

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,
Petitioner,

v.

BLACKHAWK NETWORK INC.,
Patent Owner.

Case No. IPR2024-00465

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

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

Petitioner's opposition (paper 28 (herein "Opp.)) to Patent Owner's motion to exclude (paper 25) shows that many of Patent's Owner's bases for excluding EX1036 and EX1038-EX1040 are undisputed. Accordingly, the Board should exclude these exhibits.

First, the opposition does not dispute that both the Petition (paper 1) and Mr. Hutton's opening declaration (EX1003) lack reasoning to explain *why* Irwin's disclosure of a plastic hanging card or a passive game ticket might satisfy the claims' recitation of a "random draw lottery ticket." The opposition states only that the Petition *asserts* that Irwin's disclosure of passive tickets (Opp. at 4) and the plastic hanging cards (*id.* at 6) meets the claims, but it cites no explanatory reasoning from the Petition or the EX1003 that supports these assertions. Because EX1036 and EX1038-EX1040 attempt to present reasoning and evidentiary support that should have been presented in Petitioner's prima facie case, they fit squarely within the CTPG's prohibition against belatedly-provided evidence. *See* CTPG at 73 ("Petitioner may not submit new evidence or argument in reply that it could have presented earlier, e.g. to make out a prima facie case of unpatentability."), 74 ("a reply [that] belatedly presents evidence may not be considered."); *Valve Corp. v. Ironburg Inventions Ltd.*, IPR2017-00858, Paper 87 at 16-17 (PTAB January 26, 2023); *Comcast Cable Comm's., LLC v. Rovi Guides, Inc.*, IPR2017-00941, Paper 70 at 52 (PTAB September 7, 2018). As a result, they should be excluded.

The opposition also does not dispute that EX1038 it is undated. EX1038, therefore, lacks probative value because it fails to inform the state of the art “before the effective filing date of the claimed invention” under 35 U.S.C. § 103. *Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc.*, 334 F.3d 1294, 1299 (Fed. Cir. 2003) (rejecting use of non-contemporaneous evidence dated after the patent-in-question).

Petitioner’s opposition, instead, presents a false premise, asserting that EX1036 and EX1038-EX1040 respond to new claim constructions presented in Patent Owner’s Response. Opp. § II. There was no new claim construction. Instead, the POR distinguishes Irwin’s hanging plastic card and its passive game ticket from a “random draw lottery ticket” based on **Mr. Hutton’s** plain-meaning analyses in his declaration (EX1003) and deposition (EX2051). See POR (paper 16) at 31, 34-35, 38, 41 (each comparing Irwin to EX1003 ¶ 64); see also *id.* at 31-33, 38, 40-41, 45 (discussing EX2051). The excerpts to which the opposition cites, namely, POR at 33 and 41 (Opp at 3-4), show that the POR distinguishes Irwin based on characterizations **from Mr. Hutton**. POR at 31 (discussing EX1003 ¶ 64), 40-41 (discussing expert deposition testimony (EX2051 at 69:7-70:8)).

With respect to Irwin’s passive game ticket, the argument cited at Opp. p. 4, that “in a passive game ticket, the drawing always yields a winner,” derives **from Mr. Hutton’s** analysis (EX1003 ¶ 64) and testimony (EX2051 at 69:7-70:8). POR at 40-41. Specifically, drawings of passive game tickets always yield a winner

because, *as Mr. Hutton explained*, “a drawing is held to determine which of [the tickets’] serial numbers is the winner.” EX2051 at 69:21-23 (cited at POR 40-41). This, of course, is different *from Mr. Hutton’s description* of a random draw, where “numbers [are] randomly selected during the draw event to determine if there is a match and thus a winning ticket.” EX1003 ¶ 64.

Similarly, with respect to Irwin’s plastic hanging card, the POR’s argument that Irwin’s card is not a lottery ticket derives from Irwin’s disclosure and from *Mr. Hutton’s* opinions and testimony. *See* POR at 28-30 (Irwin), 31-33 (Petitioner’s expert), 35-36 (Irwin), 36-38 (Petitioner’s expert). Patent Owner did not “urg[e] a construction of lottery ticket that would exclude a plastic ‘card,’” as Petitioner argues (Opp. at 6 (citing POR at 28)). Instead, Patent Owner showed that Irwin described the card 200 as a “card,” Irwin distinguished the card 200 from an on-line ticket 210 and that Mr. Hutton recognized this distinction at his deposition. *See* POR at 28-30 (discussing Irwin), 31-32 (reviewing Mr. Hutton’s testimony). No claim construction argument was made.

Petitioner’s characterization of the POR’s arguments as “unforeseeable” (Opp. at 4) is another false premise. It is entirely foreseeable that the Petition would be challenged for making conclusory assertions in its invalidity challenges. *In re Magnum Oil Tools Int’l, Ltd.*, 829 F3d. 1364, 1380 (Fed. Cir. 2016) (“To satisfy its burden of proving obviousness, a petitioner cannot employ mere conclusory

statements”). It also is foreseeable that the Petition would be challenged for failing to align its expert’s prior art analyses with his explanations of random draw lotteries. POR at 31, 34-35, 38, 41. Therefore, the Board should reject this argument.

Petitioner’s argument that its new evidence merely expands on previously raised argument (Opp. at 5, 6-7) is, again, false. Mr. Hutton changed his opinions, he did not expand upon them. Once the POR demonstrated that Irwin’s passive game ticket as Mr. Hutton explained it (EX2051 at 69:7-70:8) is different from a random draw lottery, again, as Mr. Hutton explained it (EX1003 ¶ 64), Mr. Hutton simply changed his opinions. Mr. Hutton’s new descriptions of a random draw lottery contain none of the description he provided previously in EX1003 ¶ 64. Evidence on reply is not permitted to go in a new direction as compared to the positions taken in a prior filing. CTPG at 74.

Petitioner’s reliance on *Corephotonics* and *Chamberlain* (Opp. at 5, 6) is misplaced. First, neither case addresses whether presentation of explanatory reasoning opinions and evidence complies with the CTPG’s ban against belated presentation of evidence that belongs in a petitioner’s prima facie case. CTPG at 73, 74. Neither case discussed a circumstance, as presented here, where an expert’s supplemental declaration alters analysis from the opening declaration. Compare EX1003 ¶ 64 (a random draw lottery involves a comparison of lottery “numbers on the player’s tickets [and] numbers randomly selected during the draw event to

determine if there is [] a winning ticket” *with* EX1036 ¶¶ 7-8 (a random draw lottery includes “any random draw-based game, including both lotto-type games and passive games;” in a passive game, “a later draw randomly picks the numbered tickets that are winners”). And neither case involved a circumstance, as here, where an expert’s supplemental declaration deviated from testimony provided at deposition. *Compare* EX2051 at 69:21-23 (in a passive game, “a drawing is held to determine which of [the tickets’] serial numbers is the winner”) *with* EX1036 at ¶ 15 (“passive games involve randomly drawn numbers,” for example, via wheels). Again, here, Mr. Hutton altered his opinions, he did not simply expand upon them.

Regarding prejudice, there is no dispute that Mr. Hutton confirmed, at deposition, that his opening declaration described all factual bases for the opinions offered in that declaration. EX2051 at 12:17-13:7. The analyses set forth in EX1036 and the exhibits EX1038-EX1040 are new, and they alter his previously-provided opinions. Petitioner’s argument (Opp. at 10-11) that no prejudice arises because Patent Owner could re-depose Mr. Hutton or seek relief from rules that prohibit submitting responsive evidence on sur-reply fall flat. As explained above, Patent Owner suffers prejudice because the POR’s arguments rely on analysis from Petitioner’s expert showing that Irwin’s passive tickets and the plastic hanging cards fail to meet the claims and because the expert simply changed those in response to the POR. This new evidence exceeds the proper scope of a Reply. *Valve* at 16-17.

Respectfully submitted,

Date: April 16, 2025

By: /Robert L. Hails/
Robert L. Hails
Reg. No. 39,702

Jason F. Hoffman (admitted *pro hac*
vice)

BAKER & HOSTETLER LLP
Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5304
Telephone: 202-861-1500
Facsimile: 202-861-1783
Counsel for Patent Owner

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Patent Owner's Reply to Petitioner's Opposition to Motion to Exclude was served electronically via email on April 16, 2025, on the following:

jimglass@quinnemanuel.com
quincylu@quinnemanuel.com

/Robert L. Hails/

Robert L. Hails
Reg. No. 39,702

Counsel for Patent Owner