UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.
Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,
Patent Owner.

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Case IPR2016-00755
Patent 8,191,091 B1

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

EASTHOM, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

A. *Background*

Petitioner, Apple Inc., filed a Petition requesting an *inter partes* review of claims 13–16, 18, 20, 21, 23, 24, 26, 27, and 30 ("the challenged claims") of U.S. Patent No. 8,191,091 B1 (Ex. 1003, the "'091 patent"). Paper 1 ("Pet."). After Patent Owner, Personalized Media Communications, LLC, filed a Preliminary Response (Paper 7, "Prelim. Resp."), we instituted an *inter partes* review of the challenged claims (Paper 14, "Institution Decision" or "Inst. Dec.").

The '091 patent, filed in 1987, claims continuation-in-part (CIP) status to U.S. Pat. No. 4,696,490 (Ex. 1009) (the "'490 patent" (filed Nov. 3, 1981)); Ex. 1006 (Related U.S. Application Data). Addressing a priority date issue involving the challenged claims of the '490 patent raised during a teleconference with the panel, Petitioner filed a Preliminary Reply to Patent Owner's Preliminary Response (Paper 10 ("Pet. Prelim. Reply")) and Patent Owner filed a Sur-Reply in Response to Petitioner's Preliminary Reply on Priority Date (Paper 12 ("PO Sur-Reply")). *See* Paper 8 (Order Authorizing Pet. Prelim. Rep. and PO Sur-Reply); Ex. 1041 (Transcript).

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 20, "PO Resp.") and a Contingent Motion to Amend the Claims (Paper 21, "Motion to Amend"); Petitioner filed a Reply (Paper 28, "Pet. Reply") and an Opposition to Patent Owner's Contingent Motion to Amend the Claims (Paper 29); and Patent Owner filed a Reply in Support of Motion to Amend (Paper 33).

Petitioner relies on, *inter alia*, Declarations by Anthony J. Wechselberger. Ex. 1001; Ex. 1055. Patent Owner relies on, *inter alia*, Declarations by Alfred C. Weaver, Ph.D. (Ex. 2001; Ex. 2022), Thomas J. Scott, Jr. (Ex. 2024), and Timothy D. Dorney, Ph.D. (Ex. 2130).

The Board filed a transcription of the Oral Hearing held on June 6, 2017. (Paper 41, "Tr.").[1] During the Oral Hearing, Patent Owner opted not to present arguments in support of its Motion to Amend.

The Board has jurisdiction under 35 U.S.C. § 6. This Final Written Decision issues pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that the challenged claims are unpatentable and that Patent Owner has not met its burden on its Motion to Amend.

B. Related Proceedings

Petitioner states that the '091 patent is involved in Case No. 2:15-cv-01366-JRG-RSP (E.D. Tex. filed July 30, 2015). Pet. 58. In addition to related Case IPR2016-00754 (*see* note 1), Petitioner lists a number of related

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[1] An oral hearing in related Case IPR2016-00754 ("'754 IPR") occurred on the same day, with similar issues presented and argued. For example, the parties discussed the common issue of decrypting and scrambling, as it relates to the alleged continuity of the '490 patent in both cases. *See Apple Inc. v. Personalized Media Comm's, LLC*, IPR2016-00754, Paper 40, 57:27–60, 34:1–38:23) (PTAB August 11, 2017) (hearing transcript) ("'754 Tr.") (Discussing "both cases"). Also, the '091 patent challenged here and the patent challenged in the '754 proceeding (U.S. Patent No. 8,559,635) share the same application and continuation chains, and both were filed in 1987 as CIP applications to the '490 patent.

patents involved in district court cases and other related patents involved in *inter partes* reviews. *Id.* at 58–59.

C. *The '091 Patent (Ex. 1007)*

The '091 patent describes using a conventional scrambled broadcast program containing digital signal information to, among other things, "identif[y] the particular apparatus to which [the digital] signals are addressed." Ex. 1003, 18:41–62. The described system uses "a standard amplitude demodulator, 32, which uses standard demodulator techniques, well known in the art, to define the television based band signal. This base band signal is then transferred through separate paths to three separate detector devices." *Id.* at 18:43–48 (referring to Figure 2A). Similarly, "[t]he present invention employs signals embedded in programming." *Id.* at 7:50–51. The invention seeks to overcome alleged deficiencies in the prior art: "The prior art . . . has no capacity for . . . controlling the decryption of said programming, let alone doing so on the basis of signals that are embedded in said programming that contain keys for the decryption of said programming." *Id.* at 5:15–23. "It has no capacity *for decrypting combined media programming*." *Id.* at 5:38–39 (emphasis added).

The '091 patent describes "programming" broadly: "The term 'programming' *refers to everything that is transmitted electronically* to entertain, instruct or inform, including television, radio, broadcast print, and computer programming was well as combined medium programming." *Id.* at 6:31–34 (emphasis added).

Figure 2A of the '091 patent follows:

PATH A · · · VIDEO SIGNALLING TECHNIQUES   ——— SIGNALS & PROGRAMMING
PATH B · · · AUDIO SIGNALLING TECHNIQUES   — — — CONTROL INFORMATION
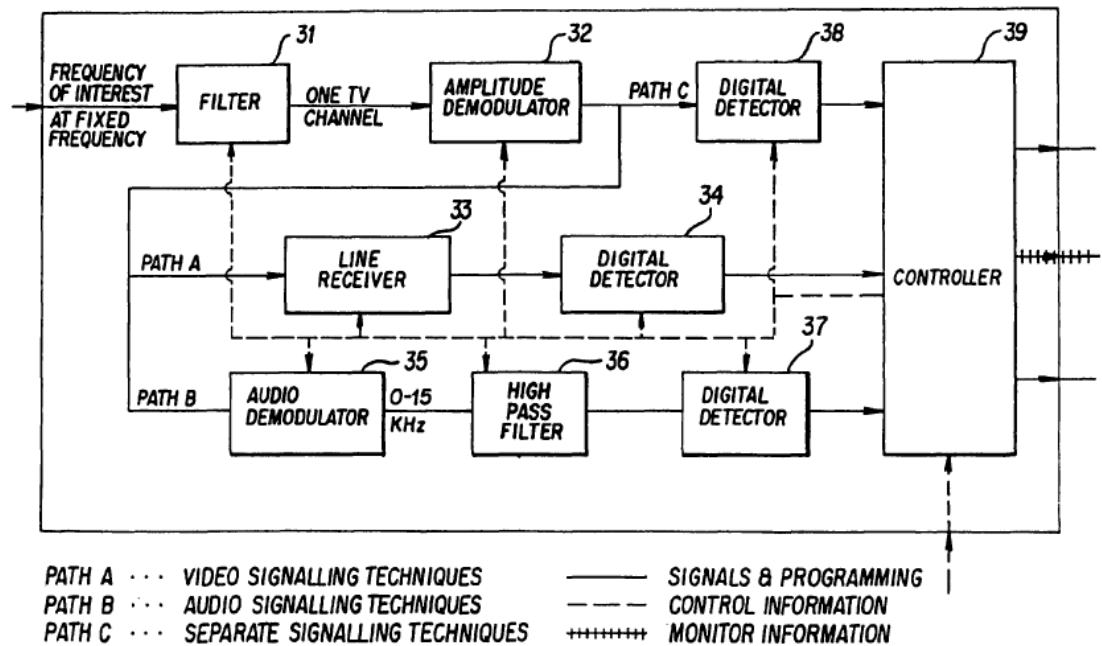PATH C · · · SEPARATE SIGNALLING TECHNIQUES   +++++++ MONITOR INFORMATION

FIG. 2A

Figure 2A depicts conventional amplitude demodulator 32 for receiving standard television signals having embedded digital information therein:

> In FIG. 2A, . . . [t]he television channel signal . . . passes to a standard amplitude demodulator, . . . which uses standard demodulator techniques, well known in the art, to define the television base band signal. . . . [A] digital detector, 34, . . . acts to detect the digital signal information embedded in said [video] information, using standard detection techniques well known in the art, and inputs detected signal information to controller, 39, ...

Ex. 1003, 18:41–62; *see also id.* at 159:54–61 (describing "conventional analog television" receivers using descramblers "that descramble analog television transmissions and are actuated by receiving digital key information").

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