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Paper 53
Entered: September 8, 2022

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
Patent 8,559,635 B1

Before KARL D. EASTHOM, KEVIN F. TURNER, and GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision on Remand
Determining Some Challenged Claims Unpatentable
35 U.S.C. §§ 144, 318

INTRODUCTION

A. Background

On March 14, 2016, Apple Inc. ("Petitioner") filed a petition to institute an *inter partes* review of claims 1–4, 7, 13, 18, 20, 21, 28–30, 32 and 33[1] of U.S. Patent No. 8,559,635 B1 ("the '635 Patent"). IPR2016-00754, Paper 1 ("754-Pet."). Personalized Media Communications LLC ("Patent Owner") filed a preliminary response (IPR2016-00754, Paper 7), and pursuant to 35 U.S.C. § 314(a), we instituted an *inter partes* review on four grounds:

Reference(s)	Basis	Claim(s)	Proceeding
Guillou[2]	§ 102	7, 21, 29	IPR2016-00754
Guillou	§ 103	4, 13, 28, 30	IPR2016-00754
Aminetzah[3]	§ 103	21, 28–30	IPR2016-00754
Aminetzah, Bitzer[4]	§ 103	4	IPR2016-00754

IPR2016-00754, Paper 8 ("754-DI"), 42[5]. After institution of trial, Patent Owner then filed a Response (IPR2016-00754, Paper 15; "754-PO Resp."), to which Petitioner filed a Reply (IPR2016-00754, Paper 23; "754-Pet. Reply"). In addition, Patent Owner also filed a Contingent Motion to Amend (IPR2016-00754, Paper 16), to which Petitioner filed an Opposition (IPR2016-00754, Paper 24), to which Patent Owner then filed a Reply to Petitioner's Opposition to the Contingent Motion (IPR2016-00754, Paper

[1] Patent Owner subsequently disclaimed claims 1 and 2 of the '635 Patent (IPR2016-00754, Ex. 3001), such that we need not consider those claims with respect to the instituted grounds.
[2] US Patent No. 4,337,483, filed Jan. 31, 1980 (Ex. 1006) ("Guillou").
[3] US Patent No. 4,388,643, filed Apr. 6, 1981 (Ex. 1008) ("Aminetzah").
[4] US Patent No. 3,743,767, filed Oct. 4, 1971 (Ex. 1009) ("Bitzer").
[5] Under Board practice at the time, not all grounds and claims proffered in the Petition were instituted.

27). An oral argument was held on June 6, 2017, and we issued a Final Written Decision (IPR2016-00754, Paper 41; "754-FWD"), determining all subject claims to be unpatentable and denying Patent Owner's Contingent Motion to Amend. 754-FWD, 72. Patent Owner sought rehearing (IPR2016-00754, Paper 42), which was denied (IPR2016-00754, Paper 43). Thereafter, Patent Owner appealed our decision to the Court of Appeals for the Federal Circuit (IPR2016-00754, Paper 44), where that appeal was remanded from the Federal Circuit for further proceedings in light of *United States v. Arthrex*, 141 S. Ct. 1970 (2021). Patent Owner then filed a Request for Director Review (IPR2016-00754, Paper 48; "754-RDR"), and the Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, addressed that request along with the request made with respect to the additional proceeding, discussed below.

On July 30, 2016, Petitioner filed another petition to institute an *inter partes* review of claims 3, 4, 7, 13, 18, 20, 21, 28–30, 32, and 33 of the '635 Patent. IPR2016-01520, Paper 1 ("1520-Pet."). Patent Owner filed a preliminary response (IPR2016-01520, Paper 5), and pursuant to 35 U.S.C. § 314(a), we instituted an *inter partes* review on four grounds:

Reference(s)	Basis	Claim(s)	Proceeding
Chandra[6]	§ 102	13, 18, 20, 32	IPR2016-01520
Chandra, Nachbar[7].	§ 103	33	IPR2016-01520
Seth-Smith[8]	§ 102	4, 7	IPR2016-01520
Campbell[9]	§ 103	3	IPR2016-01520

IPR2016-01520, Paper 7 ("1520-DI"), 58[10]. After institution of trial, Patent Owner then filed a Response (IPR2016-01520, Paper 17; "1520-PO Resp."), to which Petitioner filed a Reply (IPR2016-01520, Paper 26; "1520-Pet. Reply"). In addition, Patent Owner also filed a Contingent Motion to Amend (IPR2016-01520, Paper 16), to which Petitioner filed an Opposition (IPR2016-01520, Paper 25), to which Patent Owner then filed a Reply to Petitioner's Opposition to the Contingent Motion (IPR2016-01520, Paper 30), Petitioner filed a Sur-Reply (IPR2016-01520, Paper 36) supporting the Opposition. An oral argument was held on October 26, 2017, and we issued a Final Written Decision (IPR2016-01520, Paper 38; "1520-FWD"), determining all subject claims to be unpatentable and denying Patent Owner's Contingent Motion to Amend. 1520-FWD, 66[11]. Patent Owner sought rehearing (IPR2016-01520, Paper 39), which was denied (IPR2016-

[6] US Patent No. 4,817,140, filed Nov. 5, 1986 (Ex. 1041) ("Chandra").
[7] Daniel Nachbar, *When Network File Systems Aren't Enough: Automatic Software Distribution Revisited*, USENIX Conference Proceedings, June 9-13, 1986 (Ex. 1042) ("Nachbar").
[8] US Patent No. 4,886,770, filed Aug. 14, 1986 (Ex. 1043) ("Seth-Smith").
[9] US Patent No. 4,536,791, PCT filed Mar. 31, 1981 (Ex. 1044) ("Campbell").
[10] Under Board practice at the time, not all grounds and claims proffered in the Petition were instituted.
[11] Because of the prior decision (754-FWD), consideration of claims 4, 7, and 13 of the '635 Patent in that latter decision (1520-FWD) were dismissed, but are now under consideration.

01520, Paper 40). Thereafter, Patent Owner appealed our decision to the Court of Appeals for the Federal Circuit (IPR2016-01520, Paper 41), where that appeal was remanded from the Federal Circuit for further proceedings in light of *United States v. Arthrex*, 141 S. Ct. 1970 (2021). Patent Owner then filed a Request for Director Review (IPR2016-01520, Paper 45; "1520-RDR"), and the Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, considered the requested issues of the IPR2016-00754 and IPR2016-01520 cases together.

In the Order Granting Request for Director Review (IPR2016-00754, Paper 50; "Granting Order"), issued March 3, 2022, it was discussed that "[i]n both decisions, the Board construed the terms 'encrypted' and 'decrypted,' determining that neither term was limited to scrambling and descrambling operations on digital information, but could also include scrambling and descrambling on analog information." Granting Order, 2. Patent Owner argued that review was appropriate because the Board erred by adopting erroneous claim constructions for "encrypted" and "decrypted." 754-RDR, 4–9. The Granting Order also details that

> Patent Owner argues that the Board applied a similar analysis in its final written decision in *Apple Inc. v. Personalized Media Communications, LLC*, IPR2016-00755, Paper 42 (PTAB Feb. 14, 2019), which the U.S. Court of Appeals for the Federal Circuit reversed in relevant part on the issue of claim construction. *See* [754-RDR] at 1–2, 4–18 (citing *Personalized Media Communications, LLC v. Apple Inc.*, 952 F.3d 1336, 1339 (Fed. Cir. 2020) (construing the term "encrypted digital information transmission including encrypted information" as limited to digital information) ("*PMC*")).

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