

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CISCO SYSTEMS, INC. AND CISCO
TECHNOLOGY, INC.,

Plaintiffs,

v.

ESTECH SYSTEMS, INC.,

Defendant.

Case No. 2:21-cv-00266

**COMPLAINT FOR PATENT
INFRINGEMENT**

JURY TRIAL DEMANDED

**COMPLAINT FOR PATENT INFRINGEMENT AND DECLARATORY JUDGMENT
OF NON-INFRINGEMENT**

Plaintiffs Cisco Systems, Inc. and Cisco Technology, Inc. (collectively referred to hereafter as “Cisco” or “Plaintiffs”), file this Complaint for patent infringement and declaratory judgment of non-infringement against Defendant Estech Systems, Inc. (“Estech” or “Defendant”) and allege as follows:

NATURE OF THE ACTION

1. Cisco brings this civil action under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, including specifically 35 U.S.C. § 271, based on Estech’s willful infringement of Cisco’s U.S. Patent Nos. 6,882,869 (the “’869 Patent”), 6,977,911 (the “’911 Patent”), 7,269,162 (the “’162 Patent”), and 9,167,399 (the “’399 Patent”) (collectively “the Patents-in-Suit”).

2. Additionally, pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, Cisco seeks a declaratory judgment of non-infringement of U.S. Patent Nos. 8,391,298 (the “’298 Patent”), 7,068,684 (the “’684

Patent”), 6,067,349 (the “’349 Patent”), and 7,123,699 (the “’699 Patent”) (collectively, the “Estech Asserted Patents”) and for such other relief as the Court deems just and proper.

PARTIES

3. Plaintiff Cisco Systems, Inc. is a Delaware corporation with its principal place of business located at 170 West Tasman Drive, San Jose, California 95134.

4. Plaintiff Cisco Technology, Inc. is a California corporation with its principal place of business located at 170 West Tasman Drive, San Jose, California 95134. Cisco Technology, Inc. is a wholly-owned subsidiary of Cisco Systems, Inc.

5. On information and belief, Defendant Estech is a Texas corporation, with its principal place of business located at 3701 East Plano Parkway, Suite 100, Plano, Texas 75074.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because the claims herein arise under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. § 271. Further, subject matter jurisdiction is proper pursuant to the Federal Declaratory Judgment Act, 27 U.S.C. §§ 2201 and 2202.

7. On information and belief, Estech is a Texas corporation with its principal place of business located within this District, including at 3701 East Plano Parkway, Suite 100, Plano, Texas. On information and belief, Estech has continuous and systemic contacts in this District, intends to do and does business in Texas, directly and through intermediaries, and offers its products and/or services to customers and potential customers located in Texas, including in this District. Estech, therefore, is subject to this Court’s personal jurisdiction.

8. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because Estech resides in this judicial district and, as described below, a substantial part of the events giving rise to the

claims at issue occurred in this judicial district. Venue is also proper because Estech is subject to personal jurisdiction within this judicial district.

CISCO PIONEERS VOICE OVER INTERNET PROTOCOL TECHNOLOGY

9. Cisco is a leader in networking, communications, and cybersecurity solutions. Cisco develops and sells networking, security, and communications products and services, including Voice over Internet Protocol (“VoIP”) communications devices, systems, and services.

10. Cisco has long been a technology pioneer and accordingly has invested billions of dollars into research and development over several decades, resulting in the issuance of thousands of patents.

11. In particular, with respect to VoIP technology, Cisco’s intellectual property portfolio spans hundreds of patents, covering nearly all features and aspects of VoIP product offerings, from consumer facing phone systems to back-end switching architecture.

12. In furtherance of its commitment to advancing the VoIP market, Cisco has acquired companies that add to its already robust networking products, talent, and experience in order to further extend its offerings into enterprise-wide VoIP offerings.

13. For example, in April of 1996, Cisco acquired Stratacom Inc. in a stock swap valued at nearly \$4 billion.

14. Cisco’s acquisition of Stratacom foreshadowed its foray into an enterprise-wide networking solution for VoIP services, by merging Cisco’s known router technology with switching equipment used to send computer data, voice, and video between offices.

15. In April 1996, a New York Times article praised Cisco for getting ahead of the curve, noting that “the logic behind the merger is that those seemingly disparate markets are in the process of converging, driven by the rapid growth of the public Internet and private intranets within companies. Major corporations frequently have a mixture of local and wider area networking

needs and must now integrate solutions from multiple vendors or hire outside concerns to provide that expertise. If both sets of technology came from a common source, the reasoning goes, the integration task will be far easier.”¹

16. In 1998, as yet another indication of its commitment to pioneering an innovative VoIP solution, Cisco acquired Selsius Systems, Inc. for over \$100 million.

17. With its acquisition of Selsius Systems, Inc., Cisco began to incorporate IP telephony into its converged, quality-of-service (“QoS”) enabled network.

18. Cisco developed best practices for achieving a successful transition from traditional private branch exchange (“PBX”) telephony to integrated IP telephony based on its novel, award-winning Cisco AVVID (Architecture for Voice, Video and Integrated Data).

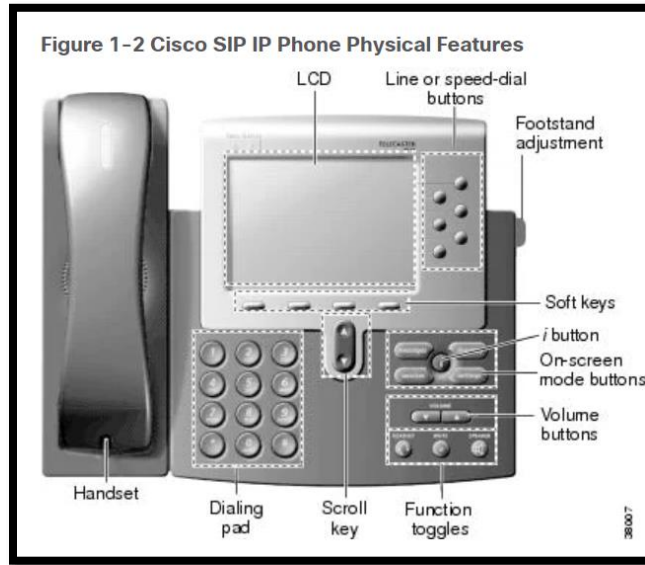
19. Cisco’s IP telephony paradigm represented a radical shift in how voice networks were constructed, distributing elements throughout the network.

20. In the late 1990s, Cisco began to offer VoIP phones and equipment, embodying its innovative technology that could switch a voice data packet into PSTN-compatible information, improving call quality and reducing the need for computers. Cisco’s VoIP products, either offered by Cisco or its predecessors-in-interest, have been on sale and publicly available in the United States since at least the mid- to late-1990s.

21. For example, by the year 2000, Cisco’s award-winning 7960 IP telephone had already made a splash in the industry as the first full-featured option that could be plugged directly into an IP network, eliminating the need for a traditional proprietary telephone set and key system or PBX.

¹ <https://www.nytimes.com/1996/04/23/business/cisco-agrees-to-acquire-stratacom-in-a-stock-swap-worth-4-billion.html>

22. The 7960 IP phone included an LCD screen to display information such as the number dialing out or calling in, line or speed dial buttons, soft keys, scroll keys, and a dialing pad:



23. In addition to these physical features, the 7960 IP telephone provided users with an integrated two-port Ethernet switch that allows the telephone and a computer to share a single Ethernet jack, as well as call transferring, call waiting, and call on hold.

24. Cisco's 7960 IP telephone was so advanced for its time that it is still in use by many Cisco customers today.

CISCO'S PRIOR DEALINGS WITH ESTECH

25. As a worldwide technology leader, Cisco is frequently approached by various third parties for investment in and/or potential acquisition of their products, services and/or companies.

26. In this capacity, Cisco was approached in 2018 by a mergers and acquisitions advisory firm named Menalto Advisors LLC ("Menalto"), regarding the potential acquisition of Estech by Cisco.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.