

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

ACHATES REFERENCE PUBLISHING, INC.
Patent Owner

Case IPR2013-00080
Patent 6,173,403 B1

Before HOWARD B. BLANKENSHIP, JUSTIN T. ARBES, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

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

I. BACKGROUND

Petitioner Apple Inc. (“Apple”) filed a Petition (Paper 2) (“Pet.”) seeking *inter partes* review of claims 1-12 and 17-19 of U.S. Patent No. 6,173,403 B1 (“the ’403 patent”) pursuant to 35 U.S.C. §§ 311-19. On June 3, 2013, we instituted an *inter partes* review of claims 1-12 and 17-19 on six grounds of unpatentability (Paper 22) (“Dec. on Inst.”).

Patent Owner Achates Reference Publishing, Inc. (“Achates”) filed a Patent Owner Response (Paper 39) (“PO Resp.”), which included a statement of material facts. Apple filed a Reply (Paper 58) (“Pet. Reply”) and a response (Paper 59) (“Pet. SOF Resp.”) to the statement of material facts.

Achates filed a Motion to Exclude¹ (Paper 69) (“Mot. to Exclude”) certain testimony and evidence submitted by Apple in the proceeding, and included a statement of material facts. Apple filed an Opposition to the Motion to Exclude (Paper 70) (“Exclude Opp.”) and a response (Paper 71) (“Exclude SOF Resp.”) to the statement of material facts. Achates filed a Reply (Paper 72) (“Exclude Reply”).

Apple filed a Motion for Observation (Paper 74) (“Obs.”) on certain email communications (Exhibits 1067 and 1068) between Achates’s two declarants, Mr. Dmitry Radbel and Dr. Xin Wang. Achates filed a response (Paper 79) (“Obs. Resp.”). Achates also filed a Motion to Seal (Paper 78) (“Mot. to Seal”) the email communications, and Apple filed an opposition (Paper 84) (“Seal Opp.”).

¹ Achates’s original motion was improper, and Achates was permitted to re-file its motion. *See* Paper 68.

An oral hearing was held on February 26, 2014, and a transcript of the hearing is included in the record (Paper 89) (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6(c). This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

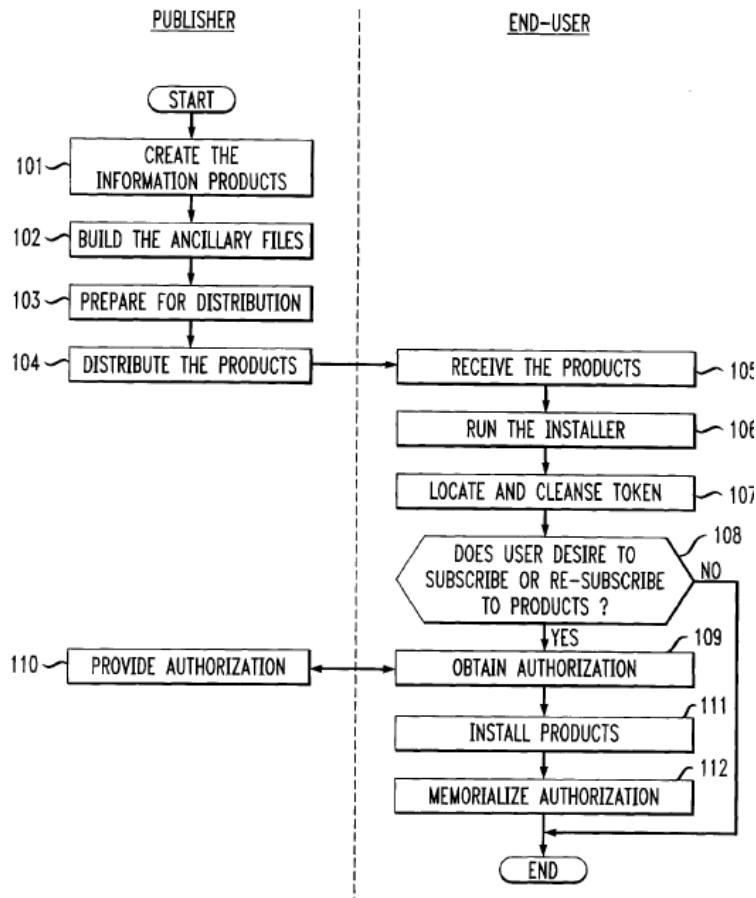
For the reasons that follow, we determine that Apple has shown by a preponderance of the evidence that claims 1-12 and 17-19 of the ’403 patent are unpatentable.

A. The ’403 Patent

The ’403 patent² relates to “distributing and installing computer programs and data.” Ex. 1039, col. 1, ll. 10-13. The ’403 patent describes a need in the art to prevent piracy of information products, such as, for example, when a user obtains a computer program improperly or when a user purchases one copy of a program and installs it on multiple computers without authorization. *Id.* at col. 1, ll. 16-64. The ’403 patent discloses methods of “distributing one or more information products together . . . while reserving to the publisher the ability to control which products are actually installed on an end-user’s computer.” *Id.* at col. 2, ll. 2-7.

² The ’403 patent is a continuation-in-part of U.S. Patent Application No. 08/845,805, which issued as U.S. Patent No. 5,982,889 (“the ’889 patent”). The ’889 patent is the subject of related Case IPR2013-00081.

Figure 1 of the '403 patent, reproduced below, depicts the interaction between a publisher and end-user (e.g., an individual purchasing a piece of software).



As shown in Figure 1, in steps 101-102, the publisher creates a set of information products and other files. *Id.* at col. 3, ll. 32-38; col. 5, ll. 29-34. The '403 patent describes a “plurality of web pages that constitute some of the legislative, administrative and judicial materials associated with patent law,” where the web pages include hyperlinks to each other, as an exemplary information product. *Id.* at col. 2, l. 64-col. 3, l. 1; col. 4, ll. 4-9. In step 103, the publisher encrypts the information products with a string as the encryption key. *Id.* at col. 7, ll. 33-42. In step 104, the information products are distributed to the end-user (e.g., on a CD-ROM or electronically over the

Internet) along with an “installer” program that runs on the end-user’s computer and allows the publisher to “control how and under what circumstances the information products are installed on the end-user’s computer.” *Id.* at col. 2, ll. 37-47; col. 7, ll. 61-67. The installer knows the cryptosystem and key for decrypting the information products. *Id.* at col. 7, ll. 53-57.

In steps 105-106, the end-user receives the information products and runs the installer. *Id.* at col. 8, ll. 1-12. In step 107, the installer checks to see whether the end-user’s computer has a previously-stored, encrypted “token” indicating that the publisher granted authorization earlier to install the information products (e.g., when an end-user has a subscription to receive multiple products over time). *Id.* at col. 8, ll. 13-27. In step 108, the end-user is asked whether he or she wants to subscribe to the information products. *Id.* at col. 9, ll. 51-57. If so, in steps 109-110, the end-user “acquires the installer’s cooperation to decrypt and install the respective information products” by transmitting information to the publisher, receiving a “launch code” from the publisher in response, and entering the “launch code” into the installer. *Id.* at col. 9, l. 58-col. 10, l. 4; Fig. 4. Specifically, the end-user contacts the publisher (e.g., via telephone or the Internet) and provides (1) the end-user’s name and address; (2) the end-user’s method of payment; (3) the name of the requested information products; and (4) a serial number R generated by the installer. *Id.* at col. 10, ll. 5-28.

After verifying the payment, the publisher provides to the end-user a “launch code” comprising “(1) an authentication code; (2) an indicium of the name of the end-user; (3) a list of the information products to which the end-user has been granted access; and (4) an indicium of when the

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