

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,
Patent Owner.

Case 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*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Patent Owner filed a Request for Rehearing (Paper 39, “Reh’g Req.” or “Rehearing Request”) alleging that the Final Written Decision (Paper 38, “FWD”) “misapprehended and overlooked arguments and evidence presented by the Patent Owner.” Reh’g Req. 1. More specifically, Patent Owner argues:

First, the Board determination that U.S. Patent No. 4,694,490 (the “490 Patent”) fails to support priority for the term “programming” in U.S. Patent No. 8,559,635 (the “635 Patent”) overrules three prior decisions of the Board on precisely the same issue. Second, the Board applied a legally incorrect test for priority based on comparing claim term definitions between specifications instead of comparing the claimed invention to the disclosure of the earlier specification. Third, the Board’s finding that the ‘490 Patent specification fails to support priority because its disclosure is limited to a single passage in the specification is an improper *sub silentio* application of the doctrine of specification disclaimer. . . . [Fourth], the Board’s priority determination for the limitation “encrypted digital information transmission is unaccompanied by any non-digital information” relied on speculation contrary to the explicit disclosure of the ‘490 Patent. . . . [and] disregards controlling law on negative limitations when it finds [the ‘490 Patent’s French Chef example] to be insufficient because it does not go on to state that analog information is “prohibited.”

Reh’g Req. 1–2. In that Final Written Decision, we determined that claims 3, 18, 20, 32, and 33 (“instituted claims”) of U.S. Patent No. 8,559,635 B1 (Ex. 1003, “the ’635 Patent”) were unpatentable. FWD 2, 66. We dismissed consideration of claims 4, 7, and 13. FWD 2, 3–4. Patent Owner “asks that the Board grant this Request, vacate the Decision and issue a new or supplemental Final Written Decision correcting the priority

determinations and confirming the affected claims as patentable.” Reh’g Req. 1.

Under 37 C.F.R. § 42.71(d), “[t]he burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes we misapprehended or overlooked, and the place where each matter was previously addressed in a motion, opposition, or a reply.”

For the reasons provided below, we *deny* Patent Owner’s Rehearing Request.

II. ANALYSIS

A. *The Board’s Priority Determination with respect to “Programming”*

In the Final Written Decision, we determined “that Patent Owner has failed to sufficiently rebut Petitioner’s contention that the 1981 ’490 Patent does not support at least claim 3 of the ’635 Patent and that the earliest effective priority date for this claim is no earlier than that of the ’825 Patent¹ on September 11, 1987.” FWD 13. In making our determination, we considered, among other things, the Federal Circuit’s *PowerOasis*² decision in “determining if claim terms have different meanings based on different specifications, and determining whether support exists in the earliest, original application for a variation on that claim term.” *Id.* Accordingly, we explained “that Patent Owner impermissibly broadened the scope of the claim term ‘programming’ in the ’635 Patent, relative to the disclosure of the

¹ U.S. Patent No. 4,965,825 (“the ’825 Patent”). The ’635 Patent is a straight continuation of the ’825 Patent. *See* Ex. 1003, Cover Page (Related U.S. Application Data).

² *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299 (Fed. Cir. 2008).

term in the ancestor 1981 '490 patent” such that the term had a different meaning in each of the Specifications. *Id.* at 11, *see id.* at 11–12.

Patent Owner argues the Board’s priority determination improperly overrules three previous Board decisions on the very same issue—“whether the term ‘programming’ finds written description support in the ’490 Patent to establish 1981 priority” (Reh’g Req. 3). *See id.* at 3–5. Patent Owner explains that even though “the Board does not consider itself to be a tribunal that is subject to general principles of *stare decisis*. . . , basic principles of fairness and due process, as well as the mandate to provide ‘just, speedy, and inexpensive resolution’ (37 C.F.R. § 42.1(b)), are compromised when the Board issues conflicting decisions on identical issues for the same Patent Owner.” *Id.* at 4.

We are not persuaded by these arguments. First, the Board is not subject to the general principles of *stare decisis*. *See, e.g., In the Matter of Certain NAND Flash Memory Circuits & Prod. Containing Same, Inv.* No. 337-TA-526, USITC Pub. 3970 (Dec. 2007) (Final) (citing Memorandum from the General Counsel to the Commission, “The Status of An Unreviewed Initial Determination,” GC-G-306, 1983 WL 2068656 (Nov. 28, 1983) (“GC Memo”) (“There is no doctrine of *stare decisis* in administrative practice.”)). Rather, under 5 U.S.C. § 706(2)(A),(E),³ the Board “is free to change prior rulings and decisions so long as such action is not done capriciously or arbitrarily.” *Id.* (quoting 5 Jacob Stein,

³ *See Pride Mobility Prods. Corp. v. Permobil, Inc.*, 818 F.3d 1307, 1313 (Fed. Cir. 2016) (“Under 5 U.S.C. § 706(2)(A), (E), the Board’s actions here are to be set aside if ‘arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law’ or ‘unsupported by substantial evidence.’”).

Administrative Law, § 40.02 (2005)).⁴ As applied here, the mere fact that in three previous decisions the Board arrived at a different determination for the term “programming” is of no moment. In making our priority determination, we considered the record—including the Specifications of the ’635 and ’490 Patents, as well as Petitioner’s and Patent Owner’s arguments—in accordance with current legal and regulatory precedent. *See* FWD 9–13. Moreover, we put the parties on notice as to our reasons for the difference in treatment of the issue—i.e., that our analysis now accounts for *PowerOasis*. *See id.* at 11–13. We also note Patent Owner has not alleged that our determination was unclear or incomprehensible, or that they lacked notice as the determination’s contents or meaning.

Second, the three previous Board decisions cited by Patent Owner are unavailing for the following additional reasons. With respect to the Decision on Appeal in Reex. Nos. 90/006,563 and 90/006,698, as we stated in the Decision on Request for Rehearing in IPR2014-01527, which involved the same issue, “[t]he Board in that prior reexamination decision did not disagree with the examiner’s finding in its 2010 reexamination decision, it only disagreed ‘with the Examiner’s reasoning.’”

IPR2014-01527, Paper 44, 20 (citing IPR2014-01527, Ex. 2003, 21). And although

the Board conditioned the priority on the original relatively narrower disclosure in the ’490 Patent, reasoning that even if

⁴ *See also* GC Memo (“It is [a] well-established principle of administrative law that while an agency may not depart from prior practice without explaining to the parties its reasons for the difference in treatment, an agency is not bound by its own prior determinations.”); *NLRB v. J. Weingarten Co.*, 420 U.S. 251, 265 (1975) (“We agree that earlier precedents do not impair the validity of the Board’s construction [of a statutory provision].”).

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