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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.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,  
Patent Owner.

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Case IPR2016-00755  
Patent 8,191,091

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Before KARL D. EASTHOM, TRENTON A. WARD, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

DECISION  
Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition requesting an *inter partes* review of claims 13–16, 18, 20, 21, 23, 24, 26, 27, and 30 (“the challenged claims”) of U.S. Patent No. 8,191,091 (Ex. 1003, “the ’091 patent”). Paper 1 (“Pet.”). Patent Owner, Personalized Media Communications, LLC, filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

The ’091 patent claims effective continuation-in-part (CIP) status to U.S. Pat. No. 4,696,490 (Ex. 1009) (the “’490 patent” (filed Nov. 3, 1981)). Addressing a priority date issue involving the challenged claims of the ’490 patent raised during a teleconference with the panel, Petitioner filed a Preliminary Reply to Patent Owner’s Preliminary Response (Paper 10 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-Reply in Response to Petitioner’s Preliminary Reply on Priority Date (Paper 12 (“PO Sur-Reply”)). *See* Paper 8 (Order Authorizing Pet. Prelim. Rep. and PO Sur-Reply); Ex. 1041 (Transcript). Petitioner relies on the Declaration of Anthony J. Wechselberger. Ex. 1001 (“Wechselberger Declaration”). Patent Owner relies on the Declaration of Alfred C. Weaver, Ph.D. Ex. 2001 (“Weaver Declaration”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted “unless the Director determines . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” We determine that Petitioner has established a reasonable likelihood of prevailing in showing the unpatentability of at least one claim and institute *inter partes* review of the challenged claims.

*A. Related Proceedings*

Petitioner states that the '091 patent is involved in Case No. 2:15-cv-01366-JRG-RSP (E.D. Tex. filed July 30, 2015). Pet. 58. Petitioner also lists a number of related patents involved in district court cases, and other related patents involved in *inter partes* reviews. *Id.* at 58–59.

*B. The '091 Patent (Ex. 1007)*

The '091 patent provides a conventional scrambled broadcast program containing digital signal information. Ex. 1003, 18:41–62. For example, “[t]he present invention employs signals embedded in programming.” *Id.* at 7:50–51. The invention seeks to overcome alleged deficiencies in the prior art: “The prior art . . . has no capacity for . . . controlling the decryption of said programming, let alone doing so on the basis of signals that are embedded in said programming that contain keys for the decryption of said programming.” *Id.* at 5:15–23. “It has no capacity for decrypting combined media programming.” *Id.* at 5:38–39.

The '091 patent describes “programming” broadly: “The term ‘programming’ *refers to everything that is transmitted electronically* to entertain, instruct or inform, including television, radio, broadcast print, and computer programming as well as combined medium programming.” *Id.* at 6:31–34 (emphasis added).

Figure 2A of the '091 patent follows:

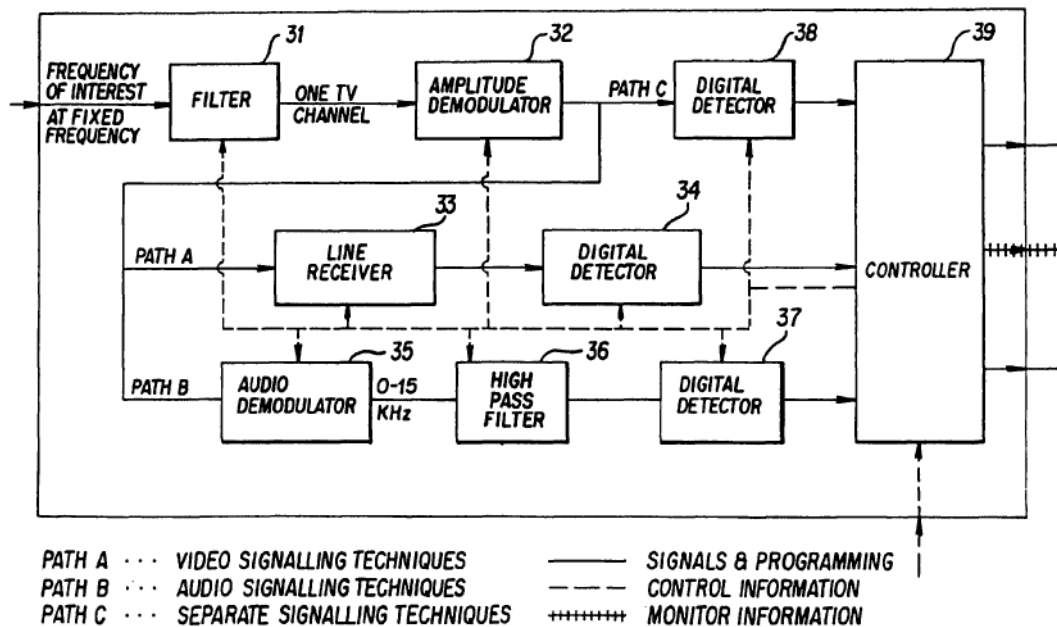


Figure 2A depicts conventional amplitude demodulator 32 for receiving standard television signals having embedded digital information therein:

In FIG. 2A, . . . [t]he television channel signal . . . passes to a standard amplitude demodulator, which uses standard demodulator techniques, well known in the art, to define the television baseband signal. . . [A] digital detector, 34, . . . acts to detect the digital signal information embedded in the [overall video transmission], using standard detection techniques well known in the art, and inputs detected signal information to controller, 29, . . .

Ex. 1003, 18:41–62; *see also id.* at 159:54–61 (describing “conventional analog television” receivers using descramblers “that descramble analog television transmissions and are actuated by receiving digital key information”).

*C. Illustrative Claim*

Petitioner challenges independent claims 13, 20, and 26. Claims 14, 15, 18, 23, 24, 27, and 30 depend directly or indirectly from claims 13, 20, or 26. Claim 13 follows:

13. A method of decrypting programming at a receiver station, said method comprising the steps of:

[a] receiving an encrypted digital information transmission including encrypted information;

[b] detecting in said encrypted digital information transmission the presence of an instruct-to-enable signal;

[c] passing said instruct-to-enable signal to a processor; determining a fashion in which said receiver station locates a first decryption key by processing said instruct-to-enable signal;

[d] locating said first decryption key based on said step of determining;

[e] decrypting said encrypted information using said first decryption key; and

[f] outputting said programming based on said step of decrypting.

Ex. 1003, 285:61–286:9 ([a]–[f] nomenclature added).

*D. Asserted Grounds of Unpatentability*

Petitioner asserts unpatentability of the challenged claims under the following sections of 35 U.S.C.:

<b>Claim(s) Challenged</b>	<b>Basis</b>	<b>Reference(s)</b>
13–15, 18, 20, 23, and 24	§ 102(a)	Gilhousen (Ex. 1004) <sup>1</sup>
13–15, 18, 20, 23, and 24	§ 102(e)	Mason (Ex. 1005) <sup>2</sup>
26 and 30	§ 102(e)	Frezza (Ex. 1006) <sup>3</sup>

<sup>1</sup> Gilhousen et al., U.S. Patent No. 4,613,901 (filed May 27, 1983, issued September 23, 1986).

<sup>2</sup> Mason, U.S. Patent No. 4,736,422 (filed July 2, 1984, issued April 5, 1988).

<sup>3</sup> Frezza et al., U.S. Patent No. 4,712,239 (filed June 16, 1986, issued Dec. 8, 1987).

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