

UNITED STATES PATENT AND TRADEMARK

OFFICE BEFORE THE PATENT TRIAL AND

APPEAL BOARD

APPLE INC.
Petitioner

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC
Patent Owner

Case No.: IPR2016-00754
Patent No.: 8,559,635

PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO AMEND

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I. INTRODUCTION

The only disputed issue is whether the proposed Substitute Claims are patentable. The Substitute Claims are fully supported by both the 1987 and 1981 Applications (Ex. 2130 at ¶14; Ex. 2140 at ¶9). Apple uses impermissible hindsight for their § 103 combinations as explained below.

II. THE PROPOSED SUBSTITUTE CLAIMS ARE PATENTABLE

A. Substitute Claims are Patentable over 35 U.S.C. §101

Apple contends the Substitute Claims are unpatentable under § 101 because they are “strikingly similar” to claim 1 of US Patent No. 7,801,304, found unpatentable in *Personalized Media Commc’ns, LLC v Amazon.com, Inc.*, 161 F.Supp.3d 325 (D. Del. 2015). Closer analysis reveals marked differences.

Magistrate Judge Payne’s R & R, adopted by the district court (*Personalized Media Commc’ns.*, 2:15-cv-1366, Doc. 230 (E.D. TX Sept. 29, 2016)(Ex. 2138)), specifically finds Claim 1 of the ’635 not directed to the abstract idea of decryption, but to a specific method of using a control signal to decrypt digital programming. (Ex. 2131 at 16-17; Ex. 2138). Apple neglects to address the specific limitations of the Substitute Claims. Substitute Claims 34 and 36-40 are addressed to a subscriber station, which requires (1) storing unique identifying codes, (2) having operating instructions capable of revision, and (3) being capable of communicating unique codes to a remote station. Substitute Claim 35 contains further limitations by

storing specific identifying data at the subscriber station. Apple's critical failure is not identifying an alleged "abstract idea". The reason for this omission is simple. The Substitute Claims define patent eligible subject matter.

Apple contends that the Substitute Claims lack inventive concepts, thus failing Alice/Mayo Step 2 - relying solely on its argument that the invention's individual elements are known in the art. PMC submits the declaration of Prof. Weaver from the district court, describing the state of data communication in the 1980's, and explaining that the techniques recited in claims 4, 7, 13, 21 and 28-30 of the '635 Patent were not conventional at that time. (Ex. 2137 at 6-16). Apple's contention must fail as Judge Payne's uncontested Report from the district court and Prof. Weaver's declaration clearly supports the non-conventionality of the claims.

B. Substitute Claims are Patentable Over 35 U.S.C. §112

Apple cites *Facebook* for the proposition a "mere citation in a table to various portions of the original disclosure" is insufficient support for amendment.

Facebook, Inc. v. EveryMD LLC, IPR2014-00242, 2015 WL 2268210 (P.T.A.B. May 12, 2015). In fact, the Board in *Facebook* did review the table, but found support missing. Specification support is the foundation for enablement of claims (35 U.S.C. § 112 ¶1). Apple then makes unsubstantiated attacks on the declaration of Dr. Dorney, calling him "not an expert in the field" and "not a PHOSITA at the time of the invention." (Paper 24 at 6). Dr. Dorney's declaration details his

expertise in signal processing, the focal point of the '635 Patent and its title. (Ex. 2130; Ex. 1052 at 125:1-126:11). Being a POSA *at the time of the invention* is not required, only “the capability of understanding the scientific and engineering principles applicable to the pertinent art.” (MPEP § 2141.03).

Apple cites *Respironics, Inc. v. Zoll Med. Corp.*, IPR2013-00322, Paper 46 at 24 (P.T.A.B. Sept. 17, 2014) for the proposition PMC is inviting the Board to do its work. PMC relies on Example #7 for Substitute Claims 34-35, 37- 40, Example #4 for Substitute Claim 36, and disclosure of the functionality of the apparatus (specification beginning) that supports all embodiments. (Ex. 2130 at ¶14). There are no “extensive modifications” in the amendments wherein the “combination with all the other claim limitations” is difficult to “piece together.” (*Respironics*, Paper 46 at 24).

Apple argues the *original language in the claims* is unsupported by the specification. On the contrary, in claim 2, “the decrypted control signal portion” is the result (producing key Aa) of decrypting the “2nd-WSW-program-enabling-message (#7)”, even if local data is used. Apple reads-in limitations to claim 2 that are not present. (Ex. 2130 at pp. 31-34; Ex. 1052 at 99:2-15). Alternatively, the second decryptor 231 may be expanded to include circuitry, such as EOFS valve 39H, which directly receives “the decrypted control signal portion” from decryptor 39K. (Ex. 2130 at 31). In claim 35, the received execution segment of the message

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