

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BRIGHT HOUSE NETWORKS, LLC,
WIDEPENWEST FINANCE, LLC, KNOLOGY OF FLORIDA, INC.,
and BIRCH COMMUNICATIONS, INC.,
Petitioner,

v.

FOCAL IP, LLC,
Patent Owner.

Case IPR2016-01261
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*

Bright House Networks, LLC, WideOpenWest Finance, LLC, Knology of Florida, Inc., and Birch Communications, Inc. (collectively, “Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting that we institute *inter partes* review of claims 1, 2, 8, 11, 15–19, 94, 95, 102, 109–13, 128, 163, 164, 166–68, 175, and 179–81 (“challenged claims”) of U.S. Patent No. 8,457,113 B2 (Ex. 1001, “the ’113 Patent”). In support of its Petition, Petitioner proffered a Declaration of Dr. Thomas F. La Porta, who has been retained as an expert witness for the instant proceeding. Ex. 1002 ¶ 3. Focal IP, LLC (“Patent Owner”) filed a Preliminary Response (Paper 11, “Prelim. Resp.”) and a Declaration of Mr. Regis J. Bates, who has been retained as an expert witness for the instant proceeding (Ex. 2001 ¶¶ 1, 2). Petitioner additionally filed a Reply to Patent Owner’s Preliminary Response. Paper 17 (“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 19 (“Dec. on Inst.”).

After institution, Patent Owner filed a Patent Owner Response (Paper 30, “PO Resp.”), and a Motion to Amend (Paper 31, “Mot.”). In support of its Patent Owner Response and its Motion to Amend, Patent Owner proffered additional Declarations of Mr. Regis Bates. Ex. 2022 (supporting Patent Owner’s Response); Ex. 2040 (supporting Motion to Amend); Ex. 2070 (supporting Reply to Opposition to Motion to Amend).¹ Petitioner

¹ Patent Owner also submits declaration and deposition testimony from other proceedings, including that of declarants of other Petitioners from other *inter*

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filed a Reply (Paper 34, “Pet. Reply”) and an Opposition to Patent Owner’s Motion to Amend (Paper 35, “Oppn.”). In support of its Reply and its Opposition to the Motion to Amend, Petitioner proffered additional Declarations of Dr. Thomas F. La Porta. Ex. 1065 (supporting Petitioner’s Reply); Ex. 1066 (supporting Opposition to Motion to Amend). Patent Owner filed a Reply to Petitioner’s Opposition to the Motion to Amend (Paper 43, “PO Reply”). Patent Owner filed a Listing of Improper Reply Arguments and Evidence, Paper 41 (“PO List”) and Petitioner filed a Response, Paper 42 (“Pet. Resp. PO List”). Additionally, each of Petitioner and Patent Owner filed a Motion to Exclude. Paper 47 (“PO Mot. to Exclude”); Paper 50 (“Pet. Mot. to Exclude”).

On September 19, 2017, we held an oral hearing and a transcript of the hearing has been entered into the record as Paper 68 (“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 65. On October 31, 2017, Petitioner filed a supplemental brief in opposition to Patent Owner’s Motion to Amend. Paper 67 (“Supp. Br.”).

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.

² The oral hearings in the following cases were consolidated: Cases IPR2016-01259, and IPR2016-01261 through -01263. Paper 53.

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 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. Pet. 4; Paper 7 (Patent Owner's Mandatory Notices), 2–3; Paper 9 (Petitioner's Updated Notice), 1. Additional petitions have been filed challenging claims of the '113 Patent (i.e., IPR2016-01254, IPR2016-01257, and IPR2016-01260) and two related patents: (1) U.S. Patent No. 7,764,777 B2 (Ex. 1006, "the '777 Patent"), which issued from the parent of the '113 Patent Application; and (2) U.S. Patent No. 8,155,298 B2 (Ex. 1007, "the '298 Patent"), which issued from a continuation of a parent of the '777 Patent Application. Petitioner's Updated Notice, 1, 2.

C. Instituted Grounds of Unpatentability

We instituted on the following grounds of unpatentability (Dec. on Inst. 25):

Challenged Claims	Basis	Reference(s)
Claims 1, 2, 8, 11, 15–19, 94, 95, 102, 109–13, 128, 163, 164, 166–168, 175, and 179–81	§ 103	U.S. Patent No. 6,683,870 B1 ("Archer," Ex. 1003) and the knowledge of a

Challenged Claims	Basis	Reference(s)
		person of ordinary skill in the art
Claims 1, 2, 8, 11, 15–19, 94, 95, 102, 109–13, 128, 163, 164, 166–68, 175, and 179–81	§ 103	Archer and U.S. Patent No. 5,958,016 (“Chang,” Ex. 1004)

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 1:34–36. 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).

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