to the time the pre-printed lottery ticket is purchased at the POS.

Ex. 1034 (894 patent) at cl. 21; Reply 13

12. The method of claim 1, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the manufactured, pre-printed, random draw lottery ticket prior to the time the manufactured, pre-printed lottery ticket is purchased at the retailer POS.

Ex. 1035 (451 patent) at cl. 12; Reply 13

- Exhibit 1034 (894 Patent) is duplicative of PO's Exhibit 2040

PO's Motion to Exclude

- Exhibit 1036 (PO's interrogatory response) is relevant to claim construction and estoppel

Blackhawk's QuickTicket V2. The QuickTicket is a physical, pre-printed lottery ticket that would allow it to be placed on a display hook in a retail outlet. The clerk scans the bar code on the ticket at the point-of-sale to "activate" the ticket through the use of Blackhawk's existing network. The transaction would then be routed to a lottery computer, which would verify the transaction, and activate the ticket for the next drawing. QuickTicket™ is the customer's actual lottery ticket, rather than any printed receipt.

A U.S. patent application for the QuickTicket was filed on April 6, 2015 (which was later assigned to Blackhawk). The patent application was granted as U.S. Patent No. 9,865,135 ("the '135 patent") on January 9, 2018. Blackhawk owns another QuickTicket Patent, U.S. Patent 10,769,894 ("the '894 patent"). The '894 patent was issued by the United States Patent

Ex 1036 (PO's Interrogatory Responses) at 3-4

Petitioner's Motion to Exclude

Petitioner's Motion to Exclude

- Petitioner seeks to exclude Exhibit 2045:

Exhibit	Description	PO's Basis
Exhibit 2045	June 11, 2024 SL Card filing in Arizona litigation	Violation of 37 C.F.R. § 42.23(b), lack of relevance

- Exhibit 2045 violates rule against new Surreply evidence:



A sur-reply may only respond to arguments raised in the corresponding reply and **may not be accompanied by new evidence** other than deposition transcripts of the cross-examination of any reply witness.

37 C.F.R. § 42.23(b)

Petitioner's Motion to Exclude

- Exhibit 2045 only raised to argue that “Petitioner, not Patent Owner, that seeks to advance inconsistent positions among these various proceedings.”
- Exhibit 2045 is a filing by an affiliate of Petitioner, **not** Petitioner:

20	Blackhawk Network, Inc., an Arizona corporation,	No. CV 2022-051638
21		SL CARD COMPANY, INC.'S
22	Plaintiff,	SEVENTH SUPPLEMENTAL
23	vs.	RULE 26.1 DISCLOSURE
24	SL Card Company Inc. d/b/a Linq3, an Arizona corporation,	STATEMENT
25		(Assigned to The Honorable Christopher Coury)
26	Defendant.	

- Statements by Petitioner's affiliate has no relevance to any issue, and PO has **not** identified any