UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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APPLE INC.
Petitioner,

v.

CONTENTGUARD HOLDINGS, INC.,
Patent Owner

Patent No. 7,774,280
Issued: August 10, 2010
Filed: October 4, 2004
Inventors: Nguyen, *et al*.
Title: System and Method for Managing Transfer of Rights Using Shared State
Variables

Inter Partes Review No. IPR2015-00354
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PETITIONER'S REQUEST FOR REHEARING
UNDER 37 C.F.R. §42.71

I. INTRODUCTION

On July 1, 2015, the Board issued a Decision under 35 U.S.C. § 312(a)(4), denying institution of *inter partes* review of claims 1–5, 8, 11–16, 19, 22, 24–28, 31, and 34 of U.S. Patent No. 7,774,280 ("the '280 patent"). Pursuant to 37 C.F.R. §42.71(d), Petitioner Apple Inc. ("Apple") requests rehearing.

Rehearing is warranted because the Board misapprehended and/or overlooked arguments clearly presented in the Petition (as well as supporting evidence) which explained that it would have been obvious to modify the Ginter DRM system to employ digital certificates when installing software on the devices used in Ginter's scheme. Pet. at 47-49. Doing so would cause the Ginter devices to possess behavioral integrity under the Board's construction of "repository." The Board appeared to have overlooked this explanation and evidence, as it is nowhere referenced or discussed in the Decision. Because the "repository" limitation was the sole basis identified by the Board as to why it did not institute trial on the grounds based on Ginter, rehearing is warranted.

II. RELIEF REQUESTED

Apple requests that the Board withdraw the Decision and institute *inter partes* review of claim 1 of the '280 patent as being unpatentable under 35 U.S.C. §103(a) over U.S. Patent No. 5,892,900 to Ginter *et al*. ("Ginter") (Ex. 1007). Petitioner requests rehearing of only claim 1 and only on the basis of Ginter.

Claim 1 is the only claim still being asserted in the district court. As the second ground advanced in the Petition (*i.e.*, <u>Ginter</u> in combination with <u>Wiggins</u>) does not concern this claim, Petitioner is not seeking review of the institution decision on that ground. Petitioner's decision to not seek review of these ground(s) and/or other claims does not imply a belief that the denial of those grounds was proper.

III. LEGAL STANDARDS

"When rehearing a decision on petition, a panel will review the decision for an <u>abuse of discretion</u>." (emphasis added) 37 C.F.R. § 42.71(c). The abuse of discretion standard of review is the same heightened standard federal appeals courts use to review district court factual findings. S*ee, e.g., PNY Techs. Inc. v. Phison Elecs. Corp.*, IPR2013-00472, Paper 16 at 2 (Apr. 23, 2014) (*citing Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005)); *Advanced Software Design Corp. v. Fiserv, Inc.*, 641 F.3d 1368, 1380 (Fed. Cir. 2011) ("An abuse of discretion occurs where the district court fails to consider an important factor, gives significant weight to an irrelevant or improper factor, or commits a clear error of judgment in weighing those factors.")(*citing Gen. Motors Corp. v. Harry Brown's, LLC*, 563 F.3d 312, 316 (8th Cir.2009)).

IV. MATTERS MISAPPREHENDED OR OVERLOOKED

In accordance with 37 C.F.R. §42.71(d), Apple identifies the following matters which the Board misapprehended and/or overlooked in its Decision and the

place in the Petition and evidence where each matter was addressed.

A. The Board Overlooked the Explanations in the Petition that Using Digital Certificates to Install Software on the <u>Ginter</u> Devices Would Have Been Obvious to A Person of Ordinary Skill

The Board overlooked and/or misapprehended arguments presented in the Petition at pages 47-49, which explained that modifying the <u>Ginter</u> devices to possess "behavioral" integrity would have been an obvious variation of the <u>Ginter</u> DRM scheme to a person of ordinary skill. As the Petition stated:

> A person of ordinary skill in the field of digital rights management systems would recognize the examples of "trusted systems" in <u>Ginter</u> could be modified to possess additional capabilities, including those that would confer greater security or control over the electronic appliances used in its scheme. For example, a person of ordinary skill would have recognized ***the electronic appliances in <u>Ginter</u>*** ("repositories") ***could be readily modified*** to include "new hardware such as a secure processor, secure storage and securing rendering devices" ***and that security of the devices could be improved by requiring all software applications used on the device to be "certified to be trusted" (e.g., by requiring a digital certificate to install or execute the software).*** *See* Ex. 1003 at ¶¶ 388-393; Ex. 1001 at 1:60-64. Indeed, the '280 patent acknowledges doing so was known in the prior art. Ex. 1001 at 1:43-44, 1:58-2:21. Adapting the <u>Ginter</u> schemes to use additional well known techniques to increase the security and integrity of the electronic appliances used in its scheme would have been obvious to a person of ordinary skill. *See* Ex. 1003 at ¶¶ 388-393.

Pet. at 48-49 (emphasis added). The Petition also explained that <u>Ginter</u> expressly teaches that a key benefit of its disclosed DRM system is that it is ***highly configurable*** and can be implemented in ***a wide variety*** of ways, with citations directly to <u>Ginter</u> for support. *See* Pet. at 28 ("VDE components together comprise a configurable, consistent, secure and 'trusted' architecture for distributed, asynchronous control of electronic content and/or appliance usage.")[citing Ex. 1007 at 13:20-23]; *Id*. at 45 ("Indeed, <u>Ginter</u> teaches that is [*sic*] scheme is highly configurable, due to its modular, 'atomic' architecture, and its identification of a wide variety of design options and available technologies that can be used to implement it."); *Id.* at 35.

The Petition likewise identified and explained passages within <u>Ginter</u> that explain that its scheme is designed to be a highly secure and "trusted" scheme for distributing content. *See, e.g*., Pet. at 35 (quoting <u>Ginter</u> at Abstract) ("Electronic appliances such as computers employed in accordance with the present invention help to ensure that information is accessed and used ***only in authorized ways***, and ***maintain the*** integrity, availability, and/or confidentiality of the information. Secure subsystems used with such electronic appliances . . . enforce ***a secure chain of handling and control***") (emphasis added).

The Petition also presented a detailed explanation of the secure devices used in the <u>Ginter</u> DRM scheme, and explained that <u>Ginter</u> teaches that these devices

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