UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, INC.,
Patent Owner.

Case IPR2016-00755
Patent 8,191,091

Record of Oral Hearing
Held: June 6, 2017

Before KARL D. EASTHOM, TRENTON A. WARD, and GEORGIANNA W. BRADEN, *Administrative Patent Judges.*

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The above-entitled matter came on for hearing on Tuesday, June 6, 2017, commencing at 10:37 a.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

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PROCEEDINGS

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2 JUDGE WARD: We are back on the record to hear arguments in
3 the second case set for today. It's IPR 2016-00755.
4 Mr. Sernel, when you're ready.
5 MR. SERNEL: May I approach, Your Honor?
6 JUDGE WARD: You may.
7 May I assume five minutes for rebuttal again, Mr. Sernel?
8 MR. SERNEL: Yes, please.
9 May I proceed?
10 JUDGE WARD: Yes.
11 MR. SERNEL: So the second proceeding we have today focuses
12 on the '091 patent, and if we could turn to slide 1 of my deck, the instituted
13 grounds span a number of claims, and there are more grounds here to deal
14 with. Three main references are Gilhousen, Mason, and Frezza, and for
15 certain of the claims, we have combinations with a Block reference with
16 both -- with all of Gilhousen, Mason, and Frezza.
17 If we turn to slide 2, which is just the '091 patent. Again, it comes
18 from the same PMC patent family, the same specification as the '635. The
19 one difference for this proceeding versus the prior proceeding that we just
20 dealt with is there is a dispute about priority. PMC argues that -- claims
21 priority back to 1981, and it's our position, Apple's position -- and the Board
22 preliminarily found in its institution decision -- that it's only entitled to 1987.
23 So that's where I'd like to begin in terms of my discussion, the priority
24 discussion.

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1 Just quickly, slide 3, those are the challenged independent claims.
2 Slide 4 lays out just the issues. Priority date, and we have got a few of the
3 same claim construction issues that we can get into it again if you would like
4 but probably don't want to spend as much time on them in this proceeding,
5 and then I will get into the prior art.
6 So slide 5 is the priority date. We've listed -- we've included many
7 reasons in our papers why PMC is not entitled to the 1981 priority date. I'm
8 going to focus on a couple of them here today in the oral hearing.
9 First of all, PMC is estopped from claiming priority to the 1981
10 date. They disclaimed priority to the 1981 disclosure in prosecution, and we
11 believe they need to be held to that disclaimer during prosecution. You can
12 see on slide 5, at the left, we have included some of the excerpts from the
13 file history where these disclaimers were made.
14 And it's important to note that in each of these situations, they are
15 not talking about certain claims. They are talking about the present
16 application. The present application asserts priority based on the 1987
17 disclosure, and the bottom left -- this is Exhibit 1043 at 21 -- specifically this
18 disclaimer of priority was made in response to a Schneller double patenting
19 rejection.
20 And so the argument was made -- a Schneller double patenting
21 rejection is not appropriate because we could not claim priority to 1981; we
22 are only claiming priority to 1987. These statements were clear statements
23 to made to disclaim priority to '81 in prosecution, and as the Board in its
24 institution found appropriately -- this is the institution decision at 26 --
25 patentee clearly disclaimed priority with respect to the claims then pending

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1 and rejected under Schneller, and, in fact, benefited from that disclaimer in
2 that the Schneller rejection was overcome by this disclaimer to the 1981
3 date.
4 Now, PMC makes a variety of arguments. One argument they
5 make is that, well, that only related to the claims then pending at the time. It
6 doesn't relate to claims as they issued in the '091 patent. A couple of things
7 I'd point out in response to that.
8 First of all, you can see the disclaimers were made regarding "the
9 present application." It wasn't limited to particular claims or claims then
10 pending. These were broad statements about the present application and
11 without -- without qualification.
12 Two, the claims as they evolved didn't evolve in any material way
13 to disassociate them from the disclaimer that was made.
14 And then three -- if we could turn forward to slide 6 -- it's
15 important to note that the Federal Circuit has looked at situations like this in
16 the past, and I'd specifically call the Board's attention to the *Hakim* case --
17 this is 479 F.3d 1313, Federal Circuit, 2007 -- where in the *Hakim* case, the
18 applicant had made a disclaimer, and the argument was made by Hakim that,
19 well, that was in a parent application, and so when we have a child
20 application that has -- claims a different scope, it shouldn't apply.
21 The Federal Circuit said that when a disclaimer is made, you need
22 to clearly rescind or take back that disclaimer if that's what you want to do.
23 The public has a right to rely on disclaimers that are made, and if you make
24 a disclaimer, you can't just back away from it by including different claims
25 in a child application. You have got to make a clear rescind -- you have to

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