

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YMAX CORPORATION,
Petitioner,

v.

FOCAL IP, LLC,
Patent Owner.

Case IPR2016-01260
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*

YMax Corporation (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting that we institute *inter partes* review of claims 1, 2, 8, 11, and 15–19 (“challenged claims”) of U.S. Patent No. 8,457,113 B2 (Ex. 1001, “the ’113 Patent”). In support of its Petition, Petitioner proffers a Declaration of Dr. Tal Lavian, who has been retained by Petitioner as an expert witness for the instant proceeding. Ex. 1002 ¶¶ 2, 3. Focal IP, LLC (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”) and a Declaration of Mr. Regis J. Bates (Ex. 2001), who has been retained by Patent Owner as an expert witness for the instant proceeding. Petitioner additionally filed a Reply to Patent Owner’s Preliminary Response. Paper 9 (“POPR Reply”). 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. Paper 12 (“Dec. on Inst.”).

After institution, Patent Owner filed a Patent Owner Response (Paper 26, “PO Resp.”), and a Motion to Amend (Paper 27, “Mot.”). In support of its Patent Owner Response and its Motion to Amend, Patent Owner proffers additional Declarations of Mr. Regis Bates. Ex. 2022 ¶ 1 (supporting Patent Owner’s Response); Ex. 2040 ¶ 2 (supporting Motion to Amend); Ex. 2070 ¶ 2 (supporting Reply to Opposition to Motion to Amend).¹ Petitioner

¹ Patent Owner also submits declaration and deposition testimony from declarants of other Petitioners in other *inter partes* review proceedings. *See, e.g.*, 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.

IPR2016-01260
Patent 8,457,113 B2

filed a Reply (Paper 33, “Pet. Reply”) and an Opposition to Patent Owner’s Motion to Amend (Paper 32, “Oppn.”). In support of its Opposition to the Motion to Amend, Petitioner proffers a Declaration of Dr. Leonard J. Forsys, who also has been retained by Petitioner as an expert witness for the instant proceeding. Ex. 1045 ¶ 2. Patent Owner filed a Reply to Petitioner’s Opposition to the Motion to Amend (Paper 38, “PO Reply”). Petitioner filed a Motion for Observation, Paper 45 (“Pet. Mot. Obs.”) and Patent Owner filed a Response to the Motion for Observation, Paper 46 (“PO Resp.”). A transcript of the hearing held on September 19, 2017 has been entered into the record as Paper 57 (“Tr.”).²

Subsequent to oral hearing, Petitioner was authorized to file a supplemental brief in opposition to Patent Owner’s Motion to Amend 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*”). Paper 54. On October 31, 2017, Petitioner filed a supplemental brief in opposition to Patent Owner’s Motion to Amend. Paper 56 (“Supp. Br.”).

This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). 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, we deny Patent Owner’s Motion to Amend.

B. Related Proceedings

The parties indicate that the ’113 Patent is involved in *Patent Asset Licensing LLC v. YMAX Corporation*, No. 3:15-cv-00744-J-32MCR (M.D. Fla.), and the parties also identify other related proceedings. Pet. 1–2;

² The oral hearings in the following cases were consolidated: Cases IPR2016-01256, IPR2016-01258, and IPR2016-01260. Paper 47.

IPR2016-01260
Patent 8,457,113 B2

Paper 4 (Patent Owner’s Mandatory Notices), 2–3. There are other petitions challenging the ’113 Patent (IPR2016-01254, IPR2016-01257, and IPR2016-01261) and two 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, which issued from a continuation of the parent of the ’777 Patent Application.

C. Instituted Grounds of Unpatentability

We instituted on the following grounds of unpatentability (Dec. on Inst. 32):

| Challenged Claims | Basis | Reference(s) |
|-------------------------|----------|--|
| 1, 2, 8, 15, 18, and 19 | § 102(b) | International Published Application No. WO 99/14924 (“Shtivelman,” Ex. 1005) |
| 1, 2, 8, 18, and 19 | § 102(e) | U.S. Patent No. 6,463,145 B1 (“O’Neal,” Ex. 1003) |
| 1, 11, and 15–17 | § 103 | O’Neal |
| 1, 2, 8, 11, and 15–19 | § 103 | Shtivelman and O’Neal |

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 Telephone Network (PSTN) consists of a plurality of edge switches connected to telephones on one side and to a network of tandem switches on the other. *Id.* at 1:45–47. The tandem switch network allows connectivity

between all of the edge switches, and a signaling system is used by the PSTN to allow calling and to transmit both calling and called party identity. *Id.* at 1:48–51.

According to the '113 Patent, at the time of the invention, there were web-based companies managing third-party call control, via the toll-switch network, which allow users to enter call control information through a web portal. *Id.* at 1:34–37. Edge devices such as phones and PBXs that include voice mail, inter-active voice response, call forwarding, speed calling, etc., have been used to provide additional call control. *Id.* at 2:41–44.

The '113 Patent discloses a system for allowing a subscriber to select telephone service features. *Id.* at 1:23–26. Figure 1 of the '113 Patent is reproduced below (with annotations).

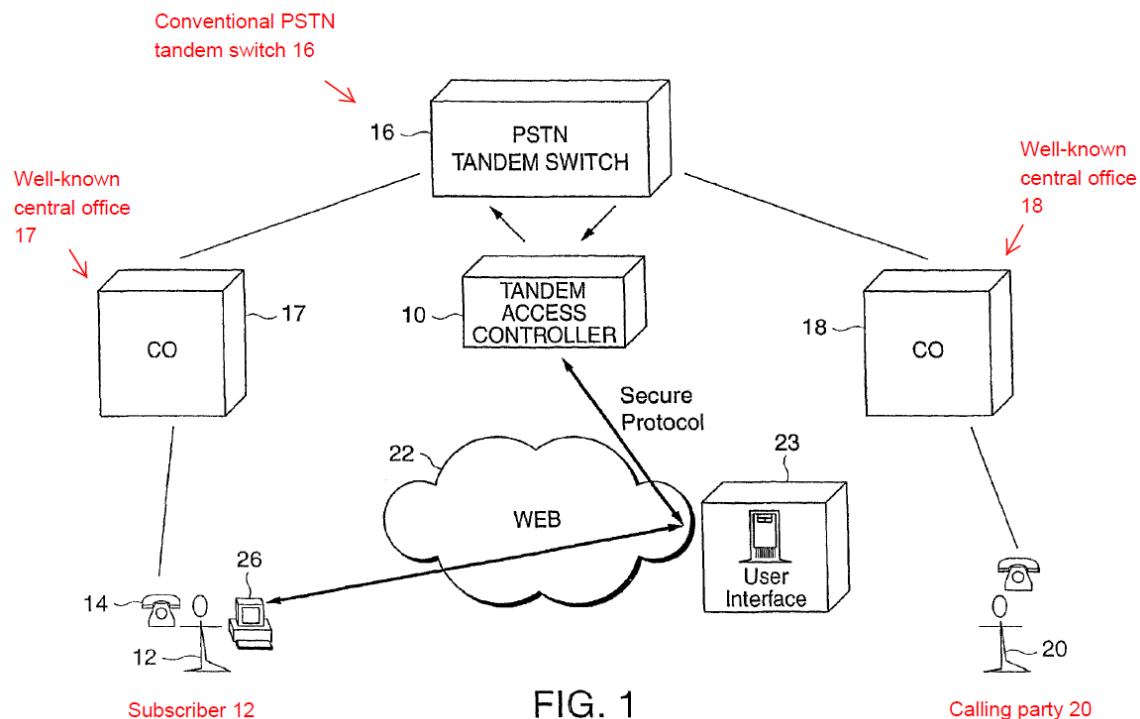


Figure 1 illustrates a tandem access controller connected to an existing PSTN tandem switch.

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