UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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AMAZON.COM, INC., AMAZON DIGITAL SERVICES, INC., AMAZON
FULFILLMENT SERVICES, INC., HULU, LLC, and NETFLIX, INC.,

Petitioners,

v.

UNILOC LUXEMBOURG, S.A.,

Patent Owner.

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CASE: IPR2017-00948

Patent No. 8,566,960

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Before DAVID C. McKONE, BARBARA A. PARVIS, and MICHELLE N.
WORMMEESTER, *Administrative Patent Judges*.

PETITIONERS' REPLY

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Petitioners respectfully reply to Patent Owner's Response (Paper No. 15), which fails to overcome Petitioners' showing and the Board's correct assessment that claims 1-25 of U.S. Patent No. 8,566,960 are invalid and should be cancelled.

I. PATENT OWNER MISCHARACTERIZES THE INVENTION BASED UPON ALLEGED LIMITATIONS NOT PRESENT IN THE CLAIMS OR DISCLOSED IN THE PATENT.

To support its argument that "setting" in the claims of the '960 Patent means "adjusting," Patent Owner repeatedly mischaracterizes the patent and invention. Specifically, Patent Owner argues that the '960 Patent is directed to a system for "temporarily" increasing a limit on the number of devices allowed to access a digital product and then returning the device limit to a previous setting. (*See, e.g.*, Response at 4 ("Under certain conditions, a temporary 'grace period' may be applied, during which a reasonable number of additional copy count(s) may also be allowed to run.").) The '960 Patent, however, never discloses or claims returning the device limit (i.e., the "allowed copy count") to a previous setting. Indeed, the patent never discloses how such a system could be implemented, and the limitations of the claims prohibit such a system.

To allow users to access a digital product from newly acquired devices, the patent discloses a system where the number of allowed devices is set to a first limit, and then that limit can be increased over time. (*See, e.g.*, '960 Patent at 4:13-17 ("In accordance with one or more aspects of the embodiments described herein,

there is provided a system for adjustable digital licensing over time allows a software user to increase the number of devices they can use with a particular software license over the period of ownership of that license.").) For example, the patent discloses setting the allowable device limit to five devices for the first five days af-

5   ter the initial authorization, then increasing the limit to seven devices for the next 25 days, and then increasing the limit to 11 devices thereafter. (*Id*. at 4:27-34.)

The patent never discloses increasing the allowed device limit to a higher number of devices and then decreasing the limit back to a previous setting. Not surprisingly, Patent Owner has not identified any such disclosure in the specifica-

10   tion or claims.

Not only is there no disclosure of decreasing the device limit back down to a previous setting, the claims preclude reducing the number of authorized devices to a lower number. Each of the independent claims of the '960 Patent recite that the system checks if the device identity is on record, and if it is on record, allowing the

15   digital product to be used on the device. ('960 Patent at 12:5-7 ("in response to the device identity already being on a record, allow the digital product to be used on the given device"); *id*. at 13:42-44 (same); *id*. at 14:32-34 (same).) Thus, even if the allowed copy count were decreased back down to a previous, lower setting, all of the previously authorized devices would continue to be allowed access to the

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