IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPROVAL BOARD

- - - - - - - - - - - - - - x

APPLE, INCORPORATED, :

Petitioner, :

v. : CASE No's. IPR2016-00754

PERSONALIZED MEDIA : And IPR2016-00755

COMMUNICATIONS, LLC, :

Patent owner. :

- - - - - - - - - - - - - - x

Videotaped Deposition of THOMAS J. SCOTT, JR.

Washington, D.C.

Friday, February 17, 2017

9:09 a.m.

Reported by: Cassandra E. Ellis, RPR

Job No.: 18148

Deposition of THOMAS J. SCOTT, JR., held at the offices of Kirkland & Ellis LLP, 655 15th Street Northwest, Suite 1200, Washington, D.C. 20005, pursuant to agreement, before Cassandra E. Ellis, Certified Court Reporter - WA, Certified Shorthand Reporter - HI, Registered Professional Reporter, Certified Livenote Reporter, Realtime Systems Administrator and Notary Public of The District of Columbia.

A P P E A R A N C E S

ON BEHALF OF PETITIONER APPLE:
JOEL R. MERKIN, ESQUIRE
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
(212) 446-4663
joel.merkin@kirkland.com

ON BEHALF OF PATENT OWNER PMC:
DOUGLAS J. KLINE, ESQUIRE
GOODWIN PROCTER LLP
901 New York Avenue, Northwest
Washington, D.C. 20001
(202) 346-4059
Dkline@goodwinlaw.com

ALSO PRESENT: Joseph E. Ellis, CLVS

C O N T E N T S

E X H I B I T S

(Attached to the Transcript)

P R O C E E D I N G S

THE VIDEOGRAPHER: Good morning. This is the beginning of disc number one in the deposition of Thomas Scott, taken in the matter of Apple, Incorporated, versus Personalized Media Communications, LLC, with Case Numbers IPR2016-00754 and IPR2016-00755, held in the United States Patent and Trademark Office before the Patent Trial and Appeal Board.

Today's date is February 17th, 2017, and the time on the monitor is 9:09 a.m. My name is Joseph Ellis, the certified legal video specialist, the court reporter is Cassandra Ellis, and we are here with Transperfect Legal Solutions.

If counsel would please

identify themselves, and whom they represent, after which the court reporter will swear in the witness and you may proceed.

MR. MERKIN: Joel Merkin, of Kirkland and Ellis, on behalf of petitioner, Apple.

MR. KLINE: Doug Kline, of Goodwin, on behalf of patent owner, PMC, and the witness.

THOMAS J. SCOTT, JR. having been sworn, testified as follows:

EXAMINATION

BY MR. MERKIN:

Q Mr. Scott, good morning.

A Good morning.

Q Can you please state your full name for the record?

A Thomas J. Scott, Junior.

Q Thank you for joining us today. I understand that you've been deposed several times, previously; is that

correct?

A Yes.

Q You submitted a declaration regarding secondary considerations in IPR2016-754 and 755; correct?

A That is correct.

Q It's the same declaration in both of those IPR proceedings; is that correct?

A Yes.

Q You are the general counsel of PMC; correct?

A That is correct.

Q You've been the general counsel of PMC since April 2014; correct?

A That's correct.

Q When did you join PMC?

A April 1, 2014.

Q So you didn't hold any other positions at PMC prior to general counsel; correct?

A I've never been an employee

before, no.

Q Prior to joining PMC you were an attorney at Goodwin Procter, a law firm; correct?

A Yes.

Q How long were you an attorney at Goodwin Procter, approximately?

A I joined Goodwin Procter in April -- well, April 23rd, 2007, and I left on March 31, 2014.

Q As an attorney of Goodwin Procter you represented PMC?

A Yes.

Q When did you start representing PMC?

A Sometime prior to September 11th, 1987, and after August 31st, 1985.

Q Have you separately represented Mr. John Harvey?

A Yes.

Q When did you start representing Mr. Harvey?

A In 1979, while I was employed at the law firm, in New York, of Cooper Dunham Clark Griffin and Moran, I represented Mr. Harvey in his personal capacity.

Q Were those for matters outside the scope of PMC?

A Well, PMC didn't exist, at the time.

Q Outside the scope of PMC or PMC's predecessor companies?

A Well, neither of them existed, at that time. It was Mr. Harvey in a personal capacity.

Q Generally speaking, what types of matters did you represent Mr. Harvey on?

A Oh, I mean, I actually testified to this before, but I'll just roughly repeat, Mr. Harvey was, in 1979 a officer in the Hambros Bank, and as I say, my prior testimony is, which was

closer in time is probably -- is the best source of what that was, of what happened.

He -- he was going to leave Hambros Bank to take a position with a startup that was going to manufacture a patented product. And he asked me to review the patent, and answer certain questions he had about it, which I did.

And then, when he was going to take the position, the owner of the company decided that he did not wish to hire Mr. Harvey and so he -- he didn't take that position. He left Hambros and, thereafter, he had a number of different proposals that he was making to media companies, and I helped him with some of those.

Q With regard to your representation of PMC, prior to being general counsel of PMC, did you represent

PMC with regard to patent prosecution matters?

A Yes.

Q Did you represent PMC outside of patent prosecution matters?

A Well, I represented them in a number of different circumstances, contracts and license agreements that they entered into, I advised them with respect to that and, you know, certain proceedings that they brought in the -- in the International Trade Commission and district court I advised them with respect to that.

Q As the current general counsel of PMC you're an employee of the company; correct?

A Absolutely, yes.

Q PMC currently pays you an annual salary; is that correct?

A Yes.

Q Do you receive an annual bonus

from PMC?

A No.

Q Do you receive compensation from PMC, aside from a salary?

A No.

Q Do you have any shares in PMC?

A No.

Q Any units of ownership in any PMC entities?

A No.

Q Do you receive any compensation from PMC, aside from your annual salary?

A No, not monetary, anyway. It's a great place to work.

Q Aside from monetary compensation, is there other forms --

A No. I mean, I just -- just the enjoyment of working with the Harveys, who are wonderful people.

Q I'm going to hand you a pair of declarations, these are what I will represent to you as identical

declarations from the two IPR proceedings we're discussing today, aside from the footer, which identifies the IPR proceeding.

MR. KLINE: Do you have -- thank you.

(Previously marked Exhibit No's. 2020 and 2024 were identified for the record.)

BY MR. MERKIN:

Q So the first declaration I've handed you is PMC Exhibit 2020, in Apple v. PMC, IPR2016-754, the second declaration I've handed you is Exhibit 2024, in Apple v. PMC, IPR2016-755. Do you have each of these declarations in front of you?

A Yes.

Q And these are the declarations that you've submitted in these two IPR proceedings regarding secondary considerations; correct?

A Yes, as best I can tell, from a brief review.
Q These are the identical declarations that we discussed at the beginning of your deposition -- deposition that you submitted in these IPRs; correct?
A Well, the ones I submitted were identical, yes.
Q For purposes of today's deposition I do want to walk through your declaration. And so are you okay with walking through the PMC Exhibit 2020 from IPR2016-754?
A Well, I'll answer any questions you have about either one of them.
Q And it's your understanding, correct, that the paragraph numbers in each declaration are the same?
A Well, yes, that's what I said, they -- the ones that I submitted were identical.

Q Thank you. If you could please turn to paragraph three on page two of your declaration?
A Yes.
Q You started that paragraph by stating "as a registered patent attorney"; is that correct?
A Yes.
Q Do you believe you need to be a registered patent attorney to provide a declaration regarding secondary considerations?
A Well, I believe it helps. I mean, obviously many of the jurists who deal with the matter are not, but I believe that a person who has experience in all the areas of patent law practice and deals with obviousness from many different aspects has a better understanding of what indicia demonstrate the non-obviousness of invention, yes, I do.

Q Is someone who is not a registered patent attorney, in your view, not as qualified to be able to opine on secondary considerations?
A Well, as a general matter, I mean, obviously, people, very different skills and understanding of -- of concepts, and there are many people who are not registered patent attorneys who are very proficient in that subject, but as a general matter, I would say a person who has a deep experience in all aspects of patent practice is better qualified.
Q If I can turn your attention to paragraph four of your declaration, starting on page two?
A Yes.
Q You state that PMC's patent portfolio comprises 97 US patents; correct?
A Yes.
Q Does PMC have any foreign

patents?
A Well, yes, it -- it has foreign patents. But they're all expired or unenforceable.
Q Of the 97 US patents you refer to in paragraph four, are any of those patents expired?
A Oh, yes, mm-hmm.
Q How many of --
A Seven.
Q So for the record, 7 of the 97 PMC patents --
A Right.
Q -- are expired; correct?
A That's correct. I mean, I -- the -- the first one, `490, and then the one issued in 1999, `243, just expired recently.
Q Of the 97 PMC patents you reference in paragraph four have any been acquired by PMC?
A Well, yes, they -- Mr. Harvey

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.