

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,

Petitioner,

v.

BLACKHAWK NETWORK INC.,

Patent Owner.

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Case No. IPR2024-00465

U.S. Patent No. 11,488,451

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

Patent Owner seeks to exclude evidence that is directly responsive to claim construction arguments it first raised in Patent Owner's Response ("POR") and of which Patent Owner had both notice and ample opportunity to respond. For these reasons, the Board should deny Patent Owner's motion.

## **I. LEGAL STANDARD**

Where, as 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 respond to that construction. *Axionics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1384 (Fed. Cir. 2023); *Parkervision, Inc. v. Vidal*, 88 F.4th 969, 979-80 (Fed. Cir. 2023) ("Because the Board's institution decision did not contain an express claim construction, the APA required the Board to give [Petitioner] adequate notice and an opportunity to respond under the new construction first proposed in [the] patent owner response."); *Ericsson Inc. v. Intellectual Ventures I LLC*, 901 F.3d 1374, 1380 (Fed. Cir. 2018) (reversing Board's decision not to consider Reply argument that "expressly follow from ... contentions raised in the Petition" and were necessary to address new claim construction).

In *Corephotonics, Ltd. v. Apple Inc.*, 84 F.4th 990 (Fed. Cir. 2023), the Federal Circuit set forth "the permissible scope of an IPR petitioner's reply," finding that there are "two separate, but related restrictions on what a petitioner may include in its reply." *Id.* at 1008. "First the arguments and evidence in the reply must not be

part of a *new* theory of unpatentability.” *Id.* “Second, the arguments and evidence in the reply must be responsive to the patent owner’s contentions or the Board’s institution decision.” *Id.* Evidence that is “responsive and simply expands on previously raised arguments” is perfectly “proper.” *Id.*; *see also Chamberlain Grp., Inc. v. One World Techs., Inc.*, 944 F.3d 919, 925 (Fed. Cir. 2019) (“Parties are not barred from elaborating on their arguments on issues previously raised.”); *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1081–82 (Fed. Cir. 2015) (rebuttal evidence is proper to “explain, repel, counteract, or disprove the evidence of the adverse party”). Indeed, the Federal Circuit has warned against precisely what Patent Owner has done here – “pars[e] [petitioner’s] arguments on reply with too fine of a filter.” *Ericsson*, 901 F.3d at 1380.

Moreover, because “the need to rely on new evidence in response may not arise until a particular point has been raised in the patent owner response or the institution decision, we have held that there is no blanket prohibition against the introduction of new evidence during an IPR.” *Rembrandt Diagnostics, LP v. Alere, Inc.*, 76 F.4th 1376, 1384 (Fed. Cir. 2023); *Anacor Pharms., Inc. v. Iancu*, 889 F.3d 1372, 1380–82 (Fed. Cir. 2018) (petitioner “may introduce new evidence after the petition stage if the evidence is a legitimate reply to evidence introduced by the patent owner”). In fact, “the introduction of new evidence in the course of the trial is to be expected in [IPR] trial proceedings” and is permissible “as long as the

opposing party is given notice of the evidence and an opportunity to respond to it.”

*Genzyme Therapeutic Prods. Ltd. P'ship v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1366 (Fed. Cir. 2016).

## **II. THE DOCUMENTS PATENT OWNER SEEKS TO EXCLUDE ARE ALL RESPONSIVE TO PATENT OWNER'S NEW CLAIM CONSTRUCTION POSITIONS**

Patent Owner seeks to exclude Exhibit 1036,<sup>1</sup> which is the Supplemental Declaration of Petitioner's Expert Michael Hutton (the “Supplemental Hutton Declaration”), as well as three exhibits cited therein, Exhibits 1038-1040. These exhibits are proper and should not be excluded because they were all: (i) offered to rebut new claim construction positions Patent Owner first offered in its POR; and (ii) are not part of any new theory of unpatentability.

Petitioner did not construe any claim terms in its Petition, but instead applied “the ordinary meaning” of all claim terms. Petition, p. 11. Likewise, Patent Owner did not propose the construction of any claim term in its Preliminary Response, but did in its POR. In particular, and without engaging in a proper claim construction analysis, the POR sought to: (i) exclude Irwin's “plastic hanging card 200” from the definition of “lottery ticket.” POR, p. 33 (“Irwin's hanging card 200 is not a lottery ticket”); and (ii) narrowly construe the term “random draw” lottery to exclude

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<sup>1</sup> Patent Owner only objects to Sections II and IV of Exhibit 1036 and therefore its request to exclude all of Exhibit 1036 is facially improper.

passive lotteries, such as raffles. POR, pp. 40-41 (“a POSITA would recognize that a passive game ticket described by Irwin is not a ‘manufactured, pre-printed, random draw lottery ticket,’ under the Challenged Claims”). As shown below, the Supplemental Hutton Declaration (EX1036) as well as the exhibits cites therein (EX1038-1040) are properly responsive to these claim construction arguments raised by Petitioner in its POR.

**A. The Supplemental Hutton Declaration (EX1036) is Properly Responsive to Patent Owner's Claim Construction Arguments**

**1. Hutton's Opinions Regarding Passive Games are Properly Responsive to Patent Owner's Construction of “Random Draw”**

The Petition asserts that Irwin “discloses ‘preprinted passive tickets 224’” and that such tickets are “manufactured, preprinted, random draw lottery tickets.” Petition, p. 14. The POR disputed that passive tickets could be “random draw” tickets, arguing for the first time that “in a passive game ticket, the drawing always yields a winner,” whereas under Patent Owner's construction of “random draw,” there is often “no match between the randomly-selected numbers and the numbers on the eligible lottery tickets, and, thus, the draw yields no top prize winner.” POR, p. 41.

Patent Owner's argument is an unforeseeable claim construction argument to which Petitioner was entitled to respond, including through a supplemental declaration from its expert. *See Axonics*, 75 F.4th at 1388 (“[W]here a patent owner

offers a new claim construction for the first time in its response after the institution decision, a petitioner may introduce new arguments and evidence in reply under the newly proposed claim construction”); *Syngenta Crop Protection AG v. UPL Ltd.*, PGR2023-00017, Paper 58 at 24 (July 26, 2024) (“Petitioner may properly respond to Patent Owner’s proposed claim construction at the reply stage, as it has done here”).

In particular, the Supplemental Hutton Declaration directly responds to Patent Owner’s assertion that the term “random draw” excludes raffles by explaining that a “‘random draw’ game includes any random draw-based game, including both lotto-type games and passive games.” Petitioner’s Reply, p. 11. Under *Corephotonics*, 84 F.4th at 1008, this is not “a new theory of unpatentability,” but merely “expands on previously raised arguments” in direct response to Patent Owner’s contention that random draws must be construed to exclude passive games. *See Chamberlain*, 944 F.3d at 925 (affirming Board’s consideration of a purportedly “new argument” that “was not a new argument for patentability, but a clarification of its prior position in response to arguments raised in reply”). As such, there is no basis to exclude this opinion.

**2. Hutton's Opinions Regarding the Plain and Ordinary Meaning of "Lottery Ticket" are Properly Responsive to the Patent Owner's Narrow Construction Thereof**

Applying the plain and order meaning of "lottery ticket," the Petition asserted Irwin's plastic hanging cards are "tickets for a random draw lottery . . . ." Petition, pp. 11, 13. The POR disputed that the plastic cards qualified as "lottery tickets," instead urging a construction of lottery ticket that would exclude a plastic "card" with the features of the card taught in Irwin. POR, p. 28. Consistent with the Petition, the Supplemental Hutton Response applied the same "plain meaning" construction to "lottery ticket" as set forth in the petition – "Irwin's quick-pick card is a lottery ticket under its *plain meaning*." EX1036, ¶. 21. But given Patent Owner's narrow construction of that term, Mr. Hutton expanded on what the Petition asserted by explaining what the "plain meaning" of "lottery ticket" is – "[t]he plain meaning of lottery ticket is any substrate that is used to allow a customer to play and redeem a lottery game," supporting this assertion with citations to Irwin's disclosure. *Id.*, ¶ 22; *Chamberlain*, 944 F.3d at 925 ("Parties are not barred from elaborating on their arguments on issues previously raised.").

By expanding on the plain and ordinary meaning of "lottery ticket," Mr. Hutton did not offer any "new opinion," but merely responded to Patent Owner's narrow construction. *See, e.g. Infineum USA L.P. v. Chevron Oronite Company LLC*, 844 Fed.Appx. 297, 303 (Fed. Cir. 2021) *reversed on other grounds at* 142 S.Ct. 707

(expert declaration was “a proper rebuttal to arguments raised in Infineum’s patent owner response”). Indeed, the whole purpose of a rebuttal is to “explain, repel, counteract, or disprove the evidence of the adverse party.” *Belden*, 805 F.3d at 1081–82. That is precisely what the Supplemental Hutton Declaration does.

**B. Exhibits 1038-1040 Properly Support Mr. Hutton’s Rebuttal Opinions**

Patent Owner seeks to exclude three exhibits cited in the Supplemental Hutton Declaration and Petitioner’s Reply: (i) Exhibit 1038, entitled “Glossary of Lottery Terms,” (ii), Exhibit 1039, an article entitled “A New legislative Framework for Online Gaming in Spain”; and (iii) Exhibit 1040, Irwin’s Published Application, U.S. Pat. App. Pub. No. 2013/0204777. Patent Owner asserts that these exhibits should be excluded because: (i) they were not identified in the Petition and purportedly “go in a new direction” from the original Hutton Declaration; (ii) they constitute hearsay; and (iii) consideration of these objections would be prejudicial to Patent Owner. The Board should reject each of these arguments.

**1. The Board Can Consider New Evidence that is Responsive to Petitioner’s Arguments**

The Federal Circuit has made clear that there is “no blanket prohibition against the introduction of new evidence during an inter partes review proceeding.” *Anacor*, 889 F.3d at 1380. Quite to the contrary, “as long as the opposing party is given notice of the evidence and an opportunity to respond to it, ” the “introduction of new

evidence in the course of the trial is to be expected in [IPR] trial proceedings” where such evidence constitutes “a legitimate reply to evidence introduced by the patent owner.” *Id.*; *Genzyme*, 825 F.3d at 1366 (Fed. Cir. 2016).

As Patent Owner acknowledges, Exhibits 1038 and 1039 both support Mr. Hutton's response to Patent Owner's narrow construction of “random draw” to exclude passive games. POR, p. 7. Mr. Hutton's opening declaration described generally the characteristics of a random draw. EX1003, ¶64. Patent Owner's assertion to the contrary, Exhibits 1038-1040 do not “go in a different direction,” but are each perfectly consistent with the characteristics Mr. Hutton identified. *Compare* EX1003, ¶64 (“In a random draw lottery, a player purchases a ticket for a lottery draw event that takes place in the future . . . the draw numbers can be randomly selected by the system . . . . The numbers on the player's tickets are then compared to the numbers randomly selected during the draw event to determine if there is a match”) *with* EX1038 (defining passive games as a “lottery game similar to a raffle where a player buys a ticket with preprinted numbers. The lottery later randomly draws numbers that are compared to the players' tickets to determine the outcomes”) *and* EX1039 (describing Spain's passive lottery games as involving tickets that are “randomly drawn.”).

Similarly, Exhibit 1040 was submitted to support Mr. Hutton's response to Patent Owner's construction “lottery ticket” to exclude Irwin's “hanging plastic

card.” POR, p. 11. In both the Petition and the Supplemental Hutton Declaration, Petitioner relies on the plain meaning of lottery ticket, with the Supplemental Hutton Declaration simply explaining what that plain meaning is response to Patent Owner's narrow construction. EX1036, ¶¶21-22. Exhibit 1040 supports Mr. Hutton's supplemental opinion by showing that Irwin himself described the hanging plastic card as a lottery ticket. *Id.*, ¶ 23.

The Federal Circuit has made clear that “the petitioner in an inter partes review proceeding may introduce new evidence after the petition state if the evidence is a legitimate reply to evidence introduced by the patent owner.” *Anacor*, 889 F.3d at 1380. Because Exhibits 1038-1040 were submitted in reply to Patent Owner's claim construction arguments, they are both “perfectly permissible.” See *Genzyme*, 825 F.3d at 1355.

## **2. Exhibits 1038-1040 Should Not Be Excluded as Hearsay**

Patent Owner asks the Board to exclude Exhibits 1038-1040 as “classic hearsay.” Mot., p. 9. Yet not only is it permissible for experts to rely on hearsay (Fed. R. Evid. 703), but it is well-established that consideration of “extrinsic” evidence is proper when construing claim terms. *Pitney Bowes, Inc. v. Hewlett-Packard Co*, 82 F.3d 1298 (Fed. Cir. 1999) (“[I]t is entirely appropriate, perhaps even preferable, for a court to consult trustworthy extrinsic evidence to ensure that the claim construction it is tending to from the patent file is not inconsistent with

clearly expressed, plainly apposite, and widely held understandings in the pertinent technical field. This is especially the case with respect to technical terms . . . .”); *Actelion Pharms. LTD v. Mylan Pharms. Inc.*, No. 2022-1889, 2023 WL 7289417 (Fed. Cir. Nov. 6, 2023) (“Supreme Court has made clear that there are cases where the district court must ‘look beyond the patent’s intrinsic evidence and ... consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant at during the relevant time period’”)² (citation omitted).

Petitioner submitted Exhibits 1038-1040 as extrinsic evidence that supports the plain meaning of the terms random draw and lottery ticket. There is thus no basis to exclude these exhibits as hearsay.

### **3. Exhibits 1038-1040 Are Not Prejudicial**

Patent Owner claims that the “late” presentation of Exhibits 1038-1040 is prejudicial because Patent Owner took Mr. Hutton’s deposition prior to submission of the Supplemental Hutton Report that cites to these exhibits. Mot., pp. 9, 10, 13. Notably, Patent Owner does not cite to any case where exhibits were excluded on

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<sup>2</sup> Patent Owner argues that Exhibits 1038 “lacks probative value” because it post-dates the filing date of the 451 Patent. POR, p. 8. But “extrinsic evidence need not antedate the critical date of the patent at issue” in order to be considered. See *Monsanto Tech. LLC v. E.I. DuPont de Nemours & Co.*, 878 F.3d 1336, 1345 (Fed. Cir. 2018).

this basis. That is because the introduction of responsive, new evidence is “perfectly permissible” so “long as the opposing party is given notice of the evidence and an opportunity to respond to it.” *Genzyme*, 825 F.3d at 1366.

Patent Owner had ample opportunity to respond to the information in these exhibits, and did in fact respond in its sur-reply brief. Sur-Reply, pp. 6, 16. Patent Owner could have requested the opportunity to submit a supplemental declaration from its own expert or to take a follow-up deposition of Mr. Hutton, but chose not to. *See, e.g., Axonics*, 75 F.4th at 1384 (rejecting Patent Owner's argument that “it is unfair to permit a new expert declaration to be submitted with a reply, because a patent owner is not permitted to submit a supplemental declaration in sur-reply,” finding that the Board “may waive or suspend” such requirement, yet Patent Owner “had not asked for leave to submit an additional declaration.”).

Because Patent Owner had both notice and ample opportunity to respond to Exhibits 1038-1040, it cannot claim prejudice as a basis to exclude these exhibits. *Anacor*, 889 F.3d at 1382 (noting that Patent Owner “had ample notice of and an opportunity to respond to the [newly cited] references, which in any event were properly offered in reply to arguments made by Anacor . . . .”)

### **III. CONCLUSION**

For these reasons, the Board should not exclude Exhibits 1036, 1038, 1039, or 1040.

Petitioner's Opposition to Motion to Exclude  
U.S. Patent No. 11,488,451

Date: April 9, 2025

Respectfully submitted,

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

*Counsel for Petitioner*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on April 9, 2025, 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: April 9, 2025

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