

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

FOCAL IP, LLC,
Patent Owner.

Cases IPR2016-01254 and IPR2016-01257
Patent 8,457,113 B2

Before SALLY C. MEDLEY, JONI Y. CHANG, and
BARBARA A. PARVIS, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background*

In IPR2016-01254, Cisco Systems, Inc. (“Petitioner”) filed a Petition (IPR2016-01254, Paper 2, “1254 Pet.”) requesting that we institute *inter partes* review of claims 38 and 65 of U.S. Patent No. 8,457,113 B2

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(Ex. 1001, “the ’113 Patent”).¹ In IPR2016-01257, Petitioner filed a second Petition (IPR2016-01257, Paper 2 (“1257 Pet.”)) requesting that we institute *inter partes* review of claims 143–147, 149, 150, 163, and 176–178² of the ’113 Patent. In support of its Petitions, Petitioner proffers a Declaration of Mr. Dean Willis, who has been retained as an expert witness for the instant proceeding. Ex. 1002 ¶ 3; Ex. 1102 ¶ 3. In each proceeding, Focal IP, LLC (“Patent Owner”) filed a Preliminary Response (IPR2016-01254, Paper 8 (“1254 Prelim. Resp.”); IPR2016-01257, Paper 8 (“1257 Prelim. Resp.”)) and a Declaration of Mr. Regis J. Bates, who has been retained as an expert witness for the instant proceeding. IPR2016-01254, Ex. 2001 ¶¶ 1, 2 (“1254 Ex. 2001”); IPR2016-01257, Ex. 2001 ¶¶ 1, 2 (“1257 Ex. 2001”). Upon consideration of the parties’ contentions and supporting evidence, we instituted an *inter partes* review pursuant to 35 U.S.C. § 314, as to the challenged claims of the ’113 Patent. IPR2016-01254, Paper 15 (“1254 Dec. on Inst.”); IPR2016-01257, Paper 15 (“1257 Dec. on Inst.”).

¹ The ’113 Patent was submitted as Exhibit 1101 in IPR2016-01257. We use either exhibit number, i.e., 1001 or 1101, to refer to the ’113 Patent throughout. Petitioner uses different ranges of exhibit numbers so that each exhibit filed in the two proceedings has a unique exhibit number. More specifically, in IPR2016-01254, Petitioner’s exhibits are numbered 1001 through 1060 and in IPR2016-01257, Petitioner’s exhibits are numbered 1101 through 1163. For ease of reference, therefore, we use only the exhibit number and not the proceeding number to refer to Petitioner’s exhibits in these proceedings.

² Claims 38, 65, 143–147, 149, 150, 163, and 176–178 are referred to herein as the challenged claims.

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After institution, in each of IPR2016-01254 and IPR2016-01257, Patent Owner filed a Patent Owner Response (IPR2016-01254, Paper 25 (“1254 PO Resp.”); IPR2016-01257, Paper 25 (“1257 PO Resp.”) and an additional Declaration of Mr. Regis Bates in support of its Patent Owner Response (’1254 Ex. 2022; ’1257 Ex. 2022). In only IPR2016-01257, Patent Owner filed a Motion to Amend (Paper 26, “Mot. to Amend”) and additional Declarations of Mr. Regis Bates. ’1257 Ex. 2040 (supporting Motion to Amend); ’1257 Ex. 2070 (supporting Reply to Opposition to Motion to Amend).³ In each of IPR2016-01254 and IPR2016-01257, Petitioner filed a Reply. IPR2016-01254, Paper 34 (“1254 Pet. Reply”); IPR2016-01257, Paper 35 (“1257 Pet. Reply”).⁴ In IPR2016-01257, Petitioner filed an Opposition to Patent Owner’s Motion to Amend (IPR2016-01257, Paper 30 (“Oppn. MTA”) and a Declaration of Dr. Thomas F. La Porta (Ex. 1157) and Patent Owner filed a Reply to Petitioner’s Opposition to the Motion to Amend (IPR2016-01257, Paper 39, “PO MTA Reply”).⁵ In each of IPR2016-01254 and IPR2016-01257, each

³ Patent Owner also submits declaration and deposition testimony from other proceedings, including that of declarants of other Petitioners from other *inter partes* review proceedings. *See, e.g.*, ’1257 Exs. 2026–2030. Patent Owner, however, must include a detailed explanation of the significance of the evidence including, for example, why it should be considered in the instant proceeding. 37 C.F.R. §§ 42.22, 42.23, 42.120. To the extent appropriate, we address Patent Owner’s contentions herein.

⁴ With authorization, Petitioner filed revised Replies in IPR2016-01254 and IPR2016-01257, which we refer to herein unless otherwise noted.

⁵ Subsequent to the oral hearing, Petitioner was authorized to file a supplemental brief in light of the Federal Circuit’s en banc decision in *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (“*Aqua Products*”).

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of Petitioner and Patent Owner filed a Motion to Exclude. IPR2016-01254, Paper 41 (“’1254 PO Mot. to Exclude”), Paper 43 (“’1254 Pet. Mot. to Exclude”); IPR2016-01257, Paper 44 (“’1257 PO Mot. to Exclude”), Paper 46 (“’1257 Pet. Mot. to Exclude”). A transcript of the hearing held on September 19, 2017 has been entered into the record of each proceeding. *See, e.g.*, IPR2016-01254, Paper 55 (“Tr.”).⁶

This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). Because the subject matter of the claims and the challenges significantly overlap, we enter this one Final Written Decision in both proceedings. For the reasons that follow, we determine that Petitioner has demonstrated by a preponderance of evidence that the challenged claims of the ’113 Patent are unpatentable. Additionally, in IPR2016-01257, we deny Patent Owner’s Motion to Amend.

B. Related Proceedings

The parties state that the ’113 Patent is the subject of pending lawsuits in the Middle District of Florida, and these lawsuits include assertions against Bright House Networks, LLC, WideOpenWest Finance, LLC, YMax Corporation, Birch Communications, Inc., and T3 Communications, Inc. *See, e.g.*, ’1257 Pet. 2; IPR2016-01257, Paper 4 (’1257 Patent Owner’s Mandatory Notices), 2–3; IPR2016-01257, Paper 6 (’1257 Petitioner’s Updated Notice), 1. Additional petitions have been filed challenging claims of the ’113 Patent (i.e., IPR2016-01260 and IPR2016-01261), and two

IPR2016-01257, Paper 57. Petitioner filed the supplemental brief on October 31, 2017. IPR2016-01257, Paper 59.

⁶ The oral hearings were consolidated in Cases IPR2016-01254 and IPR2016-01257. IPR2016-01254, Paper 46.

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related patents: (1) U.S. Patent No. 7,764,777 B2 (“the ’777 Patent”), which issued from the parent of the ’113 Patent Application; and (2) U.S. Patent No. 8,155,298 B2 (“the ’298 Patent”), which issued from a continuation of a parent of the ’777 Patent Application.

C. Instituted Grounds of Unpatentability

We instituted on the following grounds of unpatentability (’1254 Dec. on Inst. 29; ’1257 Dec. on Inst. 28):

Challenged Claims	Basis	Reference(s)
38, 65, 143–147, 149, 150, 163, and 176–178	§ 103	U.S. Patent No. 6,353,660 B1 (“Burger,” Ex. 1103) and the knowledge of a person of ordinary skill in the art ⁷
38, 65, 143–147, 149, 150, 163, and 176–178	§ 103	Burger and U.S. Patent No. 6,798,767 B1 (“Alexander,” Ex. 1106) ⁸
38, 65, 143–147, 149, 150, 163, and 176–178	§ 103	U.S. Patent No. 6,683,870 B1 (“Archer,” Ex. 1104) and the knowledge of a person of ordinary skill in the art
38 and 65	§ 103	Archer and Chang

D. The ’113 Patent

The ’113 Patent relates to telephone services. Ex. 1001, 1:23. In the background section, the ’113 Patent explains that the Public Switched

⁷ In IPR2016-01257, with respect to claims 143–147, 149, 150, 163, and 176–178, for grounds involving Burger, we specify that the knowledge of a person of ordinary skill in the art includes a reference, filed as Exhibit 1114.

⁸ In IPR2016-01254, for claims 38 and 65, we further specify that this asserted ground includes Admitted Prior Art (Ex. 1001, 1:42–51).

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