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.: IPR2016-00755
Patent No.: 8,191,091

PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO AMEND

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I. INTRODUCTION

The Petitioner has not shown that the Substitute Claims are unpatentable. Apple alleges that the Substitute Claims are § 101 unpatentable, (Paper 29 at 1), but fails to acknowledge the District Court's § 101 decision on this very patent. (Ex. 2136 ("R&R")). Apple contends a lack of specification support, yet many of the added limitations are almost *verbatim* from the specification, with only minor changes. Lastly, Apple argues prior art. PMC analyzed all references cited in the Apple and Amazon IPRs, affording them broad § 103 combinability, showing how that art does not invalidate the Substitute Claims. (Paper 21 at 3, Paper 11).

II. THE PROPOSED SUBSTITUTE CLAIMS ARE PATENTABLE

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

Apple contends that 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). (Paper 29 at 1). Careful analysis, however, shows the Substitute Claims to be markedly different from those invalidated in Delaware.

Magistrate Judge Payne's R&R, adopted by the district court (Ex. 2147), to which Apple did not object, finds Claim 13 of the '091 not directed to the abstract idea of decryption, but to a specific method of using an instruct-to-enable signal to locate a decryption key. (Ex. 2136 at 16-17; Ex. 2147).

Apple also neglects to address the specific limitations of these Substitute

Claims. Substitute Claim 32 is addressed to a key management method in which (1) an "instruct-to-enable" signal is detected in an encrypted digital information transmission (2) and processed at the receiver station (3) to determine a fashion for locating a decryption key at the receiver station to decrypt the information transmission and (4) to then create a digital record including a unique digital code identifying the receiver station. Substitute Claim 37 requires (1) a first instruct-to-enable signal including processor instructions is detected, (2) the detected processor instructions are then executed to provide a first decryption key, (3) a second instruct-to-enable signal with different processor instructions is detected, (4) these new processor instructions are executed to provide a second decryption key, (5) the two distinct keys are used to decrypt the digital information and also (6) a unique code is stored at the receiver station identifying it. Substitute Claim 41 describes a method requiring (1) the detected instruct-to-enable signal is processed (2) to tune the receiver to a remote station (3) to receive enabling information (4) which is used to decrypt the information transmission and output the decrypted information ([]5) based on local user input.

Apple further contends that the Substitute Claims lack inventive concepts and thus fail Alice/Mayo Step 2. However, in the district court, Prof. Weaver described the state of art in data communication in the 1980's (when the inventions at issue here were made) and then further explained that the techniques recited in claims 13-

16, 18, 20, 23-24, 26-27 and 30 of the '091 Patent were not conventional at that time. (Ex. 2145 at 6-16). Apple does not address these conclusions.

Apple's sole argument on the § 101 issue is that the Patent Owner does not meet its burden. The Patent Owner has enumerated the concrete, non-conventional limitations in the Substitute Claims. When these are considered along with Judge Payne's uncontested R&R (Ex. 2136), and Prof. Weaver's declaration demonstrating non-conventionality (Ex. 2145), the Patent Owner has clearly carried its burden.

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. Next, without substantiating its assertion, Apple attacks the declaration of Dr. Timothy Dorney, calling him "not an expert in the field," and "not a PHOSITA at the time of the invention." (Paper 29 at 6). The declaration details his expertise in signal processing, which is the very title of the '091 Patent. (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" Is. (MPEP § 2141.03).

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