

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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YMAX CORPORATION,  
Petitioner,

v.

FOCAL IP, LLC,  
Patent Owner.

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Case IPR2016-01258  
Patent 7,764,777 B2

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

MEDLEY, *Administrative Patent Judge*.

DECISION  
Granting Institution of *Inter Partes* Review  
*37 C.F.R. § 42.108*

I. INTRODUCTION

YMax Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, and 45 of U.S. Patent

IPR2016-01258  
Patent 7,764,777 B2

No. 7,764,777 B2 (Ex. 1001, “the ’777 patent”). Paper 1 (“Pet.”). Focal IP, LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Petitioner filed a Reply. Paper 11 (“Reply”). Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a); *see* 37 C.F.R. § 42.108. Upon consideration of the Petition and Preliminary Response, we conclude the information presented shows there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, and 45 of the ’777 patent.

#### *A. Related Matters*

The parties state that the ’777 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. 1–2; Paper 4 (Patent Owner’s Mandatory Notices), 2–3. Another petitioner filed a petition also challenging claims of the ’777 patent (i.e., IPR2016-01262). Paper 4, 3.

#### *B. The ’777 Patent*

The ’777 patent is directed to a system for allowing a subscriber to select telephone service features. Ex. 1001, 1:18–21. Figure 1 of the ’777 patent is reproduced below.

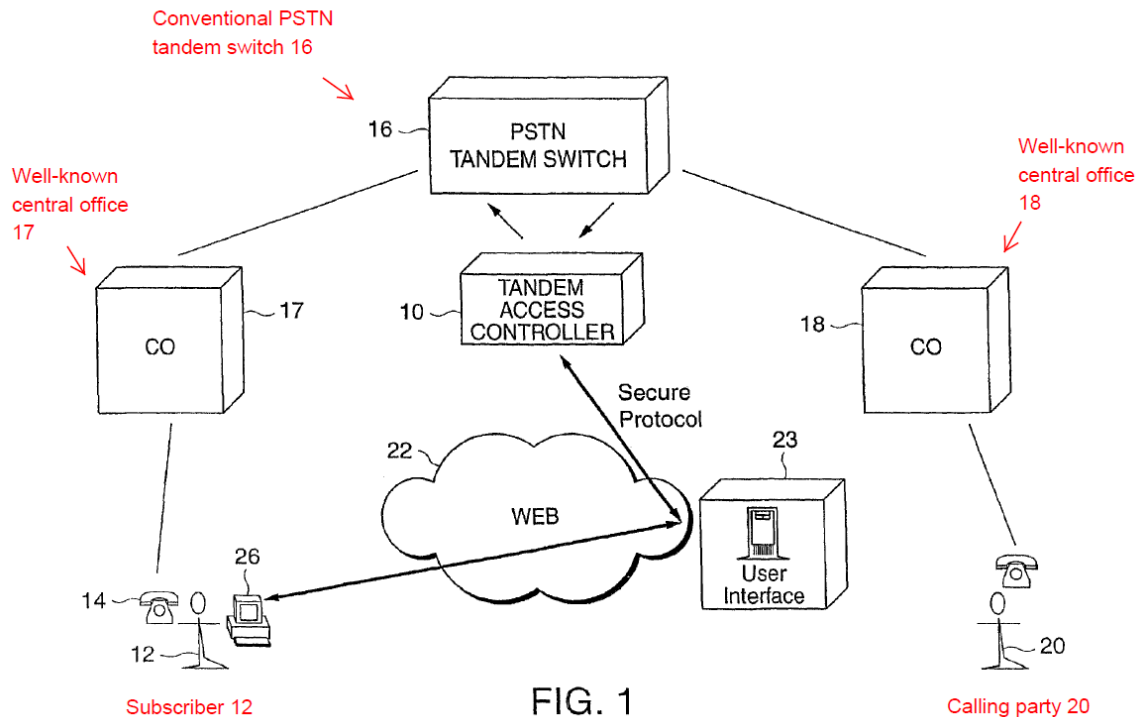


FIG. 1

Annotated Figure 1 illustrates tandem access controller 10 connected to conventional Public Service Telephone Network (PSTN) tandem switch 16. *Id.* at 4:40, 41. According to the '777 patent, “[d]etails of the operation of the existing phone network,” including directing of phone calls by “existing” PSTN tandem switch 16 to central offices 17, 18 are further described in a publication incorporated by reference, as well as “numerous books describing the PSTN.” *Id.* at 4:40–51.

The call flow in the network illustrated in Figure 1 with tandem access controller 10 remains the same as that in a conventional network, “except that additional 3rd-party features are applied to the call.” *Id.* at 4:40–44. More specifically, in the network illustrated in Figure 1, a call from calling party 20 to subscriber’s phone 14 is directed to tandem access controller 10, which places a second call, subject to 3<sup>rd</sup> party control information to subscriber 12. *Id.* at 4:52–55. The second call is placed “to the subscriber’s

‘private’ phone number,” without terminating the first call. *Id.* at 4:55–57. When subscriber 12 answers the call, tandem access controller 10 connects the first call to the second call so as to connect calling party 20 to subscriber 12. *Id.* at 4:59–62.

Figure 1 also shows web server 23 within World Wide Web 22, which is connected to tandem access controller 10. *Id.* at Fig. 1. Subscriber 12 specifies 3<sup>rd</sup>-party call control features via web server 23 and these features are then relayed via World Wide Web 22 to tandem access controller 10. *Id.* at 5:13–21.

### *C. Illustrative Claim*

Petitioner challenges claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, and 45 of the ’777 patent. Claims 18, 37, and 45 are independent claims. Claims 21, 23, 25, 26, and 28–31 depend directly from claim 18. Claims 38 and 41 depend directly from claim 37. Independent claim 18, reproduced below, is illustrative of the claimed subject matter:

18. A method for processing an incoming call from a switching facility on a communication network that comprises edge switches for routing calls to subscribers within a local geographic area and switching facilities for routing calls to edge switches, or other switching facilities local or in other geographic areas the method comprising the steps of:

receiving a first call, which is intended for a specified recipient, at a controlling device in communication with the switching facility;

identifying one or more control criteria previously associated with the specified recipient, wherein the one or more control criteria was entered via a web-based interface;

initiating a second call at the controlling device in accordance with the control criteria associated with the specified recipient; and

connecting the first and second calls at the controlling device after the second call is received by a communication device associated with the specified recipient.

*Id.* at 15:12–30.

Independent claim 37 is similar to claim 18, except that when the call is forwarded, the claim requires using a “packet-based connection.”

Independent claim 45 is similar to claim 18, except that instead of initiating a second call to a specified recipient, the original first call is routed to a “voicemail server.”

#### *D. Asserted Grounds of Unpatentability*

Petitioner asserts that claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, and 45 are unpatentable based on the following grounds (Pet. 4):

Reference(s)	Basis	Challenged Claim(s)
O’Neal <sup>1</sup>	§ 102(e)	18, 23, 25, 26, 29–31, 37, 38, 41, and 45
O’Neal	§ 103(a)	21, 25, 28, and 37
Schwab <sup>2</sup>	§ 102(e)	18, 26, 29, 30, 31, and 45
O’Neal and Schwab	§ 103(a)	18, 37, and 45

## II. DISCUSSION

### *A. Claim Construction*

In an *inter partes* review, we construe claim terms in an unexpired patent according to their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b).

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<sup>1</sup> U.S. Patent No. 6,463,145 B1, issued Oct. 8, 2002 (Ex. 1003) (“O’Neal”).

<sup>2</sup> U.S. Patent No. 6,381,323 B1, issued Apr. 30, 2002 (Ex. 1005) (“Schwab”).

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