

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

ACHATES REFERENCE PUBLISHING, INC.
Patent Owner

Case IPR2013-00081
Patent 5,982,889

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 1) (“Pet.”) seeking *inter partes* review of claims 1-4 of U.S. Patent No. 5,982,889 (“the ’889 patent”) pursuant to 35 U.S.C. §§ 311-19. On June 3, 2013, we instituted an *inter partes* review of claims 1-4 on four grounds of unpatentability (Paper 21) (“Dec. on Inst.”).

Patent Owner Achates Reference Publishing, Inc. (“Achates”) filed a Patent Owner Response (Paper 36) (“PO Resp.”), which included a statement of material facts. Apple filed a Reply (Paper 49) (“Pet. Reply”) and a response (Paper 50) (“Pet. SOF Resp.”) to the statement of material facts.

Achates filed a Motion to Exclude (Paper 57) (“Mot. to Exclude”) certain testimony submitted by Apple in the proceeding. Apple filed an Opposition to the Motion to Exclude (Paper 61) (“Exclude Opp.”), and Achates filed a Reply (Paper 62) (“Exclude Reply”).

Apple filed a Motion for Observation (Paper 64) (“Obs.”) on certain email communications between Achates’ two declarants, Mr. Dmitry Radbel and Dr. Xin Wang. Achates filed a response (Paper 69) (“Obs. Resp.”). Achates also filed a Motion to Seal (Paper 68) (“Mot. to Seal”) the email communications, and Apple filed an opposition (Paper 74) (“Seal Opp.”).

An oral hearing was held on February 26, 2014, and a transcript of the hearing is included in the record (Paper 79) (“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 1-4 of the '889 patent are unpatentable.

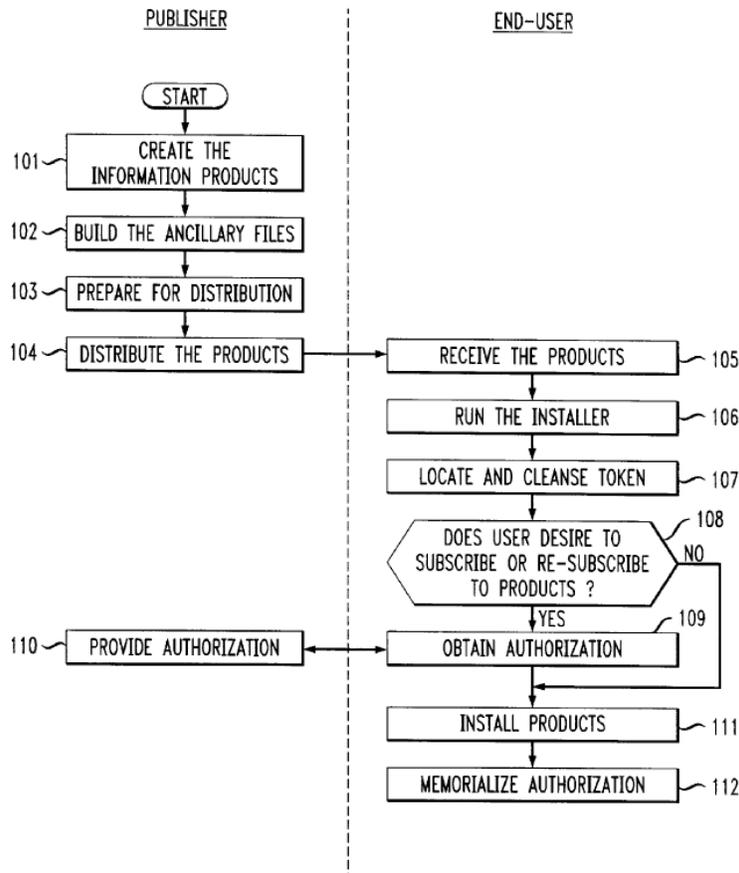
A. The '889 Patent

The '889 patent¹ relates to “distributing and installing computer programs and data.” Ex. 1001, col. 1, ll. 6-9. The '889 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. 12-60. The '889 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. 1, l. 66-col. 2, l. 4.

¹ U.S. Patent No. 6,173,403 B1 (“the '403 patent”), a continuation-in-part of U.S. Patent Application No. 08/845,805, which issued as the '889 patent, is the subject of related Case IPR2013-00080.

Figure 1 of the '889 patent, reproduced below, depicts the interaction between a publisher and end-user (e.g., an individual purchasing a piece of software).

FIG. 1



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. 34-40; col. 5, ll. 45-50. The '889 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. 9-15. In step 103, the publisher encrypts the information products with a string as the

encryption key. *Id.* at col. 8, ll. 36-45. 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. 39-48; col. 8, l. 65-col. 9, l. 3. The installer knows the cryptosystem and key for decrypting the information products. *Id.* at col. 8, ll. 57-59.

In steps 105-106, the end-user receives the information products and runs the installer. *Id.* at col. 9, ll. 4-15. 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. 9, ll. 16-31. In step 108, the end-user is asked whether he or she wants to subscribe to the information products. *Id.* at col. 10, ll. 56-62. 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. 10, l. 63-col. 11, l. 9; 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. 11, ll. 10-33.

After verifying the payment, the publisher provides to the end-user a “launch code” comprising “(1) a[n] authentication code; (2) an indication of

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