UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,

Patent Owner.

Inter Partes Review Nos. IPR2016-00754 and IPR2016-01520
U.S. Patent No. 8,559,635 B1

PATENT OWNER'S SUR-REPLY BRIEF ON REMAND

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Petitioner's Reply misconstrues the two key aspects of the Federal Circuit's decision in *PMC '091*: (1) the applicant's prosecution statements on which the Federal Circuit relied and (2) the reason the Federal Circuit upheld the invalidity of claims 26, 27 and 30. Under a correct reading of *PMC '091*, the Board's prior invalidity determination as to at least claim 3 must be reversed.[1]

1. The Federal Circuit held that the phrase "an encrypted digital information transmission" requires an all-digital transmission for one specific reason: The "applicant's repeated and consistent remarks during prosecution" defined the phrase to have that meaning. 952 F.3d at 1345. And the "repeated and consistent remarks" on which the Federal Circuit relied *all focused on the word "encrypted."* As the Federal Circuit put it: "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*." *Id.* at 1345 (emphasis added). And the purpose of the claim amendment was "to clarify [the applicant's] position that 'encryption requires a digital signal.'" *Id.* at 1345-46.

Petitioner insists that the Federal Circuit was merely describing the applicant's position and did not "adopt[] this position as its own." Paper 55 at 2. That makes no sense. The point of the Federal Circuit's opinion was to harmonize its construction with the "applicant's repeated and consistent remarks during

[1] Unless otherwise noted, all record citations are to IPR2016-00754.

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prosecution." 952 F.3d at 1345. So when the court described the applicant's "remarks" as establishing the meaning of encryption and decryption, the court was adopting the applicant's interpretation of encryption and decryption as the basis for the court's construction of the full phrase.

Petitioner also argues that the key word was "digital," not "encrypted." Paper 55 at 1. But the repeated remarks on which the Federal Circuit relied did not discuss the word "digital"—they focused on "encrypted." The claim amendment, too, did not *change* the claim meaning based on the word "digital," it simply clarified that "encryption requires a digital signal." 925 F.3d at 1345-46. The Federal Circuit's decision thus turned on its conclusion that encryption and decryption must be digital.

2. Petitioner's reliance on the Federal Circuit's decision to uphold the Board's invalidity determination as to claims 26, 27, and 30 also ignores the Federal Circuit's actual reasoning. The Federal Circuit held that the claims that recited "an encrypted digital information transmission" were limited "to all-digital signals," and hence were not invalid over "prior art that uses mixed analog and digital signals." 952 F.3d at 1346. Claims 26, 27, and 30, however, recite "an information transmission including encrypted information." As PMC acknowledged in *PMC '091*, that claim term *does* "include mixed digital and analog signals within [its] scope." *Id.* The "information transmission" need not be *all* digital, it must merely "includ[e]" encrypted (and hence digital) information. The Frezza prior art reference

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asserted against these claims both discloses mixed analog and digital information and incorporates by reference two patents (4,982,430 and 4,533,948) that disclose "encrypted communication" of digital information. *See* IPR2016-00755, Exhibit 1006. The Federal Circuit thus upheld the Board's invalidity determination as to claims 26, 27 and 30 because they did not require an *all*-digital transmission—not, as Petitioner suggests, because they did not require *any* digital information at all.

3. Petitioner does not dispute that, if encryption and decryption require a digital process in the context of the '091 patent, then they require a digital process in the context of the '635 patent, too. That is no surprise, as practically verbatim remarks about the meaning of encryption and decryption appear in the prosecution history of both patents. *See* Paper 53 at 3-8. Nor does Petitioner dispute that, if "decrypt" requires a digital process, then the Board's invalidity determination as to at least claim 3 must be reversed. Again, that is no surprise: The only reference Petitioner asserted against claim 3 was Campbell, which is completely silent as to any type of encryption/decryption, and at best discloses scrambled analog video.

Petitioner asserts that Patent Owner admits that no claim other than claim 3 is affected by *PMC '091*. Paper 55 at 1. That is wrong: As Patent Owner explained in detail, *PMC '091* requires revisiting other claim constructions that failed to account for "repeated and consistent remarks" during prosecution. Paper 53 at 9-19. Petitioner offers no response to any of these arguments.

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June 10, 2022

Respectfully submitted.

/Douglas J. Kline/
Douglas J. Kline (Reg. No. 35,574)
GOODWIN PROCTER LLP
100 Northern Avenue
Boston, MA 02210-1980
Tel.: (617) 570-1000
Fax: (617) 523-1231
dkline@goodwinlaw.com

Counsel for Patent Owner

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