

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.

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

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”). Petitioner also proffers a Declaration of Dr. Tal Lavian, who has been retained as an expert witness for the instant proceeding.

Ex. 1002 ¶¶ 2, 3. Petitioner additionally filed a Reply. Paper 9 (“Reply”).

Focal IP, LLC (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”). Patent Owner also proffers a Declaration of Mr. Regis J. Bates, who has been retained as an expert witness for the instant proceeding. Ex. 2001 ¶¶ 1, 2.

We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . 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.” For the reasons given below, on behalf of the Director (*see* 37 C.F.R. § 42.4(a)), we institute an *inter partes* review of the challenged claims of the ’113 Patent.

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. Pet. 1–2; Paper 4 (Patent Owner’s Mandatory Notices), 2–3. Additional petitions have been filed challenging claims of the ’113 Patent (i.e.,

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IPR2016-01254, IPR2016-01257, and IPR2016-01261). Patent Owner's Mandatory Notices, 3. Further petitions have been filed challenging claims of related patents. Pet. 2.

C. Asserted Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability (Pet. 4):

Challenged Claims	Basis	Reference(s)
1, 2, 8, 15, and 17–19	§ 102(b)	International Published Application No. WO 99/14924 (“Shtivelman,” Ex. 1005)
1, 2, 8, 11, and 17–19	§ 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, 15, and 17–19	§ 103	Shtivelman and O’Neal

D. The ’113 Patent

The ’113 Patent is directed to a system for allowing a subscriber to select telephone service features. Ex. 1001, 1:23–26. Figure 1 of the ’113 Patent is reproduced below.

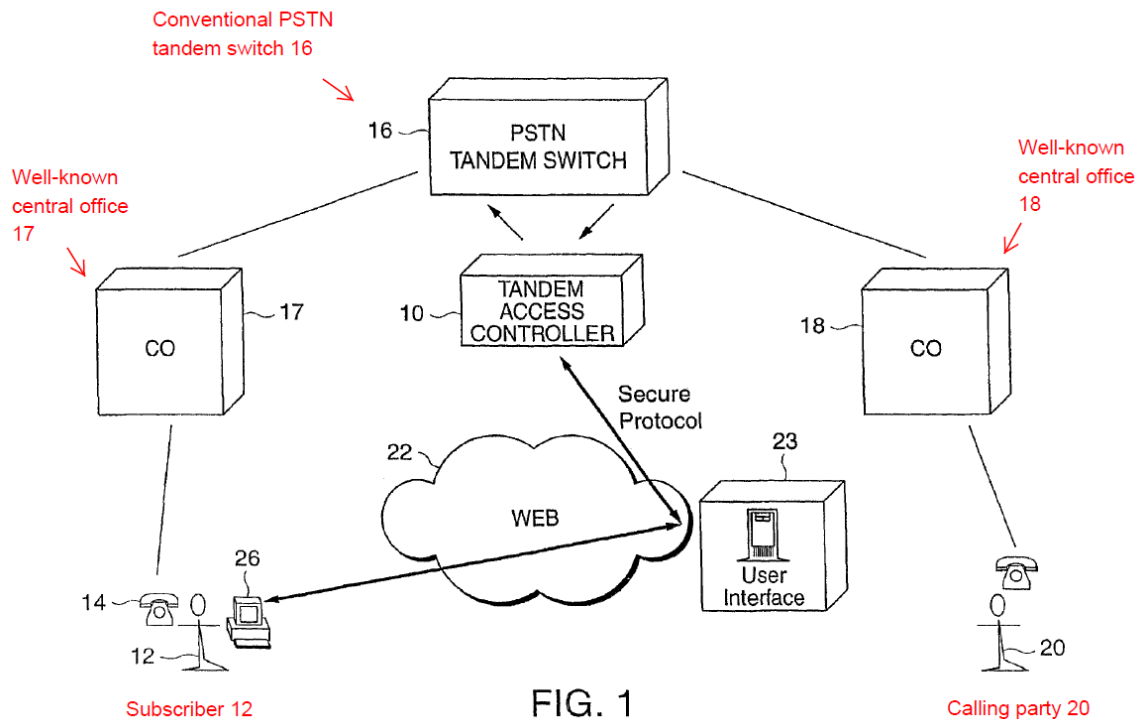


Figure 1 illustrates a tandem access controller connected to an existing PSTN tandem switch.

Figure 1 illustrates tandem access controller 10 connected to conventional Public Switched Telephone Network (PSTN) tandem switch 16. *Id.* at 4:43, 44. According to the '113 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 4:43–54.

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 4:43–47. 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 3rd party control information to subscriber 12. *Id.* at 4:55–58. The second call is placed “to the subscriber’s ‘private’ phone number,” without terminating the first call. *Id.* at 4:58–60. When subscriber 12 answers the call, tandem access controller 10 connects the first call to the second call so as to connect calling party 14 to subscriber 12. *Id.* at 4:62–65.

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 3rd-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 5:17–25.

E. Illustrative Claim

Claim 1 is the independent claim challenged in this proceeding. Claims 2, 8, 11, and 15–19 depend directly from claim 1. Independent claim 1 is illustrative of the claimed subject matter and is reproduced below:

1. A method performed by a web enabled processing system including one or more web servers coupled to a call processing system serving as an intelligent interconnection between at least one packet network and a second network coupled to a switching facility of a telecommunications network, the telecommunications network comprising edge switches for routing calls from and to subscribers within a local geographic area and switching facilities for routing calls to other edge switches or other switching facilities local or in other geographic areas, the method for enabling voice communication from a calling party to a called party across both the packet network and the second network, the method comprising the steps of:

receiving call data which is associated with a call originated by the calling party via either the packet network or the second network, at the call processing system, the calling party using a communications device to originate the call

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