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.: IPR2016-01520
Patent No.: 8,559,635

PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO AMEND

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I. SUBSTITUTE CLAIMS ARE PATENTABLE UNDER 35 USC §101

Petitioner directs its §101 arguments to U.S. Patent 7,801,304 ("'304"), not at issue here. Contrary to Petitioner's assertions, the Substitute Claims are not "strikingly similar" to claim 1 of the '304 patent, and may be distinguished by at least the following concrete features. Claims 41-45, 47 and 48 all require the concrete step of choosing from amongst a plurality of cipher algorithms preprogrammed at a subscriber station. Claim 41 includes at least a "first instruct signal," at least a "second instruct signal," and "a code or datum," all of which must be received by the "remote transmitter station." Claim 44 requires receipt and use of "executable instructions" and "unique digital data." Claim 45 requires storing "subscriber specific digital data" at the "receiver station" to customize output information, decrypting a portion having a "first decrypted portion" and a "second decrypted portion," and the "second decrypted portion" having "unique digital data" that is "communicated to a remote site." Claims 46 and 47 require storage of a "computer file with a file extension," which contains "unique digital data specific to a subscriber" resulting from subscriber input that is stored prior to receipt of a digital information transmission that instructs usage of the stored data. Claim 46 also requires "presenting a shopping list customized dependent on [the] computer file." Claim 47 also requires "outputting computer information" that is "customized dependent on [the] computer file." Claim 48 requires storing "subscriber specific

digital data" and customizing "a shopping list" dependent on the storing. These claim limitations require the concrete steps of at least storing subscriber specific data, choosing an algorithm to decrypt received information, and customizing and outputting the decrypted information based on that stored data.

Claims 42 and 43 depend from claim 2 and therefore require at least a "first decryptor" and a "second decryptor," while the '304 patent claims only a single decryptor. These claims also include the concrete step of "passing said encrypted digital information portion of said programming and the decrypted control signal portion to a second decryptor at said subscriber station," which results in the concrete benefit of making it more difficult to hack a system. (Ex. 2213 at ¶¶ 161-62; Contingent Motion to Amend ("CMTA") at 5.)

Moreover, the method claims in the Substitute Claims were not conventional. While the use of decryptors may have been conventional, at least the passing of signals, the number of decryptors, and the personalized outputs were not conventional.

Contrary to Apple's assertions, PMC did not suggest in its CMTA that Judge Payne's decision is controlling on the Board. However, Judge Payne's decision, made based on the same legal standard as is appropriate in this proceeding, is highly persuasive authority and should be carefully considered by the Board.

II. SUBSTITUTE CLAIMS ARE PATENTABLE UNDER 35 USC §112

In its CMTA, PMC relies on a single embodiment—the embodiment in Example #7—to support each original claim and its proposed amendment. It is the specification itself that points to disclosures of other Examples such as Example #4 to fill in gaps in Example #7. (Ex. 2208 at 291:3-4 in original.) It is also the specification itself that points to disclosures of other Examples, such as Example #7, in the Exotic Meals illustration. (*Id*. at 478:1-4.) Further, the Exotic Meals illustration (*id*. at Fig. 7F) uses decryptor 224, and Example #7 uses decryptor 224 (*id*. at Fig. 4), making Example #7 the obvious choice to fill in the gaps in the Exotic Meals illustration.

Apple's written description arguments are mostly directed to limitations found in the original claims; written description of these claim limitations is not at issue in this proceeding. (35 USC § 311(b) "A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 …"). *Respironics*, cited by Petitioner, does not instruct otherwise. *Respironics* requires that the additional claim limitations are supported when in combination with the original limitations; it does not require a Patent Owner to show support for the original limitation. Regardless, for completion, PMC here replies to all of Apple's written description arguments.

Apple argues Claim 41 requires "receiving a control signal at a first location" and "communicating from the first location." (Petitioner's Opposition to CMTA

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