UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC
Patent Owner

IPR2016-00754
IPR2016-01520
U.S. Patent No.: 8,559,635

PETITIONER'S REPLY BRIEF ON REMAND

PMC admits that the Federal Circuit's construction of "an encrypted digital information transmission including encrypted information" in *PMC '091* does not affect the Board's finding that claims 4, 7, 13, 18, 20-21, 28-30, and 32-33 are unpatentable. Paper 53 at 2-3. Instead, in Section I of its responsive brief, Patent Owner argues only that Petitioner's invalidity argument regarding claim 3 of the '635 patent "fails under the Federal Circuit's construction of 'decrypt.'" *Id.* at 8. But Patent Owner's argument rests on a false premise—the Federal Circuit did ***not*** reject the Board's construction of "decrypt" or re-construe that term—and is inconsistent with the Federal Circuit's analysis and holding in that appeal.

The Federal Circuit construed only one term in *PMC '091*—"an encrypted digital information transmission including encrypted information." 952 F.3d 1339, 1346 (Fed. Cir. 2020). And, notwithstanding Patent Owner's argument to the contrary, what that Court found decisive in construing this term was the amendment specifying that it must be "an encrypted ***digital*** information transmission," and the applicant's accompanying statement that "the prior art 'does not teach the encryption of an entire ***digital signal transmission***.'" *Id*. at 1345 (emphasis added). The applicant made similar amendments to the '635 patent, but only to claims 18, 20, 32, and 33—which this Board already held to require all-digital transmissions. FWD-1520 at 27-28.

Patent Owner falsely contends that the Federal Circuit held that the

"encrypt"/"decrypt" terms are limited to all-digital processes. *See* Paper 53 at 2, 4-5, 7-8. For instance, Patent Owner purports to quote the Federal Circuit as holding that "'encryption and decryption require a digital process in the context of the '091 patent.'" *Id*. at 5 (citing *PMC '091*, 952 F.3d at 1345). But there is no such holding in *PMC '091*. Rather, in the portion quoted in Patent Owner's responsive brief, the Federal Circuit describes ***the applicant's position*** during prosecution: "During prosecution, the applicant repeatedly and consistently voiced its position that encryption and decryption require a digital process in the context of the '091 patent." 952 F.3d at 1345. The Federal Circuit never adopted this position as its own.

To the contrary, the Federal Circuit affirmed this Board's decision invalidating claims 26, 27, and 30 of the '091 patent—which require "decrypting … encrypted information"—over a prior art reference that disclosed descrambling an analog video signal. *Id*. at 1346; *see also Apple Inc. v. Personalized Media Commc'ns, LLC*, IPR2016-00755, Paper 42 at 104-105 (PTAB Sept. 19, 2017). Patent Owner attempts to dismiss this holding, claiming that "nothing about the Federal Circuit's treatment of those claims remotely suggests that the word 'encrypted' can apply to anything other than digital information." Paper 53 at 7-8. But this rhetoric cannot be reconciled with the Federal Circuit's analysis or ultimate conclusions. In its Final Written Decision in IPR2016-00755, this Board expressly found that the "encrypted information" required by those claims was disclosed in the

form of an analog "scrambled video (television) signal," and rejected Patent Owner's argument that the claims were limited to the "encryption/decryption of digital programming." *Apple*, IPR2016-00755, Paper 42 at 104-105. That the Federal Circuit affirmed this decision not only "suggests that the word 'encrypted' can apply to anything other than digital information" (Paper 53 at 17-18), it positively confirms that it does.

Despite the Board's rejection of Patent Owner's argument in the context of claims 26, 27, and 30 of the '091 patent that only *digital* programming can be encrypted/decrypted—and the Federal Circuit's affirmance of that decision—Patent Owner recycles the very same argument regarding claim 3 of the '635 patent. *Id.* at 8-9 ("Campbell discloses only scrambled *analog* programming."). But there is no basis in *PMC '091* for the Board to depart from its decision in FWD-1520 that claim 3 of the '635 patent is unpatentable. The disputed term construed by the Federal Circuit—"an encrypted digital information transmission including encrypted information"—does not appear in claim 3. Ex. 1003 at claim 3. Nor does "digital programming," or even the word "digital." *Id.* Rather, Patent Owner's argument rests entirely on that claim's use of the term "decrypt." Paper 53 at 8-9. Both this Board and the Federal Circuit rejected that argument when it was presented with respect to the '091 patent, and the Board should do so again here.

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Respectfully submitted,

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