

---

No. 2021-2275

---

**United States Court of Appeals for the Federal Circuit**

---

PERSONALIZED MEDIA COMMUNICATIONS, LLC,  
*Appellant,*

v.

APPLE INC.,  
*Appellee.*

---

Appeal from the United States District Court for the Eastern District  
of Texas, No. 2:15-CV-1366-JRG-RSP, Chief Judge Rodney Gilstrap

---

**APPELLEE'S RESPONSE TO REHEARING PETITION**

---

Greg Arovass  
KIRKLAND & ELLIS LLP  
601 Lexington Ave.  
New York, NY 10022  
(212) 446-4800

John C. O'Quinn  
Nathan S. Mammen  
KIRKLAND & ELLIS LLP  
1301 Pennsylvania Ave., NW  
Washington, DC 20004  
(202) 389-5000

Marcus E. Sernel  
KIRKLAND & ELLIS LLP  
300 North LaSalle  
Chicago, IL 60654  
(312) 862-2000

Ellisen Shelton Turner  
KIRKLAND & ELLIS LLP  
55 South Flower St., Suite 3700  
Los Angeles, CA 90071  
(213) 680-8400

*Counsel for Appellee Apple Inc.*

April 7, 2023

---

## CERTIFICATE OF INTEREST

Counsel for Appellee Apple Inc. certify the following:

1. **Represented Entities (Fed. Cir. R. 47.4(a)(1)):** Apple Inc.
2. **Real Party in Interest (Fed. Cir. R. 47.4(a)(2)):** N/A
3. **Parent Corporations and Stockholders (Fed. Cir. R. 47.4(a)(3)):** N/A
4. **Legal Representatives (Fed. Cir. R. 47.4(a)(4)):**

Kirkland & Ellis LLP: Robert A. Appleby, Jonathan D. Brit, Edward C. Donovan, Sean M. McEldowney, Joel R. Merkin\*, Gregory M. Polins, Alan M. Rabinowitz, Jacob Rambeau, Meredith Zinanni

Gillam & Smith LLP: Allen F. Gardner\*, Harry L Gillam, Andrew T. Gorham, Melissa R. Smith, James Travis Underwood

\*no longer with firm

5. **Related Cases (Fed. Cir. R. 47.4(a)(5), 47.5(b)):**

*Personalized Media Communications, LLC v. Google LLC*,  
Fed. Cir. Nos. 21-1788, -1835 (consolidated);

*Personalized Media Communications, LLC v. Apple Inc.*,  
Fed. Cir. Nos. 23-1165, -1166, -1167, -1168 (consolidated)

6. **Organizational Victims and Bankruptcy Cases (Fed. R. App. P. 26.1(b)-(c)):** N/A

## TABLE OF CONTENTS

Introduction .....	1
Relevant Background .....	4
A.    PMC Pursues a “Submarine” Prosecution Strategy (1981-2012).....	5
B.    The ’091 Patent Issues in 2012, with a 2027 Expiration Date, and PMC Sues Over Technology Apple Launched in 2003. ....	10
C.    The District Court Holds Apple to a Clear-and- Convincing-Evidence Standard, and Rules After a Bench Trial that the ’091 Patent is Unenforceable for Prosecution Laches. ....	12
D.    This Court Affirms the District Court’s Factual Findings Were Not Clearly Erroneous, and Its Application of Prosecution Laches Was Not an Abuse of Discretion.....	14
Argument .....	15
I.    PMC’s Arguments Over the Consolidation Plan (for Mitigating PMC’s Abusive Filing of Hundreds of Applications) Turn on Unique Facts. ....	15
A.    PMC’s Narrow, Factbound Disagreement with the Panel and District Court Does Not Warrant Further Review. ....	15
B.    The Panel Correctly Affirmed the District Court’s Factual Findings. ....	16
II.   PMC’s Burden-of-Proof Arguments Mischaracterize the Panel Opinion and Provide No Basis for Rehearing. ....	21
Conclusion.....	23

## TABLE OF AUTHORITIES

### Cases

<i>Cancer Rsch. Tech. Ltd. v. Barr Lab’ys, Inc.</i> , 625 F.3d 724 (Fed. Cir. 2010) .....	4, 18, 19
<i>reh’g denied</i> , 637 F.3d 1293 (Fed. Cir. 2011) .....	19
<i>Hyatt v. Hirshfeld</i> , 998 F.3d 1347 (Fed. Cir. 2021) .....	4, 5, 12, 13, 15, 17, 18, 22
<i>In re Bogese</i> , 303 F.3d 1362 (Fed. Cir. 2002) .....	4
<i>In re Buszard</i> , 504 F.3d 1364 (Fed. Cir. 2007) .....	18
<i>Intellect Wireless, Inc. v. HTC Corp.</i> , 732 F.3d 1339 (Fed. Cir. 2013) .....	21
<i>King v. Zamiara</i> , 680 F.3d 686 (6th Cir. 2012) .....	20
<i>SCA Hygiene Prods. v. First Quality Baby Prods.</i> , 580 U.S. 328 (2017) .....	17, 18
<i>Symbol Techs., Inc. v. Lemelson Med.</i> , 422 F.3d 1378 (Fed. Cir. 2005) .....	5, 17
<i>Webster Elec. Co. v. Splitdorf Elec. Co.</i> , 264 U.S. 463 (1924) .....	4, 18
<i>Williams v. United States</i> , 20 F.2d 269 (D.C. Cir. 1927) .....	20
<i>Woodbridge v. United States</i> , 263 U.S. 50 (1923) .....	4, 17, 18

### Statutes

35 U.S.C. §145 .....	4
----------------------	---

35 U.S.C. §154 ..... 6  
35 U.S.C. §154(c)(1) ..... 6  
35 U.S.C. §282(b)(1)..... 4

**Other Authority**

PTO Response/ReplyBr., Fed. Cir. 18-2390,  
ECF#50 (June 6, 2019), *available at* 2019 WL 2462737..... 18

## INTRODUCTION

PMC's petition is premised entirely on PMC's own rejected view of the facts. As the panel observed, "the district court found that [PMC's] deliberate strategy of delay began at least in 1995 and continued through PMC filing this suit in 2015." PanelOp.16. The panel carefully considered PMC's arguments, and properly affirmed because the district court's fact findings were not clearly erroneous, and application of prosecution laches was not an abuse of discretion. PMC's disagreement with that result is no basis for rehearing.

This case's facts are unique. For decades, PMC pursued a self-described "submarine" strategy to delay issuance of its patents, Appx37724; Appx9427(63:16-19). PMC's scheme included filing 328 identical placeholder applications at the 1995 GATT deadline, then overwhelming the PTO with dilatory submissions to keep the applications pending for years afterward, and using thousands of overlapping claims to "examiner shop" in search of allowance. By maintaining a stockpile of pending pre-GATT applications, PMC could lie in wait, watch industry for successful products, then obtain patents targeting those products, with priority dates in the 1980s and expiration dates in the 2020s and beyond.

PMC's scheme permitted it to sue Apple on a patent with a strategically-delayed term and targeted claims obtained by subterfuge. The '091 patent arose from an application filed in 1995, claiming priority to the 1980s. Because of PMC's tactics, the patent issued in 2012, and expires in 2027. PMC asserted it against a product Apple developed in the early 2000s. After a bench trial, the district court issued a 42-page opinion holding the patent unenforceable for prosecution laches, Appx1-42, and finding Apple proved necessary facts by clear and convincing evidence. Appx29. This Court affirmed, over a narrow dissent that agreed Apple proved unreasonable delay, but disagreed with factual findings concerning temporal overlap between PMC's delay and Apple's FairPlay development.

PMC's petition does not ask the Court to overrule or change the prosecution laches doctrine, or even find that the panel misapplied it. Rather, PMC disagrees with the district court's affirmed *factual* findings regarding timing of PMC's delay-causing conduct. Both of PMC's arguments lack merit.

*First*, PMC contends its supposed "compliance" with a plan for con-

solidating and managing its 328 applications absolved PMC of responsibility for delay in examining that deluge. The plan is a unique fact of this case, and the district court's assessment of PMC's conduct implicates many disputed facts resolved against PMC. Neither the panel nor the district court found PMC "complied," nor did PMC actually comply. Nor did the plan magically end the ongoing delay PMC caused, nor does its existence affect separate findings that PMC's misconduct persisted for years afterward.

*Second*, PMC's burden-of-proof argument mischaracterizes the record and panel opinion. The district court explicitly held Apple to the clear-and-convincing-evidence standard for both prosecution laches elements. Appx29-30; Appx41. The panel affirmed without disturbing that reasoning, and reiterated that Apple bore the burden of proof. PanelOp.9-10. When a court explains why an appellant's arguments *for reversal* are unpersuasive—which is all the panel did here—it does not somehow shift the underlying burden of proof to the appellant, as PMC argues.

PMC presents no issue meriting further review. The petition should be denied.



## RELEVANT BACKGROUND

Before 1995, patent terms were fixed, based on the issuance date. Some applicants exploited that rule by delaying prosecution, recognizing that delaying issuance meant delaying expiration. Continuation applications provided further opportunities for strategic delay. And because applications were generally not published before 2000, applicants could keep applications quietly pending for years, watch industry for successful products, add targeted claims, surface with an issued patent, and sue. Such “submarine” tactics unjustly extend patent terms, deprive the public of timely disclosure, and abuse the examination process. *Hyatt v. Hirshfeld*, 998 F.3d 1347, 1351-53, 1360-62 (Fed. Cir. 2021).

Supreme Court precedent holds that strategic delays to extend patent terms are an abuse that courts need not tolerate. *Woodbridge v. United States*, 263 U.S. 50, 56, 63 (1923); *Webster Elec. Co. v. Splitdorf Elec. Co.*, 264 U.S. 463 (1924). This Court likewise holds that prosecution laches is a defense under §282(b)(1), available to the PTO in §145 suits and to defendants in infringement suits.<sup>1</sup> *Hyatt*, 998 F.3d at 1362; *Cancer*

---

<sup>1</sup> Before *In re Bogese*, 303 F.3d 1362 (Fed. Cir. 2002), the PTO believed it lacked authority to reject claims for unreasonable applicant delay. See Appx21282; RedBr.47-48.

*Rsch. Tech. v. Barr Lab'ys, Inc.*, 625 F.3d 724, 728-31 (Fed. Cir. 2010); *Symbol Techs., Inc. v. Lemelson Med.*, 422 F.3d 1378 (Fed. Cir. 2005). Prosecution laches is an equitable defense, applied at a trial court's discretion, and has two elements: **(a)** unreasonable, inexcusable applicant delay and **(b)** prejudice attributable to the delay. *Hyatt*, 998 F.3d at 1362.

As PMC notes (Pet.1), prosecution laches is “rarely-employed.” Although many rushed to file applications at the 1995 GATT deadline, only *two* applicants appear to have pursued massive schemes to overwhelm the PTO with hundreds of mirror-image applications, engineer years of delay, and take advantage of pre-GATT rules for decades after the law changed. One was Hyatt, who “filed 381 applications during the GATT Bubble.” *Hyatt*, 998 F.3d at 1367. The other was PMC, with 328 applications. PMC's conduct is described in greater detail elsewhere (PanelOp.2-9; Appx2-27; RedBr.6-24), summarized below, and bears little resemblance to PMC's sanitized narrative.

#### **A. PMC Pursues a “Submarine” Prosecution Strategy (1981-2012).**

In 1981 and 1987, PMC's founders filed two applications constituting the *entirety* of their disclosures to the PTO. Appx4. From 1987 to

1994, PMC pursued a self-described “daisy chain” strategy of serially filing continuation applications just before a new patent issued, so “the 17-year [term] would start as late as possible,” Appx8851(439:18-21), and staggered terms would provide “far-reaching market control for as long as 30 to 50 years.” Appx39220; *see* Appx37730-37731; Appx37755. PMC openly described its strategy as “submarine” prosecution. Appx37724; Appx9427(63:16-19). PMC identified Apple as a future target, Appx37870; Appx8610-8611, and received advice to “keep [its] patents hidden” and file suit after accused technology was entrenched, to maximize damages. Appx37817-37818; *cf.* Appx37724 (“We plan to surface in six to eight months.”).

In 1994, Congress amended §154 to make patent terms end 20 years from the priority application’s *filing*, rather than 17 years from *issuance*. Congress made the change effective for applications filed after June 8, 1995. 35 U.S.C. §154(c)(1). PMC responded by filing 328 *identical* applications just before the deadline. Each was more than 550 pages and served merely as a placeholder. So long as PMC could keep pre-GATT applications pending, it could amend them later to add any claims it could tie to the original applications. Resulting patent terms would start as late

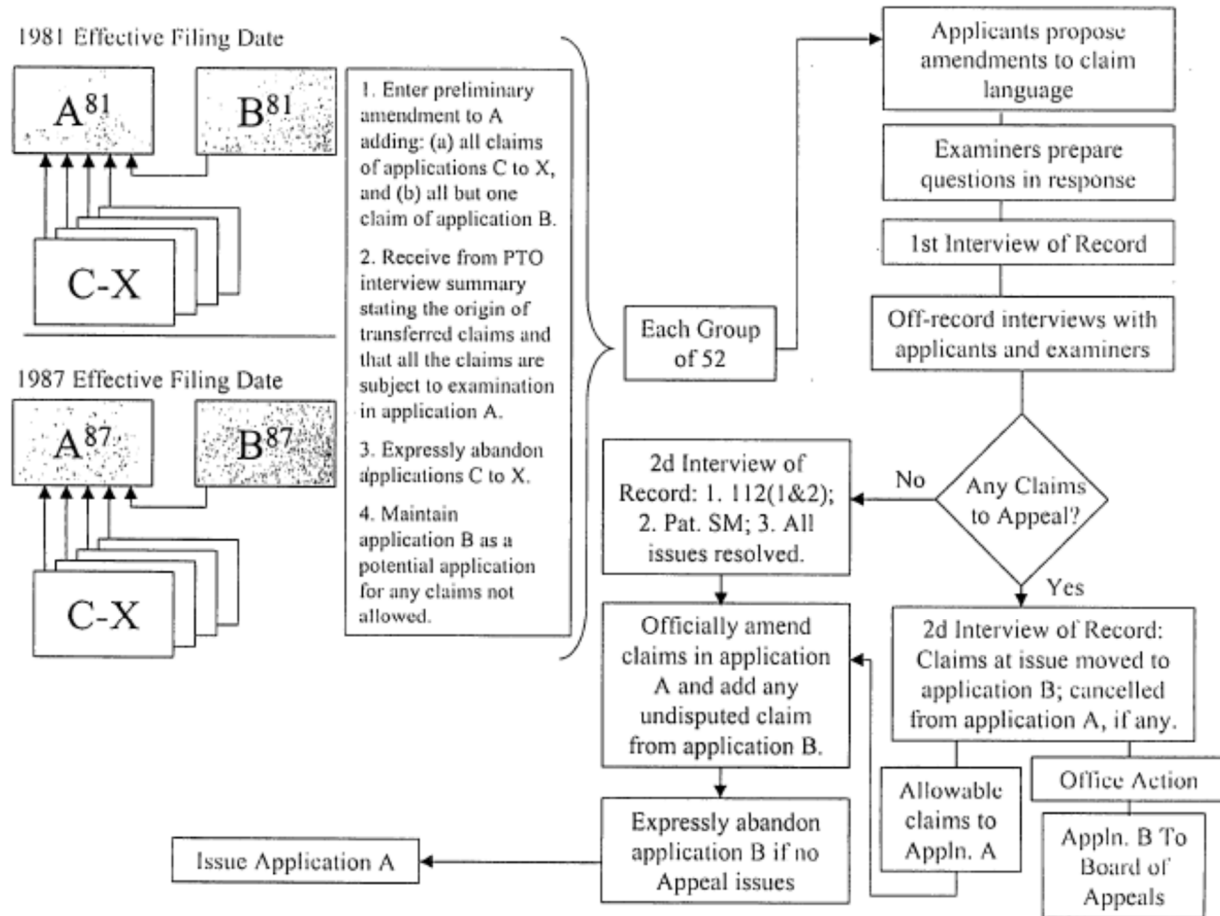
as PMC delayed issuance, and last seventeen years. The district court found that was deliberate. *E.g.*, Appx5-10; Appx9588(224:13-19).

For years, PMC used its hundreds of applications to overwhelm the PTO and engineer delay. PMC submitted thousands of identical and overlapping claims across applications. Appx9582(218:6-22) (6,000); Appx40069-40070 (10,000-20,000). It examiner-shopped for claim constructions, Appx40212-40213, “declined” to clarify claims, Appx48056, and buried the PTO in irrelevant “disclosures” including untranslated foreign documents, post-priority-date art, and obvious junk. Appx11-12; Appx40177.

Examiners observed pervasive double-patenting problems, and an “unnecessary drain on already limited PTO resources.” Appx40167; Appx40175-40176; Appx8624-8625; Appx41457; Appx20306; Appx27082; Appx48039-48040. One observed “an extreme burden on the Office requiring millions of claim comparisons.” Appx40176. PMC’s applications required “special” procedures, Appx19042, and were assigned to manager-level examiners. Appx16687-16688.

In 1999, PMC and the PTO outlined a consolidation plan for PMC’s hundreds of applications and thousands of overlapping claims. The plan

was not a formal contract, or an established procedure. It was case-specific, necessitated by PMC's conduct, and summarized in a flowchart in the prosecution files (Appx16841):



See RedBr.15-18. The objective was to bifurcate allowable claims from finally-rejected claims, so that PMC's appeals of finally-rejected claims would not delay issuance of allowable claims. Appx16841.

Far from virtuously "complying"—the whole premise of PMC's petition—PMC's recalcitrance continued. *E.g.*, Appx14-16. Even by PMC's

telling, its purported “compliance” took more than 18 months. Appx16814; Appx21175. The PTO in 2000 sought “clarification for when applicants intend to honor their agreement,” Appx21202, and in 2001 noted PMC’s delay and noncompliance with administrative requirements. Appx16815; Appx20550; Appx27647-27649; Appx32234. In 2002, the PTO “struggl[ed]” to identify support “for the 10,000 or so pending amended claims,” or understand “precisely what ... applicant claims.” Appx48056; Appx48059; Appx15-16.

Even in *2005*, PMC’s claims “require[d] special attention,” Appx19042, and the PTO observed PMC “contributed to the lengthy prosecution.” Trial.Exhibit.PTX-1180 p.4. PMC also used the plan’s bifurcated structure as a new opportunity for delay and abuse. PMC examiner-shopped by re-introducing previously-rejected claims without disclosing earlier rejections, and it repeated cycles of cancelling, amending, and adding claims, including in the application that became the ’091 patent. *See* Appx19-25; Appx8655-8660; Appx39881-39882; Appx40056-40060; Appx40125-40133; Appx40203; Appx40162; Appx40193-40197. The district court found PMC’s unreasonable delay tactics continued into

2011 and beyond, affected the '091 patent, and prejudiced Apple. PanelOp.15-17 & n.8; Appx23-25; Appx38-40.

**B. The '091 Patent Issues in 2012, with a 2027 Expiration Date, and PMC Sues Over Technology Apple Launched in 2003.**

The '091 patent issued in 2012. It claims priority to 1981 and 1987, and expires in 2027. PanelOp.8 n.6. It began as one of PMC's 328 placeholder applications filed in 1995. The relevant claims recite encryption, decryption, and a decryption key. Appx22. PMC waited until 2003 to claim that subject matter in *any* application. *Id.*; Appx48137-48141; PanelOp.7 (PMC's 2003 amendment). And PMC waited until *2011*, after contact with Apple, to claim that subject matter in the '091 patent's application. Appx40271-40277.

PMC's 2011 amendment, moreover, *reintroduced a previously-rejected claim* from another application. PanelOp.8; RedBr.21. In the earlier application, the rejected claim was allowed only after amendments. Reintroducing it was not "compliance" with the consolidation plan. PMC was *either* supposed to pursue claims to final rejection—whereupon they would be transferred to a parked application *to appeal*—or abandon them. Appx16841 (flowchart). Instead, PMC abused the plan to get an

amended claim in one application *and* a “second bite at the examination apple” with a new examiner for the rejected claim.<sup>2</sup> PanelOp.17; *see* PanelOp.16 n.8 (“PMC reintroduced the previously-rejected claim from the ’145 ‘A’ application into the ’507 ‘B’ application...”). PMC’s 2011 submission, Appx40267-40280, did not disclose that the prior examiner believed the exact same claim language was invalid. *See* Appx48286. And of course, PMC was only able to reintroduce claims in 2011 because it had inundated the PTO with placeholder applications in 1995 and kept them pending for sixteen years.

In 2015, PMC sued, alleging infringement by Apple’s FairPlay technology. Apple had begun developing FairPlay by the early 2000s, Appx26; Appx8085, and could have done something different. Appx4711-4712; 6/22/2021 TrialTr.104-108, 115-116 (E.D. Tex. ECF#645); PanelOp.17 & n.9; Appx39.

---

<sup>2</sup> By then, a continuation application would have been subject to post-GATT rules.



**C. The District Court Holds Apple to a Clear-and-Convincing-Evidence Standard, and Rules After a Bench Trial that the '091 Patent is Unenforceable for Prosecution Laches.**

The district court bifurcated proceedings. A jury found infringement and awarded damages. Appx3. Chief Judge Gilstrap concluded after a bench trial that the '091 patent was unenforceable for prosecution laches. Appx1-42.

The court required Apple to prove “both elements” of prosecution laches by clear and convincing evidence. Appx29-30. It “t[ook] very seriously” that prosecution laches would moot the jury verdict, but the case’s “compelling facts,” proved by “clear and convincing evidence,” warranted that result. Appx41. The court observed parallels with *Hyatt*’s similar scheme to overwhelm the PTO with 300+ GATT-bubble applications, where this Court vacated a decision that did *not* apply prosecution laches. Appx32-37; RedBr.66-71.<sup>3</sup> The court addressed PMC’s arguments concerning the consolidation plan, observing it was necessitated by PMC’s prior delays and “shoot first, aim later strategy of filing,” Appx35, it facilitated further delay, and should be considered in “context of PMC’s

---

<sup>3</sup> Worse than *Hyatt*, direct evidence here showed PMC’s scheme was planned and its delays were intentional. Appx6-8; Appx35-38; Appx41.

original plans.” Appx40. The court noted the evidence showing PMC’s delays were intentional, Appx6-8; Appx35-38; Appx41, and observed “[d]elays of this magnitude do not occur by accident ... when an applicant reasonably pursues prosecution.” Appx36. It concluded “[a]t such a size and scope... PMC’s actions were a conscious and egregious misuse of the statutory patent system.” Appx38.

The court made express findings that Apple proved by clear and convincing evidence that it was prejudiced, Appx38-41, declining to rely on the “presumption of prejudice” that *Hyatt* held can arise from unexplained delay of six years or more.<sup>4</sup> Appx29-30. For years, “as Apple was developing FairPlay, PMC was prosecuting the claims it would later assert.” Appx39. PMC’s unreasonable delays “continued through PMC filing this suit in 2015,” PanelOp.16 (citing Appx38-40), and included delaying presentation of the subject matter PMC asserted against Apple, and reintroducing rejected claims. PanelOp.15-17 & n.8; Appx23-25.

---

<sup>4</sup> Apple pointed to the presumption as alternative grounds for affirmance. RedBr.77.

**D. This Court Affirms the District Court’s Factual Findings Were Not Clearly Erroneous, and Its Application of Prosecution Laches Was Not an Abuse of Discretion.**

This Court affirmed, reviewing for abuse of discretion, PanelOp.1, and explaining why each of PMC’s arguments was unpersuasive. PanelOp.10-15 (delay); PanelOp.15-18 (prejudice). The Court rejected PMC’s arguments alleging “compliance” with the consolidation plan, PanelOp.5-7, 10-11, affirming findings that PMC’s delays continued—both in actions and effects—through and after 2003. PanelOp.12-13. For prejudice, the Court further found no clear error in the findings that PMC unreasonably delayed presenting its claims, and caused further unreasonable delay in recycling rejected claims. PanelOp.15-16. The Court affirmed PMC caused delays “at least through 2011,” and even if “PMC’s delay ended by 2003,” Apple had begun developing FairPlay by then and thus suffered prejudice. PanelOp.17; PanelOp.16 n.8.

Judge Stark dissented on narrow grounds. The dissent agreed PMC unreasonably delayed prosecution of the ’091 patent. Dissent.1. But the dissent disagreed with the district court’s factual findings that PMC’s delays continued into Apple’s development, and thus disagreed that Apple had shown prejudice. Dissent.1-2. The dissent appeared to require proof

of discrete acts of delay-causing misconduct after Apple began developing FairPlay—*i.e.*, it was not enough that PMC’s actions *caused* examination delays for years, overlapping Apple’s development. Dissent.5-6. And although the district court separately found PMC’s affirmative misconduct also continued well after Apple’s development began, the dissent disagreed with those findings too. Dissent.8-14. It did not address the presumption of prejudice from unexplained six-or-more-year delays. *See* RedBr.77; *Hyatt*, 998 F.3d at 1370.

## ARGUMENT

### **I. PMC’s Arguments Over the Consolidation Plan (for Mitigating PMC’s Abusive Filing of Hundreds of Applications) Turn on Unique Facts.**

#### **A. PMC’s Narrow, Factbound Disagreement with the Panel and District Court Does Not Warrant Further Review.**

PMC’s main argument (Pet.9-14) disputes the panel’s and district court’s assessment of the consolidation plan for managing PMC’s 328 applications. Whatever one thinks of PMC’s self-serving factual account,<sup>5</sup> the salient facts are unique to this case (comparable only to *Hyatt*), and

---

<sup>5</sup> For example, the PTO did not “apologize” to PMC. *Compare* Pet.11, with RedBr.47-48. Nor did PMC “st[i]ck,” Pet.12, to the consolidation plan. *See* pp.8-11, *supra*.

unlikely to be repeated, which is reason enough to deny rehearing. The plan was a case-specific attempt, after four years of the PTO exhausting other options, to deal with the mass of applications and claims PMC dumped at the PTO's doorstep. Other than Hyatt, no one else pursued a scheme like PMC's, to flood the PTO with 300+ applications during the 1995 GATT bubble and park applications for years afterward. The incentives to repeat PMC's conduct are gone post-GATT, which counsels against further review.

**B. The Panel Correctly Affirmed the District Court's Factual Findings.**

PMC does not argue that the prosecution-laches doctrine should be overruled or changed, or that the panel misapplied it. PMC simply disagrees with affirmed factual findings concerning duration and timing of PMC's delays. The district court permissibly found PMC's delay continued well after Apple began developing the accused technology. PanelOp.15-17 & n.8; Appx23-25; Appx38-40. PMC's contrary arguments assume the consolidation plan was: **(1)** the PTO's "deliberate" decision to bless PMC's conduct thereafter (Pet.10, 14, 15), and **(2)** the end of the delay for which PMC was responsible (Pet.11). Both are wrong.

*First*, the record belies PMC’s tale of a “deliberate” PTO “decision” *approving* PMC’s post-1999 conduct and foreclosing prosecution laches. The district court permissibly found, *on the facts*, that PMC’s misconduct created the need for the plan, the plan provided PMC with additional desired delay, and PMC inexcusably took advantage of (and circumvented) the plan to cause further delay. Appx23-25; Appx38-40.

This judgment does not “second-guess” any PTO “decision.” Pet.10. PMC’s argument proves too much. *Every* patentee could argue, as PMC does, that issuing a patent is the PTO’s deliberate decision blessing the applicant’s prosecution conduct, which courts should not “second-guess.” Pet.1, 14, 15. If that were correct, prosecution laches could not be a defense to infringement at all—*contra Woodbridge, Symbol, and Cancer Research. Hyatt* could not have held that the PTO can raise prosecution laches in litigation “even if it did not previously issue” prosecution-laches warnings or rejections during prosecution. 998 F.3d at 1363. In essence, PMC argues an applicant can defeat prosecution laches by showing its delay tactics actually worked.

For similar reasons, PMC is wrong to invoke *SCA Hygiene Prods. v. First Quality Baby Prods.*, 580 U.S. 328 (2017), to argue (Pet.15)

“courts cannot use laches to second-guess deliberate decisions by the other branches.” As the PTO explained in *Hyatt*, *SCA* holds only that a *statute of limitations* addressed to a lawsuit’s timing displaces laches remedies addressed to the same thing. PTO Response/ReplyBr., Fed. Cir. 18-2390 ECF#50, at 32-33 (June 6, 2019), *available at* 2019 WL 2462737; PanelOp.15. *SCA* does not address prosecution at all, nor does it undermine *Woodbridge* or *Webster*.<sup>6</sup>

*Second*, the plan did not end PMC’s delay. The district court rejected PMC’s view of the facts on this point. *E.g.*, PanelOp.16 n.8; Appx23-25; Appx38-40. PMC and the dissent cite *Cancer Research*, which is far afield. Despite delay in the patent’s issuance, the *Cancer Research* defendant did not file an ANDA until more than *thirteen years after the patent issued*. 625 F.3d at 731. That gap, plus the absence of evidence that anyone was deterred from entering the market earlier, demonstrated the earlier “delay had only limited consequences to [defendant]

---

<sup>6</sup> *In re Buszard*, 504 F.3d 1364 (Fed. Cir. 2007) is irrelevant. *See* Pet.11-13. *Buszard* merely uses the phrase “give and take” in explaining why the broadest-reasonable-interpretation standard applies to claims under examination. 504 F.3d at 1366-67.

and the public,” if any. *Id.* at 729, 731.<sup>7</sup> In other words, there was apparently *no* activity in the field before the patent issued and spurred such activity. Here, Apple’s accused activity began at least nine years *before* PMC’s patent issued.

Furthermore, the delay in *Cancer Research* was meaningfully different. Instead of responding to rejections, the applicant in *Cancer Research* delayed by abandoning applications and filing continuations. *Id.* at 726. The delay stopped, however, when the applicant stopped filing continuations and began responding to rejections. Here, by contrast, the district court found PMC intentionally overwhelmed the PTO with hundreds of applications and thousands of overlapping claims, obscured what it was actually claiming, and was able to get multiple bites at the apple (and examiner-shop), which was all designed to—and did—cause *ongoing* delay in the PTO’s ability to *examine* the applications.

Regardless, the district court also found PMC committed specific delay-causing acts well after Apple began developing FairPlay. Appx23-

---

<sup>7</sup> Five judges thought *Cancer Research* required *too much* from defendants concerning prejudice. 637 F.3d at 1294-97 (opinions of Prost and Dyk, JJ., dissenting from denial of rehearing).



25; Appx38-40. The included unreasonably delaying until 2003 to present claims to the PTO (for subject matter PMC purportedly invented in the 1980s), and causing further delay by reintroducing previously-rejected claims in 2011. See PanelOp.15-17 & n.8; Appx23-25; Appx38-40; Appx40267-40280. There were other acts as well. *E.g.*, Appx16815; Appx20550; Appx48056; Appx48059; Appx19042; Appx19011. PMC offers excuses, but the district court considered and permissibly rejected them.

In all events, neither PMC nor the dissent explains why prosecution laches should turn on the timing of PMC's specific acts rather than the effects (*i.e.*, the resulting delays). Under PMC's approach, the delay chargeable to PMC overwhelming the PTO with 328 placeholder applications might have *ended* the day after PMC filed the applications. That makes no sense: that is when delay from those filings *began*. Indeed, wrongdoers are ordinarily liable for injuries they proximately cause, not just injuries simultaneous with the wrongdoing.<sup>8</sup> If a factory pollutes a

---

<sup>8</sup> *King v. Zamirara*, 680 F.3d 686, 695 (6th Cir. 2012) (one “who sets in motion an adverse action can be liable ... for the reasonably foreseeable consequences of his actions.”); *Williams v. United States*, 20 F.2d 269, 270 (D.C. Cir. 1927) (“where a person intentionally sets a dangerous agency in operation, he is responsible for the consequences resulting”).

river on day 1, causing injury on day 2, it is no defense to say the factory completed its pollution on day 1. Likewise, an applicant cannot escape inequitable-conduct liability for a false declaration merely because the applicant stopped making false statements afterward, or supplied accurate facts later. *Intellect Wireless, Inc. v. HTC Corp.*, 732 F.3d 1339, 1343-44 (Fed. Cir. 2013). The district court properly viewed the plan and PMC's conduct as continuing and exacerbating PMC's deliberate delays.

## **II. PMC's Burden-of-Proof Arguments Mischaracterize the Panel Opinion and Provide No Basis for Rehearing.**

This case does not present the question whether prosecution laches must be proved "by clear and convincing evidence." Pet.vi. The district court already held Apple to that standard. Appx29-30; Appx41. This Court affirmed without disturbing that reasoning. The standard did not affect the outcome.

PMC contends (Pet.16) the panel "expressly put the burden on PMC to prove that its conduct after 2000 was *not* egregious." Not so. The panel only explained that one of PMC's arguments for reversal was unpersuasive, unsupported, and "misconstrue[d] the district court's rationale." PanelOp.12-13 (cited Pet.16). Those are appropriate statements in an ap-

pellate opinion affirming a judgment. Addressing the appellant’s arguments does not mean (let alone “expressly” hold) the appellant had the burden of proof below. PMC criticizes Apple’s evidence, but the district court permissibly viewed the record differently,<sup>9</sup> and the panel’s affirmation does not mean it reversed the burden of proof. The panel’s footnoted observation “the record does not explain how PMC and the PTO decided on the elements of the Consolidation Agreement,” PanelOp.5 n.3, is a (proper) comment on the record—not, as PMC argues (Pet.16), a suggestion that PMC bore the burden of proof.

Finally, PMC’s arguments ignore the “presumption of prejudice” that arises from “unreasonable and unexplained prosecution delay of six years or more,” *Hyatt*, 998 F.3d at 1370, which would have to be considered in the event of further review, *supra* n.4.

\* \* \*

---

<sup>9</sup> It is not true Apple “had no evidence that PMC’s 2003 amendments were ‘egregious’ because they introduced new subject matter.” Pet.16. Apple’s expert testified about PMC’s delays in prosecution. Appx9430-9439; *see* Appx9436 (“whole process ... reset” by PMC recycling claims in 2011). The amendments themselves are in the record. PanelOp.7; Appx22.

PMC disagrees with the panel’s affirmance of the district court’s factbound ruling that Apple proved prosecution laches by clear and convincing evidence. PMC fails to substantiate its characterization of the panel opinion, and its disagreement with the result does not warrant re-hearing.

### CONCLUSION

PMC’s petition should be denied.

April 7, 2023

Greg Arovas  
KIRKLAND & ELLIS LLP  
601 Lexington Ave.  
New York, NY 10022  
(212) 446-4800

Marcus E. Sernel  
KIRKLAND & ELLIS LLP  
300 North LaSalle  
Chicago, IL 60654  
(312) 862-2000

Respectfully submitted,

/s/ John C. O’Quinn  
John C. O’Quinn  
Nathan S. Mammen  
KIRKLAND & ELLIS LLP  
1301 Pennsylvania Ave., NW  
Washington, DC 20004  
(202) 389-5000

Ellisen Shelton Turner  
KIRKLAND & ELLIS LLP  
55 S. Flower St., Ste 3700  
Los Angeles, CA 90071  
(213) 680-8400

*Counsel for Appellee Apple Inc.*

**CERTIFICATE OF COMPLIANCE WITH  
TYPE-VOLUME LIMITATION**

This response complies with the type-volume limitations of the Federal Rules of Appellate Procedure and the Rules of this Court. According to the word processing system used to prepare it, the response contains 3,899 words.

*/s/ John C. O'Quinn*