UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,

Patent Owner.

Inter Partes Review No. IPR2016-01520
U.S. Patent No. 8,559,635 B1

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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INTRODUCTION

Patent Owner Personalized Media Communications, LLC ("PMC") respectfully requests the Director's review of the Board's final written decision in this matter, which has been remanded from the Federal Circuit in light of *United States v. Arthrex*, 141 S. Ct. 1970 (2021). Vacatur of the Board's decision is warranted based on intervening precedent, including precedent from the Federal Circuit, that is irreconcilable with the Board's invalidity determination.

First, and most importantly, intervening precedent from the Federal Circuit rejected the same Board panel's construction of materially identical terms in a related patent. In *Personalized Media Communications, LLC v. Apple Inc.*, 952 F.3d 1336 (Fed. Cir. 2020) ("*PMC '091*"), the Board had construed the term "encrypted" in U.S. Patent Number 8,191,091 (the '091 patent) to encompass non-digital information. *Id.* at 1339. The Federal Circuit reversed because the Board had erroneously failed to consider the applicant's "repeated and consistent remarks during prosecution," which established that "encryption and decryption require a digital process in the context of the '091 patent." *Id.* at 1345. In this proceeding, the same Board panel adopted the same broad construction of "encrypted" in a related patent with the same specification. As in the decision the Federal Circuit reversed in *PMC '091*, the Board refused to consider statements the applicant made during prosecution—statements that are materially identical to the ones at issue in

PMC '091 and that make it equally clear that encryption requires a digital process. In *Proppant Express Invs., LLC v. Oren Techs., LLC*, IPR2018-00733, Paper 95, at 3 (Nov. 18, 2021), Director review resulted in a remand to the Board where the Board's decision was "substantially similar" to one that the Federal Circuit had reversed. Vacatur and remand is equally warranted here.

Second, the Board's analysis of the priority date of claims 18, 20, 32, and 33 rests on a construction of the phrase "unaccompanied by any non-digital information transmission" that is irreconcilable with the district court's construction of a materially identical term in the '091 patent. *Personalized Media Commc'ns, LLC v. Apple Inc.*, No. 15-cv-1366, 2021 WL 2697846, at *3 (E.D. Tex. Mar. 14, 2021). Because the district court got the claim construction issue right, and because the issue is dispositive as to those claims, vacatur and remand is warranted.

BACKGROUND

The Board's final written decision in this proceeding invalidated claims 3, 18, 20, 32, and 33 of PMC's U.S. Patent No. 8,559,635 (the '635 patent).[1] Paper 38, at 66. A key issue was whether claim terms relating to "encryption" and "decryption" were limited to all-digital processes. The Board held that the claim terms were not

[1] The Board initially denied institution on claims 3, 18, 20, 32, and 33 in IPR2016-00754, but instituted review of those claims in this proceeding after Apple filed this second petition. PMC is also seeking Director review in IPR2016-00754.

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