

PUBLIC VERSION

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

**Before Paul J. Luckern
Administrative Law Judge**

In the Matter of

**CERTAIN UNIFIED COMMUNICATIONS
SYSTEMS, PRODUCTS USED WITH SUCH
SYSTEMS, AND COMPONENTS THEREOF**

Inv. No. 337-TA-598

**COMMISSION INVESTIGATIVE STAFF'S
PRE-HEARING STATEMENT**

Lynn I. Levine, Director
Anne Goalwin, Supervisory Attorney
David O. Lloyd, Investigative Attorney

OFFICE OF UNFAIR IMPORT INVESTIGATIONS
U.S. International Trade Commission
500 E Street, S.W., Suite 401
Washington, D.C. 20436
(202) 205-2576
(202) 205-2158 (Fax)

Table of Contents

I. INTRODUCTION 1

II. INFORMATION REQUIRED BY GROUND RULE 9 2

 A. Witnesses 2

 B. Exhibits 2

 C. Stipulations 2

 D. Claim Construction 3

 E. Statement of the Issues and Position of the Staff 3

 1. Statement of the Issues 3

 2. Position of the Staff 4

 F. Live Testimony with Respect to Claim Construction 5

 G. Prior Art 5

 H. Proposed Agenda for Pre-Hearing Conference 5

 I. Date and Length of Appearance of Witnesses 5

 J. Depositions 6

 K. Opening and Closing Arguments 6

III. BACKGROUND 6

 A. The Parties 6

 1. Complainant 6

 2. Respondent 6

 B. Procedural History 7

- C. Background on the Technology 8
- D. The Patents at Issue 9
 - 1. The ‘439 Patent 9
 - a. Overview 9
 - b. The Claims at Issue 9
 - 2. The ‘289 Patent 12
 - a. Overview 12
 - b. The Claims at Issue 12
 - 3. The ‘064 Patent 14
 - a. Overview 14
 - b. The Claims at Issue 15
 - 4. The ‘357 Patent 18
 - a. Overview 18
 - b. The Claims at Issue 18
- E. The Products at Issue 20
- IV. JURISDICTION 21
- V. CLAIM CONSTRUCTION 22
 - A. Legal Standards 22
 - B. The ‘439 Patent 24
 - 1. “Telephone Network” 25
 - 2. “Computer Network” 26

- 3. “Current Activity of the User on the Computer Network” 27
- 4. “Accessing a Data Structure Contained Within a Computer Network That Is Independent of the Telephone Network” 28
- 5. “The Controller Accessing the User-Selectable Criteria in the One or More Lists of the Data Structure Via the Computer Network Access Port” 30
- C. The ‘289 Patent 31
 - 1. “Telephone Network” and “Computer Network” 31
 - 2. “Monitoring Activity of a User Computer Connected to the Computer Network and Associated with the Second Party” 32
 - 3. “Using the Set of Pre-Determined Rules To Process . . . Information Regarding the Monitored Activity of the User Computer of the Second Party, to Determine When the Second Party Is Available to Take the Call” 35
 - 4. “Using Information Processed at the Computer Network to Facilitate Connecting the Call Originated By the First Party Through the Telephone Network to the Second Party” 36
- D. The ‘064 and ‘357 Patents 36
 - 1. “Communication Services” 37
 - 2. “Communication Options” 38
 - 3. “Unified Messaging System” 39
 - 4. “Telephony-Centric Network” 41
 - 5. “Data-Centric Network” 41
 - 6. “E-Mail Service” 42
 - 7. “Voice Telephone Service” 42

8.	“Enable Option for Enabling or Disabling the . . . Communication Service”	43
9.	“A Single Graphical Menu for Displaying Said Communication Options for Each of Said Communication Services at the Same Time”	44
10.	“Said Telephony Server Being Configured to Audibly Represent Said Communication Options to Said Telephone When Said Subscriber Employs Said Telephone to Access Said Computer-Implemented Control Center”	49
VI.	INFRINGEMENT	51
A.	Legal Principles	51
1.	Direct Infringement	52
2.	Indirect Infringement	52
B.	The ‘439 Patent	54
1.	Claim 1	54
2.	Claim 3	56
3.	Claim 28	56
4.	Claim 38	57
5.	Claim 48	57
C.	The ‘289 Patent	57
1.	Claim 1	58
2.	Claims 3 and 6	59
3.	Claim 7	59
4.	Claims 8, 9, and 10	60

D.	The ‘064 Patent	60
1.	Claim 3	60
2.	Claims 8, 9, 11, and 12	62
3.	Claim 20	62
E.	The ‘357 Patent	63
1.	Claim 4	63
2.	Claim 6	64
F.	Indirect Infringement	64
VII.	DOMESTIC INDUSTRY	66
A.	“Technical Prong”	67
1.	The ‘439 Patent	67
2.	The ‘289 Patent	69
3.	The ‘064 Patent	70
4.	The ‘357 Patent	72
B.	“Economic Prong”	73
VIII.	INVALIDITY	73
A.	Anticipation	73
1.	Legal Standards	73
2.	The ‘439 Patent	74
a.	The Chestnut Patent	74
b.	The Miner Patent	76

c.	The Miloslavsky Patent	78
3.	The '289 Patent	79
4.	The '064 and '357 Patents	81
a.	The Swartz Patent	81
b.	The Nagai Patent	83
c.	The Octel Unified Messenger	85
B.	Obviousness	86
1.	Legal Standards	86
2.	The '439 and '289 Patents	87
a.	The Level of Ordinary Skill in the Art	87
b.	The Scope and Content of the Prior Art	88
c.	The Differences Between the Prior Art and the Claims at Issue	88
i.	The '439 Patent	88
ii.	The '289 Patent	89
d.	Secondary Considerations of Non-Obviousness	90
3.	The '064 and '357 Patents	91
a.	The Level of Ordinary Skill in the Art	91
b.	The Scope and Content of the Prior Art	92
c.	The Differences Between the Prior Art and the Claims at Issue	92
i.	The Swartz and Nagai Patents	92

ii.	The Octel Unified Messenger Product	93
iii.	The Pepe Patent	94
d.	Secondary Considerations of Non-Obviousness	95
IX.	INEQUITABLE CONDUCT	95
A.	Legal Standards	96
B.	The ‘439 and ‘289 Patents	97
C.	The ‘357 Patent	99
X.	REMEDY	100
A.	Exclusion Order	100
B.	Cease and Desist Order	101
XI.	BONDING	102
XII.	CONCLUSION	103

Table of Authorities**Cases**

<i>Advanced Display Sys., Inc. v. Kent State Univ.</i> , 212 F.3d 1272 (Fed. Cir. 2000), <i>cert. denied</i> , 532 U.S. 904 (2001)	74
<i>Agfa Corp. v. Creo Prods., Inc.</i> , 451 F.3d 1366 (Fed. Cir. 2006)	96, 97
<i>Alza Corp. v. Mylan Labs. Inc.</i> , 391 F.3d 1365 (Fed. Cir. 2004)	29
<i>Amazon.com, Inc. v. Barnesandnoble.com, Inc.</i> , 239 F.3d 1343 (Fed. Cir. 2001)	22
<i>American Hoist & Derrick Co. v. Sowa & Sons, Inc.</i> , 725 F.2d 1350 (Fed. Cir.), <i>cert. denied</i> , 469 U.S. 821 (1984)	96
<i>Amgen, Inc. v. United States Int’l Trade Comm’n</i> , 902 F.2d 1532 (Fed. Cir. 1990)	21
<i>Applied Medical Resources Corp.</i> , 448 F.3d 1324 (Fed. Cir. 2006)	52
<i>Aquatex Indus., Inc. v. Techniche Solutions</i> , 419 F.3d 1374 (Fed. Cir 2005)	54
<i>Bilstad v. Wakapopulos</i> , 386 F.3d 1116 (Fed. Cir. 2004)	45
<i>Bowers v. Baystate Technology, Inc.</i> , 320 F.3d 1317 (Fed. Cir.), <i>cert. denied</i> , 539 U.S. 928 (2003)	45
<i>Checkpoint Sys., Inc. v. United States Int’l Trade Comm’n</i> , 54 F.3d 756 (Fed. Cir. 1995)	73
<i>Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.</i> , 868 F.2d 1251 (Fed. Cir. 1989)	83, 85
<i>Cross Medical Prods., Inc. v. Medtronic Sofamor Danek, Inc.</i> , 424 F.3d 1293 (Fed. Cir. 2005)	52, 54
<i>Dayco Prods., Inc. v. Total Containment, Inc.</i> , 329 F.3d 1358 (Fed. Cir. 2003)	98
<i>DSU Medical Corp. v. JMS Co.</i> , 471 F.3d 1293 (Fed. Cir. 2007)	53, 65

<i>Elkay Mfg. Co. v. Ebco Mfg. Co.</i> , 192 F.3d 973 (Fed. Cir. 1999), <i>cert. denied</i> , 529 U.S. 1066 (2000)	22, 49
<i>Epcon Gas Sys. v. Bauer Compressors</i> , 279 F.3d 1022 (Fed. Cir. 2002)	22
<i>Fuji Photo Film Co. v. Jazz Photo Corp.</i> , 394 F.3d 1368 (Fed. Cir. 2005)	53
<i>Glaxo Group Ltd. v. Apotex Corp.</i> , 376 F.3d 1339 (Fed. Cir. 2004)	94
<i>Glaxo Inc. v. Novopharm Ltd.</i> , 52 F.3d 1043 (Fed. Cir.), <i>cert. denied</i> , 516 U.S. 988 (1995)	74
<i>Golden Blount, Inc. v. Robert H. Peterson Co.</i> , 438 F.3d 1354 (Fed. Cir. 2006)	54, 66
<i>Graham v. John Deere Co.</i> , 383 U.S. 1 (1966)	86
<i>Graver Tank & Mfg. Co. v. Linde Air Prods. Co.</i> , 339 U.S. 605 (1950)	52
<i>Helifix Ltd. v. Blok-Lok, Ltd.</i> , 208 F.3d 1339 (Fed. Cir. 2000)	74
<i>Hewlett-Packard Co. v. Bausch & Lomb Inc.</i> , 909 F.2d 1464 (Fed. Cir. 1990)	94
<i>Hoffman-La Roche, Inc. v. Promega Corp.</i> , 323 F.3d 1354 (Fed. Cir. 2003)	97
<i>Honeywell Int'l Inc. v. Universal Avionics Sys. Corp.</i> , 488 F.3d 982 (Fed. Cir. 2007)	96
<i>Honeywell Int'l, Inc. v. Universal Avionics Sys. Corp.</i> , 493 F.3d 1358, U.S. App. LEXIS 15820 (Fed. Cir. July 3, 2007)	28
<i>In re Omeprazole Patent Litigation</i> , 483 F.3d 1364 (Fed. Cir. 2007)	74
<i>In re Self</i> , 671 F.2d 1344 (C.C.P.A. 1982)	44
<i>Intirtool, Ltd. v. Texar Corp.</i> , 369 F.3d 1289 (Fed. Cir. 2004)	39
<i>Juicy Whip, Inc. v. Orange Bang, Inc.</i> , 292 F.3d 728 (Fed. Cir.), <i>cert. denied</i> , 537 U.S. 1019 (2002)	85

<i>Kao Corp. v. Unilever U.S. Inc.</i> , 441 F.3d 963 (Fed. Cir. 2006)	97, 99
<i>Kingsdown Medical Consultants, Ltd. v. Hollister, Inc.</i> , 863 F.2d 867 (Fed. Cir. 1988) (en banc), <i>cert. denied</i> , 490 U.S. 1067 (1989)	98
<i>KSR Int'l Co. v. Teleflex Inc.</i> , 127 S. Ct. 1727 (2007)	86, 87, 89, 95
<i>Liquid Dynamics Corp. v. Vaughan Co.</i> , 449 F.3d 1209 (Fed. Cir.), <i>cert. denied</i> , 127 S. Ct. 599 (2006)	53, 96
<i>Markman v. Westview Instruments, Inc.</i> , 52 F.3d 967 (Fed. Cir. 1995), <i>aff'd</i> , 517 U.S. 370 (1996)	22-24
<i>McKesson Information Solutions, Inc. v. Bridge Medical, Inc.</i> , 487 F.3d 897 (Fed. Cir. 2007)	100
<i>Medical Instr. and Diagnostics Corp. v. Elektra AB</i> , 344 F.3d 1205 (Fed. Cir. 2003), <i>cert. denied</i> , 541 U.S. 959 (2004)	74
<i>Medichem, S.A. v. Rolabo, S.L.</i> , 353 F.3d 928 (Fed. Cir. 2003)	73
<i>Merck & Co. v. Teva Pharms. USA, Inc.</i> , 395 F.3d 1364 (Fed. Cir.), <i>cert. denied</i> , 546 U.S. 972 (2005)	29
<i>Moleculon Research Co. v. CBS, Inc.</i> , 793 F.2d 1261 (Fed. Cir. 1986), <i>cert. denied</i> , 479 U.S. 1030 (1987)	53, 65
<i>Nystrom v. TREX Co.</i> , 424 F.3d 1136 (Fed. Cir.), <i>cert. denied</i> , 547 U.S. 1055 (2005)	33
<i>Omega Eng'g, Inc. v. Raytek Corp.</i> , 334 F.3d 1314 (Fed. Cir. 2003)	46
<i>On Demand Mach. Corp. v. Ingram Indus., Inc.</i> , 442 F.3d 1331 (Fed. Cir.), <i>cert. denied</i> , 127 S. Ct. 683 (2006)	40
<i>Ormco Corp. v. Align Technology, Inc.</i> , 463 F.3d 1299 (Fed. Cir. 2006)	90, 95
<i>Ortho-McNeil Pharm., Inc. v. Caraco Pharm. Labs., Inc.</i> , 476 F.3d 1321 (Fed. Cir. 2007)	61
<i>Perricone v. Medicis Pharm. Corp.</i> , 432 F.3d 1368 (Fed. Cir. 2005)	74

<i>Pharmastem Therapeutics, Inc. v. Viacell, Inc.</i> , 491 F.3d 1342 (Fed. Cir. 2007)	86, 87
<i>Phillips v. AWH Corp.</i> , 415 F.3d 1303 (Fed. Cir. 2005), <i>cert. denied</i> , 546 U.S. 1170 (2006)	23, 24, 28, 34, 46
<i>Pitney Bowes, Inc. v. Hewlett-Packard Co.</i> , 182 F.3d 1298 (Fed. Cir. 1999)	39
<i>Planet Bingo, LLC v. Gametech Int’l, Inc.</i> , 472 F.3d 1338 (Fed. Cir. 2006)	52
<i>PODS, Inc. v. Porta Stor, Inc.</i> , 484 F.3d 1359 (Fed. Cir. 2007)	50
<i>RCA Corp. v. Applied Digital Data Sys., Inc.</i> , 730 F.2d 1440 (Fed. Cir.), <i>cert. dismissed</i> , 468 U.S. 1228 (1984)	83, 85
<i>Rheox, Inc. v. Entact, Inc.</i> , 276 F.3d 1319 (Fed. Cir. 2002)	46
<i>Rhodia Chimie v. PPG Indus., Inc.</i> , 402 F.3d 1371 (Fed. Cir. 2005)	46
<i>Riles v. Shell Exploration and Production Co.</i> , 298 F.3d 1302 (Fed. Cir. 2003)	52
<i>SafeTCare Mfg., Inc. v. Tele-Made, Inc.</i> , ___ F.3d ___, 2007 U.S. App. LEXIS 18464 (Fed. Cir. Aug. 3, 2007)	34, 51
<i>SanDisk Corp. v. Memorex Prods., Inc.</i> , 415 F.3d 1278 (Fed. Cir.), <i>cert. denied</i> , 546 U.S. 1076 (2005)	46
<i>Sanofi-Synthelabo v. Apotex, Inc.</i> , 470 F.3d 1368 (Fed. Cir. 2006)	98, 99
<i>Sealed Air Corp. v. United States Int’l Trade Comm’n</i> , 645 F.2d 976 (C.C.P.A. 1981)	22
<i>Serio-US Indus., Inc. v. Plastic Recovery Technologies Corp.</i> , 459 F.3d 1311 (Fed. Cir. 2006)	51
<i>State Contracting & Eng’g Corp. v. Condotte Am., Inc.</i> , 346 F.3d 1057 (Fed. Cir. 2003)	88, 92
<i>Superguide Corp. v. DirecTV Enters., Inc.</i> , 358 F.3d 870 (Fed. Cir. 2004)	23

Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.,
492 F.3d 1350 (Fed. Cir. 2007) 86

Tandon Corp. v. United States Int’l Trade Comm’n,
831 F.2d 1017 (Fed. Cir. 1987) 33

Ulead Sys., Inc. v. Lex Computer & Management Corp.,
351 F.3d 1139 (Fed. Cir. 2003) 99

Ultra-Tex Surfaces, Inc. v. Hill Bros. Chem. Co.,
204 F.3d 1360 (Fed. Cir. 2000) 51

*Vanderlande Indus. Nederland BV v. International Trade
Comm’n*, 366 F.3d 1311 (Fed. Cir. 2004) 41, 42

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576 (Fed. Cir. 1996) 23, 28

Wahpeton Canvas Co. v. Frontier, Inc., 870 F.2d 1546 (Fed. Cir. 1989) 62, 64

WMS Gaming, Inc. v. International Game Tech.,
184 F.3d 1339 (Fed. Cir. 1999) 90

Commission Decisions

*Certain Abrasive Products Made Using a Process for
Powder Preforms, and Products Containing Same*,
Inv. No. 337-TA-449, Commission Opinion, USITC Pub.
3530 (Aug. 2002), *aff’d in part, rev’d in part, Kinik Co. v.
International Trade Comm’n*, 362 F.3d 1359 (Fed. Cir. 2004) 101

*Certain Agricultural Tractors Under 50 Power
Take-off Horsepower*, Inv. No. 337-TA-380,
Commission Opinion, USITC Pub. 3026 (March. 1997) 101

Certain Ammonium Octamolybdate Isomers, Inv. No. 337-TA-477,
Commission Opinion, USITC Pub. 3668 (Jan. 2004) 66

Certain Cigarettes and Packaging Thereof, Inv. No. 337-TA-424,
Commission Opinion, USITC Pub. 3366 (Nov. 2000) 101

Certain Flash Memory Circuits and Products Containing Same,
Inv. No. 337-TA-382, Commission Opinion, USITC Pub. 3046 (July 1997) 54, 101

*Certain Hardware Logic Emulation Systems and Components
Thereof*, Inv. No. 337-TA-383, Commission Opinion,
USITC Pub. 3089 (March 1998) 53, 101

*Certain Methods of Making Carbonated Candy
Products*, Inv. No. 337-TA-292, Commission
Opinion, USITC Pub. 2390 (June 1991) 66

*Certain Microsphere Adhesives, Processes for Making Same, and
Products Containing Same, Including Self-Stick Repositionable
Notes*, Inv. No. 337-TA-366, Commission Opinion, USITC Pub.
2949 (Jan. 1996), *aff'd sub nom. Minnesota Mining & Mfg.
Co. v. United States Int'l Trade Comm'n*, 91 F.3d 171 (Fed. Cir. 1996) 67, 102

*Certain Neodymium-Iron-Boron Magnets, Magnet Alloys,
and Products Containing Same*, Inv. No. 337-TA-372,
Commission Opinion, USITC Pub. 2964 (May 1996) 102

*Certain NOR & NAND Flash Memory Devices and
Products Containing Same*, Inv. No. 337-TA-560,
Initial Determination (June 1, 2007) (unreviewed) 65

*Certain Optical Disk Controller Chips and Chipsets and
Products Containing Same, Including DVD Players and
PC Optical Storage Devices*, Inv. No. 337-TA-506,
Initial Determination (May 16, 2005) 21

Certain Plastic Encapsulated Integrated Circuits, Inv. No. 337-TA-315,
Commission Opinion, USITC Pub. 2574 (Nov. 1992) 102

*Certain Sortation Systems, Parts Thereof, and Products
Containing Same*, Inv. No. 337-TA-460, Initial
Determination (Oct. 22, 2002), USITC Pub. 3588 (March 2003) 67

Statutes and Rules

19 C.F.R. § 210.36(a)(1) 102

19 C.F.R. § 210.50(a)(3)	102
19 U.S.C. § 1337(a)(1)(B)	21, 96
19 U.S.C. § 1337(a)(2)	66, 67
19 U.S.C. § 1337(d)	100
19 U.S.C. § 1337(d)(1)	101
19 U.S.C. § 1337(f)(1)	101
19 U.S.C. § 1337(j)(3)	102
35 U.S.C. § 102	73, 87
35 U.S.C. § 103(a)	86, 91
35 U.S.C. § 112, ¶ 4	59, 60, 62, 64, 71, 73
35 U.S.C. § 271(a)	52
35 U.S.C. § 271(b)	53
35 U.S.C. § 271(c)	53, 66
35 U.S.C. § 282	73

Other Authorities

2 Donald S. Chisum, <i>Chisum on Patents</i> §§ 5.03[4][e][ii], [iii], [v] (2003)	87, 92
72 <i>Fed. Reg.</i> 14138 (March 26, 2007)	7
MPEP § 2001.06(b) (8 th ed. 2005)	98
MPEP § 2173.05(e) (8 th ed. 2005)	45
Random House College Dictionary (rev. ed. 1982)	29, 43

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

**Before Paul J. Luckern
Administrative Law Judge**

In the Matter of

**CERTAIN UNIFIED COMMUNICATIONS
SYSTEMS, PRODUCTS USED WITH SUCH
SYSTEMS, AND COMPONENTS THEREOF**

Inv. No. 337-TA-598

**COMMISSION INVESTIGATIVE STAFF'S
PRE-HEARING STATEMENT**

I. INTRODUCTION

The Commission Investigative Staff (“Staff”) respectfully submits this pre-hearing statement pursuant to Ground Rule 9. Complainant Microsoft Corporation (“Microsoft”) contends that Respondent Alcatel Business Systems (“Alcatel”) has violated Section 337 through the importation and sale of certain unified communication systems, products used with such systems, and components thereof, that allegedly infringe claims of U.S. Patent No. 6,421,439 (“the ‘439 patent”); U.S. Patent No. 6,430,289 (“the ‘289 patent”); U.S. Patent No. 6,263,064 (“the ‘064 patent”); and U.S. Patent No. 6,728,357 (“the ‘357 patent”). For the reasons set forth below, the Staff does not expect the evidence at the hearing to establish a violation of Section 337.

Fundamentally, the Staff is of the view that under the proper claim constructions, all of the patents at issue are either not infringed or invalid. Specifically, the Staff expects that: (1) Complainant will be able to demonstrate infringement of the asserted claims of the ‘439 patent;

PUBLIC VERSION

(2) Complainant will not be able to demonstrate infringement of the asserted claims of the ‘289, ‘064, or ‘357 patents; (3) Complainant will be able to demonstrate the existence of a domestic industry with respect to the ‘439 and ‘289 patents; (4) Complainant will not be able to demonstrate the existence of a domestic industry with respect to the ‘064 and ‘289 patents; (5) Respondent will be able to demonstrate that the asserted claims of the ‘439 patent are invalid; (6) Respondent will not be able to demonstrate that the asserted claims of the ‘289, ‘064, and ‘357 patents are invalid; and (7) Respondent will not be able to demonstrate that the patents at issue are unenforceable due to inequitable conduct. In the event that a violation of Section 337 is found, the Staff believes that the appropriate remedy is a limited exclusion order and a cease and desist order.

II. INFORMATION REQUIRED BY GROUND RULE 9

A. Witnesses

The Staff does not presently intend to call any witnesses, but will present its case by way of exhibits and by way of examination of the witnesses called by the other parties.

However, if a witness is identified by one of the other parties and then not called by that party, the Staff reserves that right to call that witness.

B. Exhibits

The Staff’s Proposed Exhibit List is appended hereto.

C. Stipulations

The stipulations entered into by the private parties are listed in their pre-hearing statements. The Staff is unaware of any other stipulations.

D. Claim Construction

The Staff's proposed construction for each of the disputed claim terms is set forth below. (*See infra* at § V).

E. Statement of the Issues and Position of the Staff**1. Statement of the Issues**

- a. Whether the Commission has jurisdiction in this investigation.
- b. How the claims at issue should be construed.
- c. Whether Complainant has demonstrated by a preponderance of the evidence that the accused systems infringe the claims at issue.
- d. Whether Complainant has demonstrated by a preponderance of the evidence that it has satisfied the domestic industry requirement of Section 337.
- e. Whether Respondent has demonstrated by clear and convincing evidence that the asserted claims are invalid.
- f. Whether Respondent has demonstrated by clear and convincing evidence that the asserted patents are unenforceable.
- g. What is the appropriate remedy if a violation of Section 337 is found in this investigation?
- h. What is the appropriate Presidential review-period bond if a violation of Section 337 is found in this investigation?

2. Position of the Staff

a. The Staff expects the evidence to show that the Commission has subject matter jurisdiction over this investigation, *in personam* jurisdiction over the Respondent, and *in rem* jurisdiction over the accused products. (*See infra* at § IV).

b. The Staff's proposed claim construction is set forth below. (*See infra* at § V).

c. The Staff expects the evidence to show that the accused OXE system infringes the asserted claims of the '439 patent, but not of the '289, '064, or '357 patents. The Staff expects the evidence to show that the accused OXO system does not infringe any of the asserted claims. (*See infra* at § VI).

d. The Staff expects the evidence to show that Complainant has satisfied the domestic industry requirement of Section 337 with respect to the '439 and '289 patents, but not with respect to the '064 and '357 patents. (*See infra* at § VII).

e. The Staff expects the evidence to show that the asserted claims of the '459 patent are invalid, but does not expect the evidence to show that the asserted claims of the '289, '064, and '357 patent are invalid. (*See infra* at § VIII).

f. The Staff does not expect the evidence to show that the patents at issue are unenforceable. (*See infra* at § IX).

g. In the event that a violation of Section 337 is found, the Staff expects the evidence to show that the proper remedy is a limited exclusion order and a cease and desist order. (*See infra* at § X).

h. The Staff defers taking a position on the appropriate bond until seeing all of the evidence at the hearing. (*See infra* at § XI).

F. Live Testimony with Respect to Claim Construction

The Staff's proposed claim construction is set forth below. (*See infra* at § V). In the event that the live testimony at the hearing indicates that the Staff's claim construction should be modified, the Staff reserves the right to alter its proposed claim construction accordingly.

G. Prior Art

The Staff's position with respect to anticipation and obviousness is set forth below. (*See infra* at § VIII).

H. Proposed Agenda for Pre-Hearing Conference

The Staff's proposed agenda for the pre-hearing conference is as follows:

1. Rule on any outstanding motions.
2. Rule on objections to proposed exhibits.
3. Admit stipulations
4. Admit exhibits
5. Determine a schedule for the hearing and for the timing and order of witnesses

I. Date and Length of Appearance of Witnesses

The private parties have submitted witness lists with estimated lengths of appearance for each witness. The Staff had previously provided the parties with estimates as to how long

the Staff would require for its examination, and the Staff understands that the parties' lists include time for the Staff's examination.

J. Depositions

The private parties have submitted deposition designations and counter designations pursuant to Ground Rule 13(iii). The Staff may rely upon and may offer into evidence any of the designations submitted by any of the private parties.

K. Opening and Closing Arguments

The Staff does not believe that opening arguments are necessary, but will provide an opening argument if one or both of the other parties do so or if the Judge requests opening arguments. The Staff submits that the need for closing arguments should be determined at the conclusion of the evidentiary hearing.

III. BACKGROUND

A. The Parties

1. Complainant

Complainant **Microsoft Corporation** is a Washington corporation, having its principal place of business in Redmond, Washington. (Amended Complaint, ¶ 2.1). Microsoft alleges that it is a global technology company that designs, develops, manufactures and supports a wide range of software and hardware products. (*Id.*).

2. Respondent

Respondent **Alcatel Business Systems** is a French corporation with places of business in Paris and Colombes, France. (Amended Complaint, ¶ 3.1; Response to Amended

Complaint, ¶ 3.1). Alcatel is alleged to be a leading global supplier of high tech equipment for telecommunications networks. (CX-579, at 20).

B. Procedural History

In its Complaint, filed on February 16, 2007, Complainant Microsoft alleges that Alcatel-Lucent has violated Section 337 in the importation, sale for importation, and sale after importation into the United States of certain unified communications systems, products used with such systems, and components thereof, by reason of infringement of claims 1 and 3 of U.S. Patent No. 6,421,439; claims 1-20 of U.S. Patent No. 6,430,289; claims 1, 3-5, 7-9, and 11-13 of U.S. Patent No. 6,263,064; and claims 1, 2, 4, 6, 8, and 17 of U.S. Patent No. 6,728,357. The Commission voted to institute an investigation on March 19, 2007, and the Notice of Investigation was published in the Federal Register on March 26, 2007. *See 72 Fed. Reg.* 14138 (March 26, 2007).

On April 19, 2007, Complainant moved to amend the Complaint and Notice of Investigation to substitute Alcatel Business Systems as the Respondent and also to add claims 8, 28, 38, and 48 of the '439 patent and claim 20 of the '064 patent. On April 26, 2007, the Judge granted Microsoft's motion. (Order No. 4; Commission Decision Not to Review, May 17, 2007).

On August 17, 2007, Complainant moved for summary determination as to the economic prong of the domestic industry requirement. On September 5, 2007, the Judge granted the motion. (Order No. 9; Commission Decision Not to Review, Sept. 20, 2007).

On August 17, 2007, Respondents filed two motions for summary determination of non-infringement. On September 6, 2007, the Judge denied both motions. (Order Nos. 11, 12).

On August 22, 2007, Complainant moved to terminate the investigation as the claim 8 of the '439 patent; claims 2, 4-5, and 11-20 of the '289 patent; claims 1, 4-5, 7, and 13 of the '064 patent; and claims 1, 2, 8, and 17 of the '357 patent. On September 6, 2007, the Judge granted the motion. (Order No. 10; Commission Decision Not to Review, Sept. 20, 2007).

On August 31, 2007, Respondent moved to disqualify Complainant's counsel and for other sanctions based on alleged ethical violations. This motion is currently pending.

On September 13, 2007, Respondent moved to supplement its Notice of Prior Art. This motion is currently pending.

C. Background on the Technology

The technology at issue in this investigation involves computer telephony and unified messaging. In broad terms, "[c]omputer telephony adds computer intelligence to the making, receiving, and managing of telephone calls." (SX-20, at 191). Unified messaging is related to computer telephony, and involves handling voice, fax, and regular text messages in a single mailbox. To quote one commentator on the subject:

Integrated Messaging. Also called Unified Messaging. Integrated messaging is one of many benefits of running your telephony via a local area network. Here's the scenario: Voice, fax, electronic mail, image and video. All on one screen. You arrive in the morning. Turn on your PC. It logs onto your LAN and its various servers. In seconds, it gives you a screen listing all your messages – voice mail, electronic mail, fax mail, reports, compound documents Anything and everything that came in for you. Each is one line. Each line tells you whom it's from. What it is. How big it is. How urgent. Skip down. Click. Your PC loads up the application. Your LAN hunts down the message. Bingo, it's on screen. If it contains voice – maybe it's a voice mail or compound document with voice in it – it rings your phone and plays the voice to you. Or, if you have sound card, it can play the voice through your own PC. If it's an image it may hunt down (also called launch) an imaging application which can open the image you have received, letting you see it. Ditto, if it's a

video message. Messages are deluging us. To stop them is to stop progress, Run your eye down the list, one line per entry. Pick the key ones. Junk the junk ones. Postpone the others.

It gets better. You're out. Dial in on a gateway with your laptop. Skim your messages. Dial in on a phone. Punch in some buttons. Hear your voice mail messages. Or if you're not on your laptop, have your e-mail read to you. Better, have your fax server OCR your faxes and image mail and have it read them to you. A LAN server is the perfect repository for messages. It can search for them, assemble them, process them, store them, convert them, compress them, shape them, shuffle them, interpret them. Integrated messaging essentially applies intelligence and order to the messages deluging you each day.

(SX-20 (Newton's Telecom Dictionary), at 405).

D. The Patents at Issue

1. The '439 Patent

a. Overview

U.S. Patent No. 6,421,439 is entitled "System and Method for User Affiliation in a Telephone Network," and issued on July 16, 2002, to named inventor Stephen Liffick. ('439 patent, cover). The '439 derives from Application No. 09/275,689, filed on March 24, 1999. (*Id.*). The '439 patent has been assigned to Complainant Microsoft. (*Id.*).

b. The Claims at Issue

The '439 patent has 51 claims, of which claims 1, 2, 3, 28, 38, and 48 are at issue in the present investigation.¹ **Claim 1** is an independent claim and reads:

In an environment where subscribers call a user over a telephone network, wherein a user telephone is coupled with the telephone network, a system for

¹ Claim 2 is not asserted against Respondent. However, Complainant appears to rely on claim 2 for purposes of the domestic industry requirement. (*See* Compl. Br. at 182-83).

processing an incoming call from a subscriber to a user in the telephone network according to user specifications, the system comprising:

a data structure contained within a computer network to store user-selectable criteria for call processing, wherein the data structure stores the user selectable criteria in one or more lists that are used in filtering an incoming call and wherein some of the one or more lists are used to filter the incoming call according to current activity of subscribers on the computer network or according to current activity of the user on the computer network;

a computer network access port used by the telephone network to access the data structure such that the telephone network has access to the one or more lists over the computer network access port; and

a controller to receive the incoming call designated for the user telephone and to process the incoming call in accordance with the user-selectable criteria, the controller accessing the user-selectable criteria in the one or more lists of the data structure via the computer network access port and thereby applying the user-selectable criteria to the incoming call.

(‘439 patent, col. 14:13-37). **Claim 2** is a dependent claim, and reads:

The system of claim 1 wherein the data structure stores the user-selectable criteria in association with caller identification data and the incoming call includes origination identification data associated therewith, the controller using the origination identification data to identify user-selectable criteria stored in the data structure in association with the caller identification data.

(‘439 patent, col. 14:38-44). **Claim 3** depends from claim 2, and reads:

The system of claim 2 wherein the identification data is telephone automatic number identification data.

(‘439 patent, col. 14:45-46). **Claim 28** is an independent claim, and reads:

In a system where subscribers call a user over a telephone network, wherein a user telephone is coupled with the telephone network, a computer program product for implementing a method for processing a call from a subscriber to a user over a telephone network, the computer program product comprising:

a computer readable medium having computer executable instructions for performing the method, the method comprising:

accepting an incoming call designated for the user telephone;

accessing a data structure contained within a computer network that is independent of the telephone network to retrieve user-selectable criteria for call processing stored within the data structure, wherein some of the user-selectable criteria is conditioned on current activity of subscribers on the computer network or according to current activity of the user on the computer network;
and

processing the incoming call in accordance with the user-selectable criteria.

(‘439 patent, col. 16:53-17:6). **Claim 38** is an independent claim, and reads:

In a system including a telephone network and a computer system where an originating telephone connects with a user telephone over the telephone network, a method for processing a call from the originating telephone to the user telephone according to user specifications, the method comprising:

accepting an incoming call designated for the user telephone from an originating telephone of a subscriber;

accessing a data structure contained within a computer network that is independent of the telephone network to retrieve user-selectable criteria for call processing stored within the data structure, wherein some of the user-selectable criteria is conditioned on current activity of subscribers on the computer network or according to current activity of the user on the computer network;
and

processing the incoming call of the subscriber in accordance with the user-selectable criteria.

(‘439 patent, col. 18:1-18). **Claim 48** depends from claim 38, and reads:

The method of claim 38 wherein the user-selectable criteria indicates permission to process the incoming call during a user-selected time period, wherein processing the incoming call further comprises:

processing the incoming call during the user-selected time period in accordance with the permission to generate a ring signal at the user telephone;

blocking the incoming call; and

not generating a ring signal at the user telephone during time periods other than the user-selected time period.

(‘439 patent, col. 18:57-67).

2. The ‘289 Patent

a. Overview

U.S. Patent No. 6,430,289 is entitled “System and Method for Computerized Status Monitor and Use in a Telephone Network,” and issued on August 6, 2002, to named inventor Stephen Liffick. (‘289 patent, cover). The ‘289 patent derived from Application No. 09/291,693, filed on April 13, 1999. (*Id.*). The ‘289 patent is assigned to Complainant Microsoft. (*Id.*).

b. The Claims at Issue

The ‘289 patent has 20 claims, of which claims 1, 3, and 6-10 are still at issue in the present investigation. **Claim 1** is an independent claim, and reads:

In a system that includes a telephone network and a computer network with one or more users, wherein each user is connected through a user computer the computer network and is logically connected through the computer network to the telephone network, a method of determining when to establish telephone communication between two parties, at least one of whom is a user connected to said computer network comprising:

at the computer network, receiving information from the telephone network that a first party from whom a call is originating desires to establish telephone communication with a second party;

at the computer network, monitoring activity of a user computer connected to the computer network and associated with the second party;

at the computer network, storing a set of pre-determined rules for determining when the second party is available to take a call from the first party;

at the computer network, using a set of pre-determined rules to process i) the information received from the telephone network regarding the call being originated by the first party, and ii) information regarding the monitored activity of the user computer of the second party, to determined when the second party is available to take the call originated by the first party; and

using the information processed at the computer network to facilitate connecting the call originated by the first party through the telephone network to the second party.

(‘289 patent, col. 18:36-65). **Claim 3** depends from claim 1, and reads:

A method as recited in claim 1, wherein using the information processed at the computer network to facilitate connecting the call comprises sending control signals to the telephone network to cause the telephone network to connect the call.

(‘289 patent, col. 19:5-9). **Claim 6** depends from claim 1, and reads:

A method as recited in claim 1, wherein the pre-defined rules specify whether the second party accepts telephone calls from the first party.

(‘289 patent, col. 19:17-19). **Claim 7** is an independent claim, and reads:

In a system that includes a telephone network and a computer network with one or more users, and wherein each user is connected through a user computer to the computer network and is logically connected through the computer network to the telephone network, a computer program product comprising:

a computer readable medium for carrying computer executable instructions for implementing at the computer network a method for determining when to establish telephone communication between two parties, at least one of whom is a user connected to said computer network, and wherein said method comprises:

at the computer network, receiving information from the telephone network that a first party from whom a call is originating desires to establish telephone communication with a second party;

at the computer network, monitoring activity of a user computer connected to the computer network and associated with the second party;

at the computer network, storing a set of predetermined rules for determining when a second party is available to take a call from the first party; and

at the computer network, using the set of predetermined rules to process i) the information received from the telephone network regarding the call being originated by the first party, and ii) information regarding the monitored activity of the user computer of the second party, to determine when the second party is available to take the call originated by the first party.

(‘289 patent, col. 19:20-48). **Claim 8** depends from claim 7, and reads:

A computer program product as recited in claim 7, wherein the method further comprises using the information processed at the computer network to facilitate connecting the call originated by the first party through the telephone network to the second party.

(‘289 patent, col. 19:49-53). **Claim 9** depends from claim 7, and reads:

A computer program product as recited in claim 7, wherein the predetermined rules specify whether the second party accepts telephone calls from the first party.

(‘289 patent, col. 19:54-56). **Claim 10** depends from claim 7, and reads:

A computer program product as recited in claim 7, wherein the pre-determined rules define how the telephone call is to be processed based on the time of day of the telephone call.

(‘289 patent, col. 19:57-60).

3. The ‘064 Patent

a. Overview

U.S. Patent No. 6,263,064 is entitled “Centralized Communication Control Center for Visually and Audibly Updating Communication Options Associated with Communication Services of a Unified Messaging System and Methods Therefore,” and issued on July 17, 2001, to named inventors Stephen O’Neal and John Jiang. (‘064 patent, cover). The ‘064

patent derives from Application No. 09/239,585, filed on January 29, 1999. (*Id.*). The '064 patent has been assigned to Complainant Microsoft. (*See* SX-26).

b. The Claims at Issue

The '064 patent has 20 claims, of which claims 3, 8, 9, 11, 12, and 20 are still at issue investigation. **Claim 1**² is an independent claim, and reads:

A computer-implemented control center for permitting a subscriber of a plurality of communication services of a unified messaging system to customize communication options pertaining to said plurality of communication services through either a telephony-centric network using a telephone or a data-centric network using a display terminal, said computer-implemented control center comprising:

a subscriber communication profile database, said subscriber communication profile database having therein an account pertaining to said subscriber, said account including said communication options for said subscriber, said communication options including parameters associated with individual ones of said plurality of said communication services and routings among said plurality of communication services;

a computer server coupled to exchange data with said subscriber communication profile database, said computer server being configured to generate a single graphical menu for displaying said communication options for each of said communication services at the same time, and to visually display said single graphical menu on said display terminal when said subscriber employs said display terminal to access said computer-implemented control center through said data-centric network, said computer server also configured to receive from said subscriber via said display terminal and said data-centric network a first change to said communication options and to update said first change to said account in said subscriber communication profile database, wherein said single graphical menu comprises at least a first display area for showing a first communication service and a first communication option associated with said first communication service, and a second display area for showing a second communication service and a second communication option associated with said

² Claim 1 is no longer at issue in this investigation, but claims 3, 8, 9, 11, and 12 depend from it.

second communication service, the first display area and the second display area being displayed at the same time in said single graphical menu, and wherein the first communication option includes a first enable option for enabling or disabling the first communication service, and wherein the second communication option includes a second enable option for enabling or disabling the second communication service; and

a telephony server coupled to exchange data with said communication profile database, said telephony server being configured to audibly represent said communication options to said telephone when said subscriber employs said telephone to access said computer-implemented control center, said telephony server also being configured to receive from said subscriber via said telephone a second change to said communication option and to update said change to said account in said subscriber communication profile database.

('064 patent, col. 18:22-19:9). **Claim 3** depends from claim 1, and reads:

The computer-implemented control center of claim 1 wherein said plurality of communication services include a call forwarding service configured to permit said subscriber to specify whether a call received at a telephone number associated with said account be forwarded to a forwarding telephone number, said communication options including a call forwarding enable option and said forwarding telephone number.

('064 patent, col. 19:22-29). **Claim 8** depends from claim 1, and reads:

The computer implemented control center of claim 1 wherein the first communication option includes a first routing option, and wherein the second communication option includes a second routing option.

('064 patent, col. 19:59-62). **Claim 9** depends from claim 8, and reads:

The computer implemented control center of claim 8 wherein either the first routing option or the second routing option includes a plurality of routings.

('064 patent, col. 19:63-65). **Claim 11** depends from claim 1, and reads:

The computer implemented control center of claim 1 wherein said plurality of communication services comprise an e-mail service configured to permit said subscriber to receive and transmit e-mails through said data centric network, and a voice telephone service configured to permit said subscriber to receive and transmit voice calls through said telephony-centric network.

('064 patent, col. 20:5-11). **Claim 12** depends from claim 11, and reads:

The computer-implemented control center of claim 11 wherein said plurality of communication services include a facsimile service configured to permit said subscriber to receive at said unified messaging system a facsimile through said telephony-centric network and said telephony server, said communication options including a facsimile receiving enable option associated with said facsimile service.

('064 patent, col. 20:12-18). **Claim 20** is an independent claim, and reads:

A computer-implemented control center for permitting a subscriber of a plurality of communication services of a unified messaging system to customize communication options pertaining to said plurality of communication services through either a telephony-centric network using a telephone or a data-centric network using a display terminal, said computer-implemented control center comprising:

a subscriber communication profile database, said subscriber communication profile database having therein an account pertaining to said subscriber, said account including said communication options for said subscriber, said communication options including parameters associated with individual ones of said plurality of said communication services and routings among said plurality of communication services;

a computer server coupled to exchange data with said subscriber communication profile database, said computer server being configured to generate a single graphical menu for displaying said communication options for each of said communication services at the same time, and to visually display said single graphical menu on said display terminal when said subscriber employs said display terminal to access said computer-implemented control center through said data-centric network, said computer server also being configured to receive from said subscriber via said display terminal and said data-centric network a first change to said communication options and to update said first change to said account in said subscriber communication profile database, wherein said single graphical menu comprises at least a first display area for showing a first communication service, and a first communication option associated with said first communication service, and a second display area for showing a second communication service, and a second communication option associated with said second communication service, the first display area and the second display area being displayed at the same time in said single graphical menu, and wherein the first communication service and the second communication service

are selected from a call forwarding service, a follow me service, an alternate number service, a message alert service, a fax receiving service or a paging service,

a telephony server coupled to exchange data with said communication profile database, said telephony server being configured to audibly represent said communication options to said telephone when said subscriber employs said telephone to access said computer-implemented control center, said telephony server also being configured to receive from said subscriber via said telephone a second change to said communication options and to update said second change to said account in said subscriber communication profile database.

(‘064 patent, col. 22:43-24:14).

4. The ‘357 Patent

a. Overview

U.S. Patent No. 6,728,357 is entitled “Centralized Communication Control Center and Methods Therefor,” and issued on April 27, 2004, to named inventors Stephen C. O’Neal and John Jiang. (‘357 patent, cover). The ‘357 patent derives from Application No. 09/907,051, filed on July 17, 2001, which is a continuation of application no. 09/239,585, filed on January 29, 1999 (which issued as the ‘064 patent). (*Id.*). The ‘357 patent is assigned to Complainant Microsoft. (*See* SX-26).

b. The Claims at Issue

The ‘357 patent has 18 claims, of which claims 4 and 6 are still at issue in this investigation. **Claim 1**³ is an independent claim, and reads:

A computer-implemented method for permitting a subscriber of a plurality of communication services of a unified messaging system to customize communication options pertaining to said plurality of communication services,

³ Claim 1 is no longer at issue in this investigation, but claims 4 and 6 depend from it.

said communication options include parameters associated with individual ones of said plurality of said communication services and routings among said plurality of communication services, said plurality of communication services comprising a voice telephone service through a telephony-centric network and an e-mail service through a data-centric network, said communications options being accessible via display terminals coupled to said data-centric network and via telephones coupled to said telephony-centric network, said method comprising:

providing a subscriber communication profile database, said subscriber communication profile database having therein an account pertaining to said subscriber, said account including said communication options for said subscriber;

generating a single graphical menu for displaying said communication options for each of said communication services at the same time, wherein said single graphical menu comprises at least a first display area for showing a first communication service and a first communication service option associated with said first communication service, and a second display area for showing a second communication service and a second communication option associated with said second communication service, the first display area and the second display area being displayed at the same time in said single graphical menu, and wherein the first communication option included a first enable option for enabling or disabling the first communication service, and wherein the second communication option includes a second enable option for enabling or disabling the second communication service;

visually displaying said single graphical menu on one of said display terminals, using a computer server coupled to exchange data with said subscriber communication profile database, when said subscriber employs said one of said display terminals to access said computer-implemented control center;

providing a telephony server coupled to exchange data with said communication profile database;

audibly representing said communication options to one of said telephones, using said telephony server, when said subscriber employs said one of said telephones to access said computer-implemented control center;

receiving from said subscriber via said one of said display terminals at said computer server a first change to at least one of said communication options,

said first change to said communication options pertains to either said voice telephone service or said e-mail service; and

updating said first change to said account in said subscriber communication profile database, thereby resulting in a first updated subscriber communication profile database, wherein subsequent messages to said subscriber at said unified messaging system, including said voice telephone service, are handled in accordance with said first updated subscriber communication profile database.

(‘357 patent, col. 18:12-19:6). **Claim 4** depends from claim 1, and reads:

The computer-implemented method of claim 1 wherein said plurality of communication services include a facsimile service configured to permit said subscriber to receive at said unified messaging system a facsimile through said telephony-centric network and said telephony server, said communication options including a facsimile receiving enable option associated with said facsimile service.

(‘357 patent, col. 19:23-29). **Claim 6** depends from claim 1, and reads:

The computer-implemented method of claim 1 wherein said plurality of communication services include a call forwarding service configured to permit said subscriber to specify whether a call received at a telephone number associated with said account be forwarding to a forwarding telephone number, said communication options including a call forwarding enable option and said forwarding telephone number.

(‘357 patent, col. 19:43-50).

E. The Products at Issue

The products at issue in this investigation are unified messaging systems. Complainant accuses two sets of products of infringement: (1) The OmniPCX Enterprise System (the “OXE System”); and (2) the OmniPCX Office System (“the OXO System”). (*See* Compl. Br. at 15-17). The OXE System includes the OmniPCX Enterprise communications server, the OmniTouch unified communication software suite (“OTUC”), including the My Messaging, My Phone, My Assistant, and My Teamwork applications, along with a softphone and servers.

(*Id.*). The OXO System includes the OmniPCX Office communication server and the PIMPhony software. (*Id.*).

For purposes of the domestic industry requirement, Microsoft relies on certain of its own products. These include: (1) Microsoft Office Communicator 1.0 together with Live Communications Server 2005 (the “LCS System”); (2) Microsoft Office Communicator 2.0 together with Office Communications Server 2007 (the “OCS System”); and (3) Microsoft Exchange Server 2007, including Outlook Web Access and Outlook Voice Access (“Exchange”). (Compl. Br. at 13-15). The domestic industry products consist of software used in conjunction with the requisite hardware, such as PBXs (“private branch exchange”) and computer servers. (*Id.*).

IV. JURISDICTION

Section 337(a)(1)(B) declares unlawful, *inter alia*, “[t]he importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that . . . infringe a valid and enforceable United States patent.” 19 U.S.C. § 1337(a)(1)(B). Complainant has filed a Complaint alleging a violation of Section 337, and the Commission therefore has subject matter jurisdiction. *See Amgen, Inc. v. United States Int’l Trade Comm’n*, 902 F.2d 1532, 1535-37 (Fed. Cir. 1990).

In addition, Respondent has appeared and participated in the investigation. The Commission therefore has personal jurisdiction. *See, e.g., Certain Optical Disk Controller Chips and Chipsets and Products Containing Same, Including DVD Players and PC Optical*

Storage Devices, Inv. No. 337-TA-506, Initial Determination at 4-5 (May 16, 2005) (unreviewed in relevant part).

Finally, the parties have stipulated as to importation. (See Order No. 8, ¶ 1). The Commission therefore has *in rem* jurisdiction. See, e.g., *Sealed Air Corp. v. United States Int'l Trade Comm'n*, 645 F.2d 976, 985-86 (C.C.P.A. 1981) (noting that the Commission has subject matter jurisdiction over imported goods).

V. CLAIM CONSTRUCTION

A. Legal Standards

Claim construction is a matter of law. See, e.g., *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976-79 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996). Claims must be construed and given the same meaning for both validity and infringement analyses. See, e.g., *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001). Moreover, the same term or phrase should be interpreted consistently where it appears in claims of common ancestry. See e.g. *Epcon Gas Sys. v. Bauer Compressors*, 279 F.3d 1022, 1030 (Fed. Cir. 2002); *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 980 (Fed. Cir. 1999), *cert. denied*, 529 U.S. 1066 (2000).

The principal focus of claim construction is, of course, the claims themselves. As the Federal Circuit reaffirmed *en banc* in the *Phillips* decision:

It is a “bedrock principle” of patent law that “the claims of a patent define the invention to which the patentee is entitled the right to exclude.” *Innova [Pure Water, Inc. v. Safari Water Filtration Systems, Inc.]*, 381 F.3d [1111] at 1115 [Fed Cir. 2004]; see also *Vitronics*, 90 F.3d at 1582 (“we look to the words of the claims themselves ... to define the scope of the patented invention”); *Markman*, 52

F.3d at 980 (“The written description part of the specification itself does not delimit the right to exclude. That is the function and purpose of claims.”).

Phillips v. AWH Corp., 415 F.3d 1303, 1312 (Fed. Cir. 2005), *cert. denied*, 546 U.S. 1170 (2006). The words of a claim are generally to be given their ordinary and customary meaning to one of ordinary skill in the art at the time of the invention. *See id.* However, “[t]he claims, of course, do not stand alone . . . claims ‘must be read in view of the specification, of which they are a part.’” *Phillips*, 415 F.3d at 1315, *quoting Markman*, 52 F.3d at 978. The specification is always highly relevant to claim construction; “it is the single best guide to the meaning of a disputed term.” *Phillips*, 415 F.3d at 1315, *quoting Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). Finally, the prosecution history is also relevant to claim construction. *See Superguide Corp. v. DirectTV Enters., Inc.*, 358 F.3d 870, 875 (Fed. Cir. 2004). Although the prosecution history “often lacks the clarity of the specification and is thus less useful for claim construction purposes,” it can also “inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be.” *Phillips*, 415 F.3d at 1317.

In addition to intrinsic evidence of the claims, specification, and prosecution history, claim construction can utilize extrinsic evidence, such as expert and inventor testimony, dictionaries, and learned treatises. *Id.* Such evidence can be useful, but it is not as important as the intrinsic evidence in determining the meaning of claim terms. *Id.* at 1318. For example, with respect to expert testimony, the Federal Circuit has stated that:

We have also held that extrinsic evidence in the form of expert testimony can be useful to a court for a variety of purposes, such as to provide background on the technology at issue, to explain how an invention works, to ensure that the court's understanding of the technical aspects of the patent is consistent with that of a person of skill in the art, or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field. *See Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1308-09 (Fed. Cir. 1999); *Key Pharms. v. Hercon Labs. Corp.*, 161 F.3d 709, 716 (Fed. Cir. 1998). However, conclusory, unsupported assertions by experts as to the definition of a claim term are not useful to a court. Similarly, a court should discount any expert testimony “that is clearly at odds with the claim construction mandated by the claims themselves, the written description, and the prosecution history, in other words, with the written record of the patent.” *Key Pharms.*, 161 F.3d at 716.

Phillips, 415 F.3d at 1318. Thus, “[e]xtrinsic evidence is to be used for the court’s understanding of the patent, not for the purpose of varying or contradicting the terms of the claims.” *Markman*, 52 F.3d at 981.

B. The ‘439 Patent

Although the ‘439 and ‘289 patent describe very similar inventions, they nonetheless derive from two different applications. The key limitations of these patents for purposes of this investigation are the “computer network” and “telephone network” limitations, and the “activity of a user” and “activity of a user computer” limitations. The Staff agrees with the parties’ contentions concerning these limitations only in part. Although many of the limitations in the two patents should be construed in the same way in both patents, there are differences with respect to some limitations. The Staff’s proposed constructions of the disputed limitations of the ‘439 patent are set forth below.

1. “Telephone Network”

Independent claims 1, 28, and 38 of the ‘439 patent call for a “telephone network.” (‘439 patent, col. 14:13, 16:54, 18:1). The parties agree that the telephone network must carry telephony information, but disagree over whether the “telephone network” must be distinct from the “computer network,” and whether it must use telephony protocols. (Compl. Br. at 20-30; Resp. Br. at 75; *see also* Resp. Br. at 69-74). The Staff is of the view that the evidence supports Complainant’s proposed construction, and that the phrase “telephone network” should be construed to mean a “network for carrying telephony information.”

The ordinary meaning of a telephone network is simply a “telecommunication network primarily intended for telephony.” (SX-21, at 1090). This is consistent with the specification, which gives as an example of a telephone network the “public switched telephone network.” (‘439 patent, col. 1:46). However, even in 1999, the public telephone network also carried computer information. (‘439 patent, col. 6:41-45 (“Although the communication link 132 and the network link 156 are both communication links to the Internet, the network link 156 *is a conventional computer connection established over a telephone line*, a network connection, such as an Ethernet link, or the like.”) (emphasis added)). Similarly, the prosecution history refers only to activity that “typically” or “usually” occurs on the computer network or telephone network, and does not indicate that the two networks must be distinct. (JX-5, at 695). In addition, requiring the computer and telephone to necessarily be distinct would render redundant the requirements in some claims that the computer network and telephone network be “independent.” (*See infra* at § V.B.4). The Staff is therefore of the view that Respondent’s

proposed construction, which requires that the “telephone network” be distinct from the computer network and use telephony protocols, is not consistent with the intrinsic evidence and should be rejected.

2. “Computer Network”

Independent claims 1, 28, and 38 of the ‘439 patent also call for a “computer network.” (‘439 patent, col. 14:18, 16:64-65, 18:9-10). The parties agree that the computer network must carry digital data, but disagree over whether the “computer network” must be distinct from the “telephone network,” and whether the computer network must use “protocols used on computer networks.” (Compl. Br. at 2–30; Resp. Br. at 75; *see also* Resp. Br. at 69-74). The Staff is of the view that the evidence supports Complainant’s proposed construction, and the phrase “computer network” should be construed to mean a “network for carrying digital data.”

Once again, defining a computer network to be distinct from a telephone network contradicts the plain meaning of the phrase, which simply requires that the network be interconnected computers or computer systems. (SX-21, at 194). In addition, the specification describes the internet as a prototypical “computer network” (‘439 patent, col. 5:21-36) and, as discussed above, the internet historically runs over telephone lines. (*See supra* at § V.B.1; ‘439 patent, col. 6:43-45). Moreover, requiring the telephone network and computer network to always be distinct would render redundant the requirement in some claims that the networks be “independent.” (*See infra* at § V.B.4). The prosecution history also describes only activity that “typically” or “usually” occurs on the computer or telephone network, without requiring that the two networks be distinct. (JX-5, at 695). The Staff is therefore of the view that

Respondent's proposed construction, which requires that the "computer network" be distinct from the telephone network and use computer protocols, is not consistent with the intrinsic evidence and should be rejected.

3. "Current Activity of the User on the Computer Network"

Independent claims 1, 28, and 38 of the '439 patent require filtering or processing calls according to or conditioned on the "current activity of the user on the computer network." ('439 patent, col. 14:25-26, 17:3-4, 18:15-16). The dispute between the parties turns on whether the phrase "activity of the user" means that the user computer is "active or idle," or whether the term refers to the user's "status." (Compl. Br. at 30-36; Resp. Br. at 75-77; *see also* Resp. Br. at 63-68). The Staff is of the view that, in the context of the '439 patent, the "current activity of the user on the computer network" refers to the "current status of the user on the computer network."⁴

Unlike the '289 patent, the '439 patent does not use the terms "active or idle." (*See infra* at § V.C.2). The only use of the word "activity" in the specification of the '439 patent refers to internet activity, *i.e.*, the state of being on the internet. ('439 patent, col. 7:57-8:30). The specification of the '439 patent also describes the call routing features of the invention in broad terms as including not only routing calls based on whether the user is active, but also routing calls based on pre-set criteria, including for example, whether the user is in a meeting (*i.e.*, the user's status). (*See, e.g.*, '439 patent, col. 1:65-2:7; 8:46-48; 9:45-55; 10:15-42). In

⁴ The Staff notes that both parties, in reaching their different constructions, consider the intrinsic evidence from both the '439 and '289 patents.

this respect, the Federal Circuit has repeatedly emphasized that the specification ““is the single best guide to the meaning of a disputed term.”” *Phillips*, 415 F.3d at 1315, *quoting Vitronics Corp.*, 90 F.3d at 1582. In addition, the prosecution history of the ‘439 patent distinguished the prior art on the grounds that it did not teach call routing “dependant on any particular status or activity” of the user, thus indicating that the patentee regarded status and activity as interchangeable. (JX-5, at 694). Because the intrinsic evidence repeatedly emphasizes the user’s status, and does not contain any language describing whether the user is “active or idle,” the Staff is of the view that Complainant’s proposed construction “is the construction that ‘most naturally aligns with the patent’s description of the invention.’” *Honeywell Int’l, Inc. v. Universal Avionics Sys. Corp.*, 493 F.3d 1358, U.S. App. LEXIS 15820, at *9 (Fed. Cir. July 3, 2007).

4. “Accessing a Data Structure Contained Within a Computer Network That Is Independent of the Telephone Network”

Independent claims 28 and 38 of the ‘439 patent call for “a data structure contained within a computer network that is independent of the telephone network.” (‘439 patent, 16:64-65; 18-9-10). The dispute between the parties with respect to this limitation is over whether the networks must be physically independent or only “logically” independent. (Compl. Br. at 23-24; Resp. Br. at 77-78). The Staff is of the view that the intrinsic evidence supports Respondent’s proposed construction, and that the phrase at issue should therefore be construed to mean “accessing a data structure in the computer network that is physically separate from the telephone network.”

First, the Staff notes that the ordinary meaning of the term “independent” connotes distinctiveness, as with an independent claim of a patent, for example. *See, e.g.,* Random House College Dictionary 676 (rev. ed. 1982) (“4. not dependent or contingent upon something else for existence, operation, etc.”). As Respondent points out, the examples in the patent are of distinct computer networks and telephone networks. (‘439 patent, figs. 2-4). Moreover, if only “logical” independence is required, then there is no difference between the claims requiring just a telephone network and a computer network and the claims requiring “independent” telephone and computer networks, *i.e.*, the word “independent” would be redundant. Such a construction is disfavored. *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364, 1372 (Fed. Cir.) (“A claim construction that gives meaning to all the terms of the claim is preferred over one that does not do so.”), *cert. denied*, 546 U.S. 972 (2005); *Alza Corp. v. Mylan Labs. Inc.*, 391 F.3d 1365, 1370 (Fed. Cir. 2004) (affirming the district court’s rejection of both parties’ claim construction where those constructions meant that “the inclusion of the word ‘base’ in the claims would be redundant”). The Staff is therefore of the view that in order to give meaning to the word “independent,” the phrase “accessing a data structure within a computer network that is independent of the telephone network” should be construed to mean “accessing a data structure in the computer network that is physically separate from the telephone network.”

5. “The Controller Accessing the User-Selectable Criteria in the One or More Lists of the Data Structure Via the Computer Network Access Port”

Independent claim 1 of the ‘439 patent requires a “controller accessing the user-selectable criteria in the one or more lists of the data structure via the computer network access port and thereby applying the user-selectable criteria to the incoming call.” (‘439 patent, col. 14:34-37). The parties allege that there is a dispute over (1) whether the controller must be a “physical device,” and (2) whether the controller must be on the computer network. (Compl. Br. at 40-43; Resp. Br. at 79-80).⁵ The Staff is not certain that there is a genuine conflict, but to the extent that conflict exists, the Staff is of the view that the limitation should be construed in accordance with Complainant’s construction to mean “hardware or software that accesses the user-selectable criteria in one or more lists of the data structure via the computer network access port and thereby applying the user-selectable criteria to the incoming call.”

First, the Staff notes that although Respondent’s proposed construction uses the phrase “device,” Respondent does not specify whether this device must be hardware or software. (Resp. Br. at 79-80). Complainant contends that the “controllers” described in the specification include both software and hardware. (‘439 patent, col. 3:30-34 (“bus structures including a memory bus or memory controller”), col. 6:29 (“internet controller 152”); fig. 2). To the extent that there is any dispute over this term, the Staff sees no reason to limit its construction to a hardware device.

⁵ Complainant also alleges that there is a dispute over the meaning of “access” and whether the access must take place “via the computer network access port,” but Respondent does not appear to contest these issues. (*See id.*).

Second, the Staff notes that although Respondent emphasizes that the controller must be on the telephone network, there does not appear to be any real dispute about this issue. Complainant concedes that the affiliation list which must be accessed “always remains on the computer network.” (Compl. Br. at 43, *citing* ‘439 patent, col. 6:2-5). If the controller accesses the list “via the computer network access port” (‘439 patent, col. 14:35-36), then the controller must necessarily use the port between the computer and telephone networks. (*See, e.g.*, ‘439 patent, col. 10:36-42). Moreover, it would be redundant to include the phrase “telephone network device” (*see* Resp. Br. at 80) in the definition of “controller.” Respondent’s construction should therefore be rejected.

C. The ‘289 Patent

The private parties construe the terms of the ‘289 patent consistently with those of the ‘439 patent. As discussed below, the Staff agrees for the most part. However, the Staff believes that in view of the differences in claim language and in the specification, the “activity of a user computer connected to the computer network” limitation of the ‘289 patent should be construed differently than the “activity of a user on the computer network” limitation of the ‘439 patent. The Staff’s proposed constructions for the disputed limitations of the ‘289 patent are set forth below.

1. “Telephone Network” and “Computer Network”

Independent claims 1 and 7 of the ‘289 patent require a “telephone network” and a “computer network.” (‘289 patent, 18:36-37, 19:20-21). The private parties agree that these limitations must be interpreted in the same way as the same limitations in the ‘439 patent.

(Compl. Br. at 20-30; Resp. Br. at 69-74, 75). The specification of the ‘289 patent describes the public switched telephone network and the internet (‘289 patent, col. 1:54, 5:29-43), and acknowledges that the two overlap, thus contradicting Respondent’s contention that the two networks must be distinct. (‘289 patent, col. 6:45-61). The prosecution history does not impart a special meaning to these terms. (*See* JX-6, at 1590-92). The Staff is therefore of the view that the phrase “telephone network” should be construed simply to mean a “network for carrying telephony information” and “computer network” should be construed to mean a “network for carrying digital data.” (*See supra* at §§ V.B.1, V.B.2).

2. “Monitoring Activity of a User Computer Connected to the Computer Network and Associated with the Second Party”

Independent claims 1 and 7 of the ‘289 patent call for “monitoring activity of a user computer connected to the computer network.” (‘289 patent, col. 18:49-50, 19:36-37). The private parties argue that the term “activity” should be given the same meaning as the same term in the ‘439 patent, *i.e.*, either “status” or “active or idle.” (Compl. Br. at 30-37; Resp. Br. at 63-68). However, although they share the same inventor and cover basically the same invention, the ‘289 patent does not derive from the same application as the ‘439 patent. The language of the claims themselves is different. And, most significantly, on this point the specifications of the two patents are significantly different. The Staff is therefore of the view that the “activity” limitations of the ‘289 and ‘439 patents mean different things. The phrase “monitoring activity of a user computer connected to the computer network” should be construed to mean determining whether the user computer is “active or idle.”

First, the language of the claims of the '289 patent differs from that of the '439 patent. In the case of the '289 patent, it is “activity of a user computer” which is used to route calls. This choice of differing language for the claims may be significant. *Cf. Nystrom v. TREX Co.*, 424 F.3d 1136, 1143 (Fed. Cir.) (“When different words or phrases are used in separate claims, a difference in meaning is presumed.”), *cert. denied*, 547 U.S. 1055 (2005); *Tandon Corp. v. United States Int’l Trade Comm’n*, 831 F.2d 1017, 1023 (Fed. Cir. 1987) (“There is presumed to be a difference in meaning and scope when different words and phrases are used in separate claims.”). The claims themselves thus imply that it is not the status of the user which used to route calls, but rather the status of the user’s computer.

Second, the specification of the '289 patent differs significantly from the '439 patent in that the patentee specifically added language referring to the computer status as being “active or idle.” Thus, while the '289 patent contains the same general discussion as the '439 patent of using status generally to route calls, it also contains a far more specific description of using information as to whether the *computer* is *active* or *idle* in order to route calls. This additional language appears in the abstract ('289 patent, abstract (“A user’s computer activity may also be monitored and the computer status as idle or active may be reported to the computer network as part of the call processing criteria.”)); in the summary of invention ('289 patent, col. 2:8-18); and in the preferred embodiments (*see, e.g.*, '289 patent, col. 15:36-38, 15:56-59, 16:3-7, 17:22-25, 17:59-66). Indeed, the specification specifically distinguishes between the status of the user (in a meeting, etc.) and the status of the computer (active or idle). (*See, e.g.*, '289 patent, col. 14:58-61, 14:67-15:7, 16:17-20). Even when the activity of a user on a computer is

referenced, it is clear that what is being monitored for purposes of call routing is the computer status (whether it is active or idle). ('289 patent, col. 14:30-49). If the claims are unclear, the best guide to proper construction is the specification. *See Phillips*, 415 F.3d at 1315. By claiming only “activity of a user computer” and then describing monitoring the activity of a computer as determining whether the computer is “idle or active,” the specification effectively describes “what the patentee has claimed and disclaimed.” *SafeTCare Mfg., Inc. v. Tele-Made, Inc.*, ___ F.3d ___, 2007 U.S. App. LEXIS 18464, at *18 (Fed. Cir. Aug. 3, 2007). The Staff therefore believes that with respect to the '289 patent, the specification supports Respondent's proposed construction.

Finally, the prosecution history is not to the contrary. The only statement *by the patentee* on this issue simply repeats the claim language calling for monitored activity of the user computer. (JX-6, at 1591-92). The examiner's allowance noted that the prior art did not disclose “monitoring the activity of the called and calling parties while on the computer network.” (*Id.* at 1607). The Staff is therefore of the view that prosecution history does not change the meaning given to the relevant terms by the claims themselves and by the specification. The phrase “monitoring activity of a user computer connected to the computer network” should be construed to mean “determining whether the user computer is active or idle.”

3. “Using the Set of Pre-Determined Rules To Process . . . Information Regarding the Monitored Activity of the User Computer of the Second Party, to Determine When the Second Party Is Available to Take the Call”

Independent claims 1 and 7 of the ‘289 patent call for “using the set of pre-determined rules to process . . . information regarding the monitored activity of the user computer of the second party, to determine when the second party is available to take the call.” (‘289 patent, col. 18:55-61; 19:43-48). The parties appear to dispute only the meaning of “monitored activity of the user computer.” (Compl. Br. at 36-40; Resp. Br. at 63-68). The Staff is of the view that this phrase has the same meaning throughout the claim (*see supra* at § V.C.2), and that the phrase “activity of a user computer” should be construed to mean whether the computer is active or idle.

The Staff notes Complainant alleges that there is also a dispute concerning whether the “pre-determined rules” are “user-selectable criteria” or “pre-set criteria.” (Compl. Br. at 38-40). Respondent does not appear to address this issue as part of its claim construction analysis. To the extent that there is any dispute, the Staff notes that nothing in the claims of the ‘289 patent appears to require that “pre-determined rules” be “user-selectable.” (‘289 patent, col. 18:52-54, 19:39-41).⁶ The Staff therefore believes that the limitation as a whole should be construed to mean “using pre-set criteria to process information regarding whether a called party’s computer is active or idle to determine when the called party is available to take the call.”

⁶ The ‘439 patent requires “user-selectable criteria.” (*See, e.g.*, ‘439 patent, col. 14:19).

4. “Using Information Processed at the Computer Network to Facilitate Connecting the Call Originated By the First Party Through the Telephone Network to the Second Party”

Independent claim 1 of the ‘289 patent further requires “using the information processed at the computer network to facilitate connecting the call originated by the first party through the telephone network to the second party.” (‘289 patent, col. 18:62-65). Any dispute over this limitation appears to be over whether the information to be processed includes information as to whether the computer is active or idle. (*See Resp. Br.* at 69). For the reasons set forth above, the Staff is of the view that it does. (*See supra* at § V.C.2).

D. The ‘064 and ‘357 Patents

Turning to the ‘064 and ‘357 patents, the Staff notes that despite the fact that the private parties contest numerous limitations of the asserted claims of these patents, only three limitations are truly at issue. First, all of the asserted independent claims contain a limitation requiring “a single graphical menu for displaying said communication options for each of said communication services at the same time,” which the parties occasionally refer to as the “graphical user interface” or “GUI” limitation.⁷ Second, all of the asserted independent claims also contain a limitation calling for a telephony server to “audibly represent said communication options to said telephone,” which the parties occasionally refer to as the “telephone user interface” or “TUI” limitation.⁸ The third key limitation at issue is the portion

⁷ “GUI” can be pronounced “gooey.”

⁸ “TUI” can be pronounced “tooey” or “2-e.”

of the preamble calling for a “unified messaging system,” which is significant for purposes of the invalidity analysis.

The private parties do not distinguish between the ‘064 and ‘357 patents for purposes of claim construction. (*See* Compl. Br. at 43-66; Resp. Br. at 38-62). Because the patents derive from a common application and have almost identical specifications, the Staff has also adopted this approach. The Staff’s proposed constructions for the disputed limitations are set forth below.

1. “Communication Services”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for a “a plurality of communication services.” (‘064 patent, col. 18:23, 22:44; ‘357 patent, col. 18:14). Complainant construes the phrase to mean “services that facilitate communications via said telephony-centric or data-centric network,” while Respondent construes the phrase to mean “services for communicating through both the telephony-centric network and the data-centric network.” (Compl. Br. at 45-46; Resp. Br. at 60). To the extent that there is any substantive dispute over this phrase, the Staff notes that the patents at issue explain that communication services are available via a data-centric network and a telephony-centric network. (‘064 patent, col. 1:50-54; ‘357 patent, col. 1:47-51). Examples of communication services include telephone, facsimile, pager, and e-mail. (‘064 patent, col. 17:10-13; ‘357 patent, col. 17:1-3). The Staff is therefore of the view that “communication

services” should be construed to mean “services for communicating through the telephony-centric network and the data-centric network.”⁹

2. “Communication Options”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for “communication options” pertaining to the communication services. (‘064 patent, col. 18:24-25, 22:45-46; ‘357 patent, col. 18:14-15). Complainant construes this phrase to mean “settings that control how communication services will be handled,” while Respondent appears to construe the phrase to mean “parameters associated with specific types of communication services.” (Compl. Br. at 48-49; Resp. Br. at 61). To the extent that there is any substantive dispute over this phrase, the Staff notes that the abstract of both patents explains that “communication options include parameters associated with individual ones of the communication services and routings among the communication services.” (‘064 patent, abstract; ‘357 patent, abstract; *see also* ‘064 patent, col. 4:13-15; ‘357 patent, col. 4:11-13). Examples of communication options include call forward, follow me service, alternate number, message alert, fax receiving, and paging. (‘064 patent, col. 11:51-52, fig. 3; ‘357 patent, col. 11:46-47). The Staff therefore believes that communication options are “parameters associated with specific types of communication services.”

⁹ The Staff has omitted the word “both” from this construction because it does not appear in the relevant portion of the specification and it is not clear what Respondent means by including the word. (*Compare* Resp. Br. at 60 *with* Compl. Br. at 46).

3. “Unified Messaging System”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for the communications services to be part of a “unified messaging system.” (‘064 patent, col. 18:24, 22:45; ‘357 patent, col. 18:15). Respondent contests whether this phrase (which appears in the preamble) is a limitation at all. (Resp. Br. at 52-57). Assuming that it is a limitation, the private parties also contest the proper construction of the phrase. (Compl. Br. at 47-48; Resp. Br. at 55-60). Under the circumstances of this investigation, the Staff does not object to Complainant’s construction of “unified messaging system” to mean a “system that allows messages of a data-centric network and a telephony-centric network to be received, stored, retrieved and forwarded without regard to the communication devices or networks employed for the transmission of the messages.”

First, the Staff believes that the phrase “unified messaging system” should be read as a limitation of the asserted claims. “In general a claim preamble is limiting if it recites essential structure or steps, or if it is necessary to give life, meaning, and vitality to the claim. However, if the body of the claim describes a structurally complete invention such that deletion of the preamble phrase does not affect the structure or steps of the claimed invention, the preamble is generally not limiting unless there is clear reliance on the preamble during prosecution to distinguish the claimed invention from the prior art.” *Intirtool, Ltd. v. Texar Corp.*, 369 F.3d 1289, 1295 (Fed. Cir. 2004) (citations and internal quotation marks omitted); *see also, e.g., Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305 (Fed. Cir. 1999). In this case, the preamble does not merely provide a convenient name for the invention, nor does it describe

the intended use of the invention. (*See* Resp. Br. at 54). Instead, the phrase “unified messaging system” is “intimately meshed with the ensuing language in the claim.” *Pitney Bowes, Inc.*, 182 F.3d at 1306. Indeed, phrase “unified messaging system” is used in the dependent claims to refer back to the independent claims. (*See, e.g.*, ‘064 patent, col. 19:36-37, 19:56-57, 20:15; ‘357 patent, col. 19:26, 19:67-20:1). Thus, the preambles give “life, meaning and vitality” to the claims. *On Demand Mach. Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331, 1343 (Fed. Cir.), *cert. denied*, 127 S. Ct. 683 (2006). Under the circumstances, the Staff believes that the preambles, including the phrase “unified messaging system,” are limitations.

Turning to the issue of the proper construction of “unified messaging system,” the Staff does not object to Complainant’s proposed construction. As Complainant notes, Respondent did not originally contest this construction. (*See* Compl. Br. at 47). Moreover, the Staff understands Complainant’s proposed construction to be consistent with the general understanding of one of skill in the art of how a unified messaging system operates. (*See* SX-19, 548 (1994 dictionary); SX-20, at 405 (1999 dictionary)). Respondent correctly notes that Complainant’s definition is altered slightly from that set forth in the specification, which states that the system “allows messages to be received, stored, retrieved, *and/or* forwarded without regard to the communication devices *and/or* networks employed for the transmission of the messages.” (‘064 patent, 17:35-38; ‘357 patent, col. 17:25-29) (emphasis added); (*see also* ‘064 patent, col. 6:60-65; ‘357 patent, col. 6:55-60) . However, while Complainant’s definition may be too restrictive, it is at least generally consistent with the specification. The Staff therefore does not object to construing “unified messaging system” to be a “system that allows messages of a data-centric

network and a telephony-centric network to be received, stored, retrieved, and forwarded without regard to the communication devices or networks employed for the transmission of messages.”¹⁰

4. “Telephony-Centric Network”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for a “telephony-centric network.” (‘064 patent, col. 18:26, 22:47; ‘357 patent, col. 18:21). Given that only Complainant addresses this phrase, there does not appear to be any dispute over its proper construction. The Staff therefore does not believe that there is any need to construe this phrase. *See Vanderlande Indus. Nederland BV v. International Trade Comm’n*, 366 F.3d 1311, 1323 (Fed. Cir. 2004). However, to the extent that a construction is necessary, the Staff believes that Complainant’s proposed construction – “a network that carries telephony information used by devices such as telephones, pagers, facsimile machines, and voice mail boxes” – is proper, so long as the listed devices are understood to be examples. (Compl. Br. at 50-51).

5. “Data-Centric Network”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for a “data-centric network.” (‘064 patent, col. 18:27, 22:48; ‘357 patent, col. 18:22). Once again, only Complainant addresses this phrase, and it is therefore not clear whether there is a dispute over the proper construction. *See Vanderlande Indus. Nederland BV*, 366 F.3d at 1323. To the extent that a construction is necessary, the Staff does not object to

¹⁰ Such a construction must, of course, be applied “within limits.” (‘064 patent, col. 6:59; ‘357 patent, col. 6:54). For example, it is difficult to see how a pager, even if part of unified messaging system, could be used to print a fax or listen to a voice mail.

Complainant's proposed construction of "a network, that carries digital data, primarily to facilitate information exchange among computers and computer peripherals." (Compl. Br. at 52).

6. "E-Mail Service"

Dependent claim 11 of the '064 patent and independent claim 1 of the '357 patent call for "an e-mail service." ('064 patent, col. 20:7; '357 patent, col. 18:21). Only Complainant addresses this phrase, and it is therefore not clear whether there is a dispute over its proper construction. *See Vanderlande Indus. Nederland BV*, 366 F.3d at 1323. To the extent that a construction is necessary, the Staff does not object to Complainant's construction as "a communication service for retrieving, storing, receiving and forwarding e-mails." (Compl. Br. at 53-54).

7. "Voice Telephone Service"

Dependent claim 11 of the '064 patent and independent claim 1 of the '357 patent call for a "voice telephone service." ('064 patent, col. 20:9; col. 18:20). Only Complainant addresses this phrase, and it is therefore not clear whether there is a dispute over its proper construction. *See Vanderlande Indus. Nederland BV*, 366 F.3d at 1323. To the extent that a construction is necessary, the Staff does not object to Complainant's construction as "a communication service for receiving, storing, retrieving, and forwarding telephony information." (Compl. Br. at 54-55).

8. “Enable Option for Enabling or Disabling the . . . Communication Service”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent both call for a first and second “enable option for enabling or disabling the . . . communication service.” (‘064 patent, col. 18:61-64; ‘357 patent, col. 18:43-47).

Complainant defines the enable option to mean a “communication option that controls the extent to which a communication service is implemented,” while Respondent defines the phrase to mean “an option that allows a subscriber to turn on or off a communication service.” (Compl. Br. at 52-53; Resp. Br. at 61-62). The Staff is not certain that the difference between the parties’ constructions is significant for purposes of this investigation. Nevertheless, to the extent that the phrase must be construed, the Staff is of the view that Respondent’s construction should be adopted.

In this respect, the examples in the specifications that relate to “enabling” the various options all relate to turning the services on and allowing them to function. (*See, e.g.*, ‘064 patent, col. 11:53-54, 12:22, 13:44-47, 14:1-5, 15:48-50’ ‘357 patent, col. 1:47-50, 13:37-40, 13:61-14:3, 15:41-44). The examples cited by Complainant are not to the contrary – for example, the paging service shown in figure 4 of the ‘064 patent has an on/off button, and also will not function if the PIN number is not entered. (*See* Compl. Br. at 53, *citing* ‘064 patent, fig. 4). Similarly, the fax receiving service may be on or off, as may the fax forwarding service. (*Id.*). And, of course, the conventional meanings of “enable” and “disable” are synonymous with making a thing “able” or “unable.” *See, e.g.*, Random House College Dictionary at 377, 435 (rev. ed. 1982). In short, the Staff believes that the phrase “enable

option for enabling or disabling the . . . communication” means “an option that allows a subscriber to turn on or off a communication service.”

9. “A Single Graphical Menu for Displaying Said Communication Options for Each of Said Communication Services at the Same Time”

Independent claims 1 and 20 of the ‘064 patent and independent claim 1 of the ‘357 patent call for the system to display “a single graphical menu for displaying said communications options for each of said communication services at the same time.” (‘064 patent, col. 18:39-42, 22:60-63; ‘357 patent, col. 18:32-34). Complainant contends that this phrase should be construed to mean “a single graphical menu for displaying at least a first communication service and option and a second communication service and option at the same time.” (Compl. Br. at 55-63). Respondent contends that the phrase should be construed to mean “one graphical menu that shows all of the communication options associated with all of subscriber’s communication services.” (Resp. Br. at 39-49). The Staff is of the view that although this is a relatively difficult issue of claim construction, a clear disavowal of claim scope occurred during prosecution. The Staff therefore believes that Respondent’s claim construction should be adopted.

Preliminarily, the Staff notes that although the claim uses terms such as “single” and “at the same time,” the claim language itself does not necessarily require that all options be displayed. The claim refers to “said” communications options of “said” communications services. The use of the “said” refers back to an antecedent, in this case the communication services and communications options of the preamble. *See In re Self*, 671 F.2d 1344, 1347

(C.C.P.A. 1982) (“Axiomatic grammar and semantics dictate that ‘passageways,’ occurring as it does after ‘said,’ serves only to identify an antecedent reference, the scope or meaning of which it does not alter.”); *see also* MPEP § 2173.05(e) (8th ed. 2005) (describing use of the word “said” to indicate an antecedent). The preamble in turn requires that a subscriber of a “plurality of communication services” be able to customize communication options pertaining to the plurality of communication services. (‘064 patent, col. 18:22-26, 22:44-47; ‘357 patent, col. 18:13-16). “Plurality” simply means more than one. *See, e.g., Bilstad v. Wakapopulos*, 386 F.3d 1116, 1122 (Fed. Cir. 2004). Thus, despite its use of the words “single” and “at the same time,” the claim can reasonably be read to indicate that there may be more than one single graphical menu, each of which must display two or more communication services. *See Bowers v. Baystate Technology, Inc.*, 320 F.3d 1317, 1332 (Fed. Cir.) (holding that “each” should not be read to mean “all” but rather refers back to each of the claimed plurality), *cert. denied*, 539 U.S. 928 (2003).

The specification is ambiguous on this point. Complainant argues that reading the claims to require that the GUI display all options would exclude preferred embodiments shown in figures 3 and 4. (Compl. Br. at 57-60). In fact, however, it appears that figure 4 displays all options, and that figure 3 is merely a “minimized view.” (‘064 patent, col. 14:44-58; ‘357 patent, col. 14:44-51).¹¹ The Staff also notes that the specification speaks in general terms of how the patent improves on the prior art by centralizing all of the various communication

¹¹ Complainant contends that the figure 4 does not display all of the options because several options are in drop down menus. (Compl. Br. at 59-60). However, the Staff notes that a drop down menu will still appear on the same screen at the same time as the main menu.

services and options. (*See, e.g.*, '064 patent, col. 5:63-6:34,17:56-62). Nevertheless, the specification does not clearly require all of the options to be displayed on a single menu.

But, although the other intrinsic evidence arguably supports Complainant's construction, the prosecution history unequivocally supports Respondent's construction. "[T]he prosecution history can often inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Phillips*, 415 F.3d at 1317. As the Federal Circuit has explained, "[t]he doctrine of prosecution disclaimer is well established in Supreme Court precedent, precluding patentees from recapturing through claim interpretation specific meanings disclaimed during prosecution." *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323 (Fed. Cir. 2003). However, the Court has "declined to apply the doctrine of prosecution disclaimer where the alleged disavowal of claim scope is ambiguous." *Id.* at 1324. Such a disclaimer must be "clear and unmistakable." *SanDisk Corp. v. Memorex Prods., Inc.*, 415 F.3d 1278, 1286-87 (Fed. Cir.), *cert. denied*, 546 U.S. 1076 (2005). "But where the patentee has unequivocally disavowed a certain meaning to obtain his patent, the doctrine of prosecution disclaimer attaches and narrows the ordinary meaning of the claim congruent with the scope of the surrender." *Omega Eng'g, Inc.*, 334 F.3d at 1324; *see also, e.g., Rhodia Chimie v. PPG Indus., Inc.*, 402 F.3d 1371, 1384-85 (Fed. Cir. 2005) (finding disclaimer based on arguments made to distinguish prior art); *Rheox, Inc. v. Entact, Inc.*, 276 F.3d 1319, 1325-27 (Fed. Cir. 2002)

(finding prosecution disclaimer based on amendments made to distinguish prior art, despite the fact this excluded the preferred embodiments).

The Staff is of the view that during prosecution of the '064 parent, the patentees limited themselves to a single menu displaying all options, as opposed to multiple menus each displaying more than one service. In this respect, the patentees originally claimed a "computer server being configured to visually display said communication options." (JX-7, at 793). The PTO rejected the claims in view of a patent to Pepe. (*Id.* at 820-21).

The patentees responded to the objection by, *inter alia*, amending the claims to require "a single graphical menu for displaying said communication options for each of said communication services at the same time." (*Id.* at 994). The patentees also set out their interpretation of Pepe, stating that in Pepe "[t]he user interface contains *multiple views*, which are independently displayed on a PCI subscriber's PDA screen." (*Id.* at 1000) (emphasis added). The patentee then stated that:

In contrast to Pepe, independent claims 1 and 20 of the present application require a **single graphical menu** that is arranged to display the communication options for each of the communication services **at the same time**. That is, the communication options for each of the communication services are simultaneously displayed on a computer terminal when the subscriber employs the display terminal to access the computer-implemented control center through a data-centric network. In essence, the graphical menu serves as a centralized visual interface or control panel for reviewing and/or customizing the communication options associated with various communication services. As should be appreciated, by providing a single graphical menu, a user may quickly and conveniently review the communication options and make changes thereto. Claims 1 and 20 have been amended to better clarify this aspect of the invention.

While Pepe may disclose the use of control options and subscriber profiles, Pepe does not contemplate a single graphical menu where only one

view is used to display the communication options. Rather, in Pepe, the subscriber must go through a plurality of views independently, where the options are displayed at different times. . . . In order to access all of the screens in Pepe, a subscriber must traverse through at least 18 screens as shown in Figures 28-45. In contrast, the present invention does not have to access multiple screens to modify options. In fact, the communication options, which are displayed on a single screen, may be modified as needed with a few keystrokes. Accordingly, it is respectfully submitted that a single graphical menu containing the communication options is neither disclosed nor reasonably suggested by Pepe et al. . . .

(JX-7, at 1001-02) (emphasis in original).

Thereafter, the examiner again rejected claim 1. The examiner found that “Pepe fails to disclose a ‘single graphical menu for displaying said communication options for each of said communications services at the same time.’ Instead, Pepe teaches that the interactive menu program displays the user options in a hierarchical manner.” (*Id.* at 1011). However, the examiner also found that “Schmitz teaches of an interactive menu program that displays *all* user options on one screen (col. 2, line 39). Note also that the Personal Digital Assistant (PDA) (30) as illustrated by Pepe would appear to have ample screen room to display *all* the options *at the same time.*” (*Id.* at 1011) (emphasis added).

Despite the second rejection of the independent claims, the examiner stated that he would allow certain dependent claims if rewritten in independent form (*i.e.*, he objected to them only because they were dependent upon a rejected base claim). (*Id.* at 1017). The patentees did not amend the “single graphical menu limitation” again, but rather incorporated the limitations of the allowed dependent claims into the independent claims (including the first and second display areas for the single graphical menu). (*Id.* at 1151, 1159). The examiner

subsequently allowed the independent claims, including the “single graphical menu” limitation. (*Id.* at 1165).

The Staff is therefore of the view that a clear and unmistakable disclaimer occurred. To attempt to overcome a prior art rejection, the patentees amended the claims to include a requirement for a single graphical menu, a GUI, displaying the communication options for all of the communication services at the same time, and distinguished this from the “multiple” and “hierarchical” displays used in the prior art. Moreover, identical language was used in the claims of the continuation application, which demonstrates the same restriction to the claim scope. *See Elkay Mfg. Co.*, 192 F.3d at 980 (“When multiple patents derive from the same initial application, the prosecution history regarding a claim limitation in any patent that has issued applies with equal force to subsequently issued patents that contain the same claim limitation.”). Thus, the limitation of the ‘064 and ‘357 patents calling for “a single graphical menu for displaying said communications options for each of said communication services at the same time” should be construed to mean “one graphical menu that shows all of the communication options associated with all of subscriber’s communication services.”

10. “Said Telephony Server Being Configured to Audibly Represent Said Communication Options to Said Telephone When Said Subscriber Employs Said Telephone to Access Said Computer-Implemented Control Center”

Independent claims 1 and 20 of the ‘064 patent call for a telephony server, “said telephony server being configured to audibly represent said communication options to said telephone when said subscriber employs said telephone to access said computer-implemented control center.” (‘064 patent, col. 18:66-19:4, 24:4-8). Independent claim 1 of the ‘357 patent

calls for “audibly representing said communication options to one of said telephones, using said telephony server, when said subscriber employs one of said telephones to access said computer-implemented control center.” (‘357 patent, col. 18:57-60). Complainant states that “it is clear that this limitation refers to a telephony server configured to audibly represent at least some of the communication options first recited in the preamble of the claims.” (Compl. Br. at 63-66). Respondent contends that this limitation “requires that the telephony server audibly represent the same communication options that are available through the single graphical menu.” (Resp. Br. at 50-52). The Staff is of the view that these limitations should be construed to mean that “the telephony server audibly represents all of the communications options to the telephone when the subscriber uses the telephone to access the system.”

In this respect, the Staff notes that no express disclaimer took place during prosecution that relates to the TUI limitation. However, the TUI and GUI limitations, by their terms, both display “said communication options.” As discussed above, in the GUI limitation, displaying “said communication options” requires displaying all communication options. (*See supra* at § V.D.9). Unless there are exceptional circumstances, the same claim terms in the same patent should be given the same meaning, and so the construction of the language in the GUI limitation should be applied to the TUI limitation as well. *See, e.g., PODS, Inc. v. Porta Stor, Inc.*, 484 F.3d 1359, 1366 (Fed. Cir. 2007) (“We apply a ‘presumption that the same terms appearing in different portions of the claims should be given the same meaning unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims.’”). Moreover, the specifications of the two patents at least

imply that the user should be able to change all options by telephone. (*See, e.g.*, ‘064 patent, col. 15:8-13 (“Irrespective of the services and options involved, a subscriber can access the centralized computer-implemented control center through either a computer connected to the data-centric network or a telephone connected to the telephony-centric network to review and/or change the communication options.”)); *see generally* ‘064 patent, col. 4:37-47, 6:29-34, 16:9-23; ‘357 patent, col. 4:33-42, 6:24-29, 15:1-6, 16:1-15). The Staff is therefore of the view that the TUI limitation should be construed to require that the telephone user interface present all of the possible options.

VI. INFRINGEMENT

A. Legal Principles

Determination of patent infringement is a two-step analysis: first, the claims must be properly construed, and second, the properly construed claims must be compared to the infringing device. *See, e.g., SafeTCare Mfg.*, 2007 U.S. App. LEXIS 18464, at *11; *Serio-US Indus., Inc. v. Plastic Recovery Technologies Corp.*, 459 F.3d 1311, 1316 (Fed. Cir. 2006). The first step, claim construction, is a matter of law, but the second step, comparison of the properly construed claims to the accused product, is a question of fact. *See, e.g., SafeTCare Mfg.*, 2007 U.S. App. LEXIS at *11; *Serio-US Indus., Inc.*, 459 F.3d at 1316. The Complainant has the burden of demonstrating infringement by a preponderance of the evidence. *See Ultra-Tex Surfaces, Inc. v. Hill Bros. Chem. Co.*, 204 F.3d 1360, 1364 (Fed. Cir. 2000) (“it is axiomatic that the *patentee* bears the burden of proving infringement”) (emphasis in original); *see also*,

e.g., *Applied Medical Resources Corp.*, 448 F.3d 1324, 1333 (Fed. Cir. 2006) (“As the party asserting infringement, Applied ultimately bears the burden of proof.”).

1. Direct Infringement

In order to prove direct infringement under 35 U.S.C. § 271(a), “the [complainant] must establish by a preponderance of the evidence that one or more claims of the patent read on the accused device literally or under the doctrine of equivalents.” *Cross Medical Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1310 (Fed. Cir. 2005). “To prove literal infringement, the patentee must show that the accused device contains every limitation of the asserted claims. If even one limitation is missing or not met as claimed, there is no literal infringement.” *Riles v. Shell Exploration and Production Co.*, 298 F.3d 1302, 1308 (Fed. Cir. 2003) (internal quotation marks omitted); *see also Cross Med. Prods., Inc.*, 424 F.3d at 1310. However, if an accused product does not literally infringe the asserted claim, infringement may still be found under the doctrine of equivalents if the accused product performs substantially the same function in substantially the same way to obtain substantially the same result. *See Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950); *see also, e.g., Planet Bingo, LLC v. Gametech Int’l, Inc.*, 472 F.3d 1338, 1344 (Fed. Cir. 2006) (“Planet Bingo bears the burden of showing that the accused method may perform substantially the same step, in substantially the same way, with substantially the same result.”).

2. Indirect Infringement

In addition to direct infringement, Complainant also alleges indirect infringement of the patents at issue. (Compl. Br. at 163-66). The Commission has held that Section 337 covers

both induced and contributory infringement. *See, e.g., Certain Hardware Logic Emulation Systems and Components Thereof*, Inv. No. 337-TA-383, Commission Opinion at 18-19, USITC Pub. 3089 (March 1998) (“*Hardware Logic*”).

Induced infringement under 35 U.S.C. § 271(b) “requires both an underlying instance of direct infringement and a requisite showing of intent.” *Fuji Photo Film Co. v. Jazz Photo Corp.*, 394 F.3d 1368, 1377 (Fed. Cir. 2005). The Federal Circuit has recently clarified that a finding of intent requires a finding of specific intent, *i.e.*, the complainant has the burden of showing “that the alleged infringer’s actions induced infringing acts *and* that he knew or should have known his actions would induce actual infringements.” *See DSU Medical Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2007) (quoting *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990). However, “[w]hile proof of intent is necessary, direct evidence is not required; rather circumstantial evidence may suffice.” *Id.*; *see also Moleculon Research Co. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1030 (1987); *Liquid Dynamics Corp. v. Vaughan Co.*, 449 F.3d 1209, 1219 (Fed. Cir.) (“A patentee may prove direct infringement or inducement of infringement by either direct or circumstantial evidence.”), *cert. denied*, 127 S. Ct. 599 (2006).

With respect to contributory infringement under 35 U.S.C. § 271(c), a manufacturer of a component part can be held liable only if “(1) there has been an act of direct infringement by a third party; (2) the accused contributory infringer knows that the combination for which its component was made was both patented and infringing; and (3) there are no substantial non-infringing uses for the component part, *i.e.*, the component is not a ‘staple article’ of

commerce.” *Certain Flash Memory Circuits and Products Containing Same*, Inv. No. 337-TA-382, Commission Opinion at 7, USITC Pub. 3046 (July 1997) (“*Flash Memory*”); *see also generally Cross Med. Prods., Inc.*, 424 F.3d at 1312. In such cases, “[t]he proper question is not whether [the product] is a staple article of commerce, which is readily apparent, but whether the accused . . . products are ‘suitable for substantial non-infringing use[s].’” *Aquatex Indus., Inc. v. Techniche Solutions*, 419 F.3d 1374, 1379 n.** (Fed. Cir 2005). Complainant has the burden of making out a *prima facie* case that the accused products are not “suitable for substantial non-infringing use” and, if Complainant does so, the burden then shifts to Respondent to introduce evidence that end-users actually use the accused products in a non-infringing manner. *See Golden Blount, Inc. v. Robert H. Peterson Co.*, 438 F.3d 1354, 1363-64 (Fed. Cir. 2006).

B. The ‘439 Patent

Complainant accuses the OXE system of infringing claims 1, 3, 28, 38, and 48 of the ‘439 patent and accuses the OXO system of infringing claims 1, 28, and 38. As discussed below, the Staff expects the evidence to show that accused OXE products infringe the asserted claims of the ‘439 patent. However, the Staff expects the evidence to show that the accused OXO products do not infringe any of the asserted claims of the ‘439 patent.

1. Claim 1

Complainant contends that the accused OXE and OXO systems infringe claim 1 of the ‘439 patent. (Compl. Br. at 68-78, 86-92). Respondent contends neither of the accused systems infringes claim 1 because (a) they do not filter calls according to the user’s current activity on the computer network; (b) they do not have separate computer and telephone networks; (c) they

do not store call processing rules on the computer network; (d) they do not have a controller for accessing the user selectable criteria via the computer network access port; and (e) they do not route calls based on a user's status. (Resp. Br. at 90-97, 100-06). The Staff expects the evidence to show that the accused OXE products infringe claim 1 of the '439 patent under the correct claim construction, but that the accused OXO products do not.

First, Respondent's arguments that the accused systems do not have separate computer and telephone networks, that the accused systems do not store call processing rules on the computer network, and that the accused systems do not have a controller for accessing the user selectable criteria via the computer network access port, are based on an incorrect claim construction. As discussed above, the '439 patent does not require separate computer and telephone networks. (*See supra* at §§ V.B.1, V.B.2). The Staff understands that the call processing rules are stored on portions of the OXE and OXO that are logically part of the computer network and that the call server on the telephone network access these rules through a computer access port. (Compl. Br. at 71-72, 75-78, 88, 91). The Staff therefore expects Complainant to be able to show that the accused products satisfy these limitations.

In addition, the Staff is of the view that the OXE products, but not the OXO products, satisfy the limitations calling for calls to be filtered according to the current activity of the user on the computer network, *i.e.*, the user's status. (*See infra* at § V.B.3). Specifically, the OXE can route calls based on whether the user has set his call preferences to "do not disturb," which indicates his status. (Compl. Br. at 74). However, with respect to the OXO system, Complainant's allegations that the system routes calls based on user activity depend solely on

whether the user is making a telephone call via the computer. (Compl. Br. at 89-90). Under this set of facts, while it is clear that the computer is running a program, it does not appear that the system routes calls based on this fact. Instead, the system appears to route calls based on whether the user's phone is busy. (Resp. Br. at 108-09). Even under Complainant's construction, this does not satisfy the limitation calling for filtering calls "according to the current activity of the user on the computer network." (*See also infra* at § VI.C.1). Thus, the Staff expects the evidence to show that the OXE system infringes claim 1 of the '439 patent, while the OXO system does not.

2. Claim 3

Complainant contends that the accused OXE system infringes dependent claim 3 of the '439 patent. (Compl. Br. at 78-79,). Respondent does not appear to contest that its products satisfy the separate limitations of claim 3. (*See* Resp. Br. at 87-97, 100-06). The Staff therefore expects the evidence to show that the accused OXE systems infringe claim 3 of the '439 patent.

3. Claim 28

Complainant contends that the accused OXE and OXO systems infringe independent claim 28 of the '439 patent. (Compl. Br. at 79-82; 92-95). Respondent generally makes the same arguments with respect to claim 28 as it made with respect to claim 1. (Resp. Br. at 90-97, 100-06). Claim 28 differs from claim 1 in that it requires a "data structure contained within a computer network that is independent of the telephone network." (*See* Resp. Br. at 101-03; *see also supra* at § V.B.4). Complainant contends that this limitation is met because the relevant OXE software is stored in various separate modules, independent of the telephone

system. (Compl. Br. at 75-76). Although the system configuration is not entirely clear, the Staff expects the evidence to show that the accused OXE system infringes claim 28 of the ‘439 patent. However, for the reasons given above with respect to claim 1, the Staff does not expect the evidence to show that the accused OXO system infringes claim 28. (*See supra* at § VI.B.1).

4. Claim 38

Complainant contends that the accused OXE and OXO systems infringe independent claim 38 of the ‘439 patent for the same reasons that they are alleged to infringe claim 28. (Compl. Br. at 82-84, 95-97). Respondent appears to make the same arguments with respect to claim 38 as with respect to claim 28. (Resp. Br. at 90-97, 100-06). For the reasons discussed above, the Staff expects the evidence to show that the OXE system, but not the OXO system, infringes claim 38 of the ‘439 patent. (*See supra* at §§ VI.B.1, VI.B.3).

5. Claim 48

Complainant contends that the accused OXE system infringes dependent claim 48 of the ‘439 patent. (Compl. Br. at 84-86). Respondent does not appear to contest the separate limitations of claim 48. The Staff therefore expects the evidence to show that the accused OXE system infringes claim 48.

C. The ‘289 Patent

Turning to the ‘289 patent, Complainant accuses the OXE system of infringing claims 1, 3, 6, 7, 8, 9, and 10, and accuses the OXO system of infringing claims 1, 3, 7, and 8. For the reasons discussed below, the Staff does not expect the evidence to show that any of the accused products infringe any of the asserted claims.

1. Claim 1

Complainant contends that the accused OXE and OXO systems infringe independent claim 1 of the '289 patent. (Compl. Br. at 98-106, 112-18). Respondent makes essentially the same arguments with '289 patent as it made with respect to the '439 patent. (Resp. Br. at 87-112). However, as set forth above, the Staff is of the view that while the claims of the '439 patent allow for routing a call based on the user's activity, *i.e.*, his status, the claims of the '289 patent call for routing calls based on whether the user computer is "active or idle." (*See supra* at §§ V.B.3, V.C.2). The Staff does not believe that the accused products satisfy this limitation.

Specifically, claim 1 of the '289 patent calls for "monitoring activity of a user computer connected to the computer network" and then using "information regarding the monitored activity of the user computer of the second party to determine when the second party is available to take the call." ('289 patent, col. 18:49-51, 18:55-61). As discussed above, this involves monitoring whether the user's computer is "active or idle." (*See supra* at § V.C.2). Setting user preferences to "do not disturb" indicates the user's status, but it does not reflect whether the user computer is active or idle. (Resp. Br. at 95-96). The key issue is thus whether the OXE and OXO systems monitor whether the computer is active or idle by detecting when the computer is being used as a softphone (Compl. Br. at 101-03, 114-16); and although this is a difficult factual issue, the Staff is of the view that it does not. There is no question that the computer is running a program when it is being used as a softphone, but it does not appear that accused systems detect or monitor this fact. Instead, they detect and monitor activity and route calls based on whether the user is on the phone (*i.e.*, whether the phone line is busy), regardless

of whether that phone is the computer phone or any other type of phone. (*See* Resp. Br. at 94-95, 99-100, 108-10). Thus, calls are apparently not routed based on computer activity. In this respect, the written description of the ‘289 patent states that a system which detects only whether a user is on the phone does not satisfy the limitations calling for monitoring the activity of the user computer. (‘289 patent, col. 16:4-7 (“a single phone line precludes use of computer status monitoring (i.e., active or idle) for the callee computer 154 since the status cannot be monitored via the communication link 132”)). This confirms that a system which only detects whether a user is on a phone does not satisfy the limitations calling for monitoring the status of the computer. The Staff therefore does not expect the evidence to show that the accused products infringe claim 1 of the ‘289 patent.

2. Claims 3 and 6

Complainant contends that the accused OXE system infringes claims 3 and 6 of the ‘289 patent and that the accused OXO system infringes claim 3. (Compl. Br. at 107, 118). Respondent does not appear to make any arguments regarding the separate limitations of claims 3 and 6. However, because claims 3 and 6 are dependent claims, and therefore incorporates all of the limitations of independent claim 1, *see* 35 U.S.C. § 112, ¶ 4, the Staff does not expect the evidence to show that claims 3 and 6 are infringed.

3. Claim 7

Complainant contends that the accused OXE and OXO systems infringe independent claim 7 of the ‘289 patent. (Compl. Br. at 107-10, 119-22). Respondent appears to make the same arguments with respect to claim 7 as it makes with respect to claim 1. (Resp. Br. at 87-

112). Given that claim 7 contains the same “activity of a user computer” limitations as claim 1 (*see* ‘289 patent, col. 19:36-38, 19:45-48), the Staff is of the view that the same result applies.

In other words, because the accused products monitor whether the user is on a phone (a computer phone or non-computer phone) and not whether the user computer is active, the Staff does not expect the evidence to show infringement of claim 7 of the ‘289 patent.

4. Claims 8, 9, and 10

Complainant contends that the accused OXE system infringes claims 8, 9, and 10 of the ‘289 patent, and that the accused OXO system infringes claim 8. (Compl. Br. at 111-12, 122). Respondent does not appear to make any arguments regarding the separate limitations of claims 8, 9, and 10. However, because these claims are dependent claims, and therefore incorporates all of the limitations of independent claim 7, *see* 35 U.S.C. § 112, ¶ 4, the Staff does not expect the evidence to show infringement of claims 8, 9, and 10.

D. The ‘064 Patent

With respect to the ‘064 patent, Complainant alleges that the OXE system infringes claims 3, 8, 9, 11, and 20. For the reasons set forth below, the Staff does not expect the evidence to show that the accused product infringes these claims.

1. Claim 3

Complainant contends that the accused OXE system infringes dependent claim 3 of the ‘064 patent. (Compl. Br. at 133-38). Respondent contends that it does not infringe claim 3 because its products do not satisfy the GUI and TUI limitations of independent claim 1. (Resp.

Br. at 81-87). The Staff expects the evidence to show that, under the proper claim construction, the accused products do not infringe claim 3 of the '064 patent.

Specifically, the Staff is of the view that the accused products do not satisfy the “single graphical menu” limitation of the relevant independent claims. As explained above, when this limitation is properly construed, it requires that the interface display all of the available services and options. (*See supra* at § V.D.9). Here, Complainant concedes that the system generates several graphical menus, each of which displays communications options for at least two services. (Compl. Br. at 129). Moreover, each menu appears to display different services and options. (*See* Compl. Br. at 130; Resp. Br. at 82). Simply put, a claim that requires a single screen for all of the services is not infringed by a product that uses multiple screens to display all of the services.

In addition, the Staff is of the view that the “telephony server being configured to audibly represent said communications options to said telephone” limitation similarly is not satisfied by the accused products. As discussed above, this limitation requires that the telephone interface allow access to all of the services and options. (*See supra* at § V.D.10). Here, Complainant concedes that the telephone interface in the accused products only allows access to a “substantial” number of services and options. (Compl. Br. at 133-36). Moreover, the Staff does not expect Complainant to be able to show infringement under the doctrine of equivalents at least because the accused system does not reach the same result with respect to a critical feature of the claimed invention (*i.e.*, it does not allow the user to change all of his options by phone). *See generally Ortho-McNeil Pharm., Inc. v. Caraco Pharm. Labs., Inc.*, 476

F.3d 1321, 1328-29 (Fed. Cir. 2007). Again, a claim limitation requiring that the telephone interface allow the user to change all of his option is not infringed by a product containing a telephone interface that only allows the user to change some of his options. The Staff therefore does not expect Complainant to be able to demonstrate that claim 3 of the '064 patent is infringed.¹²

2. Claims 8, 9, 11, and 12

Complainant also contends that the accused OXE system infringes dependent claims 8, 9, 11, and 12 of the '064 patent. (Compl. Br. at 138-44). Respondent does not appear to make any arguments regarding the separate limitations of these claims. However, because claims 8, 9, 11, and 12 are dependent claims, and therefore incorporate all of the limitations of independent claim 1, *see* 35 U.S.C. § 112, ¶ 4, the Staff does not expect the evidence to show infringement of claims 8, 9, 11, and 12.

3. Claim 20

Complainant further contends that the accused OXE systems infringe independent claim 20 of the '064 patent. (Compl. Br. at 144-45). However, Complainant makes the same arguments with respect to claim 20 as it makes with respect to claim 1. (*Id.*). Respondent also

¹² The Staff notes that all of the limitations contested by Respondent appear in independent claim 1. However, claim 3 depends from claim 1. ('064 patent, col. 19:22). By definition, a dependent claim contains all of the limitations of the claim from which it depends. *See* 35 U.S.C. § 112, ¶ 4. Thus, because the accused products do not satisfy all of the limitations of independent claim 1, they also do not infringe dependent claim 3. *See, e.g., Wahpeton Canvas Co. v. Frontier, Inc.*, 870 F.2d 1546, 1552 n.9 (Fed. Cir. 1989) (“One who does not infringe an independent claim cannot infringe a claim dependent on (and thus containing all the limitations of) that claim.”).

does not make any arguments regarding the unique limitations of claim 20, but instead relies on the same arguments that it presented with respect to other claims. (Resp. Br. at 81-87). The Staff does not expect the evidence to show infringement of claim 20.

Specifically, claim 20 of the '064 contains the same GUI and TUI limitations as claim 1. ('064 patent, col. 22:60-61, 24:5-9). These limitations are not satisfied for the same reasons as the limitations from claim 1 are not satisfied: the accused products do have a single graphical menu or an audible menu that covers all of the options of all of the services. (*See generally* Resp. Br. at 81-87). The Staff therefore does not believe that Complainant will be able to show that the accused products infringe claim 20 of the '064 patent.

E. The '357 Patent

Complainant also contends that the accused OXE systems infringe claims 4 and 6 of the '357 patent. The Staff does not expect the evidence to show infringement of the asserted claims of the '357 patent for substantially the same reasons as with respect to the '064 patent.

1. Claim 4

Complainant contends that the accused OXE system infringes dependent claim 4 of the '357 patent. (Compl. Br. at 145-62). Respondent does not make any independent arguments with respect to the claims of the '357 patent, but instead relies on the same arguments as with respect to the '064 patent. (Resp. Br. at 81-87). The Staff does not expect the evidence to show infringement of claim 4 of the '357 patent.

Independent claim 1 of the '357 patent contains substantially the same GUI and TUI limitations as claim 1 of the '064 patent. ('357 patent, col. 18:31-33, 18:57-58). These

limitations are not satisfied for the same reasons as the limitations from claim 1 of the '064 patent are not satisfied: the accused products do have a single graphical menu or an audible menu that covers all of the options of all of the services. (*See generally* Resp. Br. at 81-87). Moreover, because claim 4 of the '064 patent depends from claim 1, the fact that the accused products do not satisfy all the limitations of claim 1 also means that they do not satisfy all of the limitations of claim 4. *See, e.g., Wahpeton Canvas Co.*, 870 F.2d at 1552 n.9. The Staff therefore does not believe that Complainant will be able to show that the accused product infringes claim 4 of the '357 patent.

2. Claim 6

Complainant also contends that the accused OXE system infringes dependent claim 6 of the '357 patent. (Compl. Br. at 162-63). Respondent does not appear to make any arguments regarding the separate limitations of this claim. However, because claim 6 is a dependent claim, and therefore incorporates all of the limitations of independent claim 1, *see* 35 U.S.C. § 112, ¶ 4, the Staff does not expect the evidence to show infringement of claim 6.

F. Indirect Infringement

Complainant also contends that even if Respondent does not directly infringe the patent claims at issue, it induces or contributes to infringement. (Compl. Br. at 163-66). Respondent contends that Complainant will not be able to show induced or contributory infringement. (Resp. Br. at 113-14). The Staff notes that because the parties have stipulated that Respondent itself uses the accused products in the United States (*see* Order No. 8, ¶ 3), the issue of indirect infringement is largely irrelevant. However, to the extent that indirect infringement by

customers is still at issue, the Staff expects the evidence to show that Respondent induces infringement of the claims at issue. However, the Staff does not expect the evidence to be sufficient to show contributory infringement.

As noted above, inducement requires a showing of direct infringement and of specific intent to induce infringement. (*See supra* at § VI.A.2). Respondent does not appear to deny that if the other limitations of the claims are met, its customers directly infringe the claims at issue. Instead, it alleges that it did not have a “specific intent” to induce infringement. (Resp. Br. at 113). The test for this element is whether the accused infringer “knew or should have known that his acts would induce actual infringements.” *DSU Med. Corp.*, 471 F.3d at 1304. However, “[w]hile proof of intent is necessary, direct evidence is not required; rather circumstantial evidence may suffice.” *Id.* at 1306. Here, the Staff expects Complainant to be able to demonstrate that Respondent knew of the patents at issue and nonetheless distributed materials that taught end-users how to operate the system in an allegedly infringing manner. (*See* Compl. Br. at 165). The Staff does not expect Respondent to be able to present any affirmative evidence (such as an opinion of counsel) that it did not believe that its products infringe when used as directed. *See DSU Med. Corp.*, 471 F.3d at 1307. Under the circumstances, the Staff expects the evidence to show that if the other limitations of the claims are satisfied, Respondent has induced infringement. *See, e.g., Moleculon Research Co.*, 793 F.2d at 1272; *see also Certain NOR & NAND Flash Memory Devices and Products Containing Same*, Inv. No. 337-TA-560, Initial Determination at 104-05 (June 1, 2007) (unreviewed).

With respect to contributory infringement, the key issue is whether the article in question is a “staple article or commodity of commerce suitable for substantial noninfringing use.” 35 U.S.C. § 271(c). Complainant bears the initial burden of showing that the products are *not* suitable for such substantial non-infringing use. *See Golden Blount, Inc.*, 438 F.3d at 1363-64. As Respondent notes, however, Complainant has not proffered any expert testimony on this subject. (*See* Resp. Br. at 114). Moreover, Respondent apparently sells the various components of the accused system separately, which implies that each component has other uses. Without expert testimony on this subject, the Staff does not expect Complainant to be able to satisfy its burden of showing that these components do not have substantial non-infringing uses. Thus, in the event that all of the other limitations of the claims are satisfied, the Staff expects the evidence to show induced, but not contributory, infringement.

VII. DOMESTIC INDUSTRY

Section 337 declares unlawful the importation, the sale for importation, or the sale in the United States after importation of articles that infringe a valid and enforceable U.S. patent only if “an industry in the United States, relating to articles protected by the patent . . . concerned, exists or is in the process of being established.” 19 U.S.C. § 1337(a)(2). The requirement that a domestic industry exist includes both an economic prong (*i.e.*, there must be an industry in the United States) and a technical prong (*i.e.*, that industry must relate to articles protected by the patent at issue). *See, e.g., Certain Ammonium Octamolybdate Isomers*, Inv. No. 337-TA-477, Commission Opinion at 55, USITC Pub. 3668 (Jan. 2004). The Complainant bears the burden of proving the existence of a domestic industry. *See, e.g., Certain Methods of Making*

Carbonated Candy Products, Inv. No. 337-TA-292, Commission Opinion at 34-35, USITC Pub. 2390 (June 1991).

A. “Technical Prong”

With respect to the “technical prong,” Section 337 requires that the domestic industry practice the patents in question. *See* 19 U.S.C. § 1337(a)(2). The test for coverage for the purposes of a domestic industry under Section 337 is the same as that for infringement – first the claims are construed, and then the complainant’s article or process is examined to determine whether it falls within the scope of the claims. *See, e.g., Certain Sortation Systems, Parts Thereof, and Products Containing Same*, Inv. No. 337-TA-460, Initial Determination at 183-84 (Oct. 22, 2002) (unreviewed in relevant part), USITC Pub. 3588 (March 2003). It is sufficient to show that the domestic industry practices *any* claim of the patent at issue, not necessarily an *asserted* claim. *See Certain Microsphere Adhesives, Processes for Making Same, and Products Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, Commission Opinion at 16, USITC Pub. 2949 (Jan. 1996) (“*Microsphere Adhesives*”), *aff’d sub nom. Minnesota Mining & Mfg. Co. v. United States Int’l Trade Comm’n*, 91 F.3d 171 (Fed. Cir. 1996).

1. The ‘439 Patent

Complainant contends that its domestic industry products, specifically the LCS and OCS systems in combination with Exchange, practice claims 1, 2, 28, 38, and 48 of the ‘439 patent. (Compl. Br. at 175-90). Respondent contends that Microsoft does not practice any of the claims because there is no separate computer network and telephone network. (Resp. Br. at 191). The

Staff expects Complainant to be able to satisfy the technical prong of the domestic industry requirement with respect to the '439 patent.

Independent claim 1 of the '439 patent (and thus dependent claim 2 of the '439 patent) requires a telephone network and a computer network but does not require that these networks be independent. (*See supra* at §§ V.B.1, V.B.2). When using the accused products, the Staff expects the evidence to show that subscribers can place voice calls over the telephone network (such as public switch telephone network) and that there is a computer network that transmits digital data, including the LCS and OCS systems. (Compl. Br. at 176-83). The products thus satisfy the “telephone network” and “computer network” limitations. Because Respondent does not challenge any other limitations, the Staff expects Complainant to demonstrate that its accused products are covered by at least claims 1 and 2 of the '439 patent.

Independent claims 28 and 38 of the '439 patent (and thus dependent claim 48 of the '439 patent) require a telephone network and a computer network that are “independent.” (*See supra* at § V.B.4). The LCS and OCS products are not themselves phone networks. (*See Resp. Br.* at 191). Even so, however, the system can work with the public switched telephone network and a legacy PBX. (Compl. Br. at 176). The PBX, for example, is clearly part of the telephone network and is independent of the LCS and OCS products (and Exchange, for that matter), and it is the “computer” portion of the OCS and LCS products that holds the information for routing calls. (Compl. Br. at 181-82). Thus, although the issue is not free from doubt, the Staff expects the evidence to show that the domestic industry products are covered by claims 28, 38, and 48 of the '439 patent. The Staff therefore believes that Complainant will be

able to satisfy the technical prong of the domestic industry requirement with respect to the '439 patent.

2. The '289 Patent

Complainant also contends that its domestic industry products practice claims 1, 3, and 6-10 of the '289 patent. (Compl. Br. at 190-203). Respondent contends that the Microsoft products are not covered by the asserted claims of the '289 patent because (1) there is no separate telephone network and computer network, and (2) the systems do not route calls based on the current activity of the user computer. (Resp. Br. at 191-92). Respondent also contends that the Microsoft products are not covered by claims 6 and 9 because they do not use pre-determined rules to determine call routing. (*Id.*). The Staff expects the evidence to show that the Microsoft products at issue are covered by all of the asserted claims.

First, Respondent's contention that Microsoft does not satisfy the limitations calling for a computer network and a telephone network is based on an incorrect claim construction – there is no requirement that the two networks be completely separate and independent. (*See supra* at § V.C.1). In fact, the Microsoft products include the users' computers (clearly part of a computer network) which are connected to a telephone network (such as the public switched telephone network). (Compl. Br. at 191). The Staff therefore expects the evidence to show that accused products satisfy these limitations.

Second, Respondent's contention that Microsoft products do not route calls based on the current activity of a user computer appears inaccurate. Leaving aside all of the other examples proffered by Complainant, the Microsoft products at least appear capable of routing calls based

on whether the user is running a full screen application such as PowerPoint on his or her computer. (Compl. Br. at 193). Running a program on a computer is activity of a user computer under any party's construction of the term. (See Resp. Br. at 67; Compl. Br. at 33). The Staff therefore expects Complainant to be able to show that the use of its products satisfies claims 1, 3, 7, 8, and 10 of the '289 patent. (See Compl. Br. at 190-202).

With respect to claims 6 and 9, Respondent contends that the Microsoft products do not use "pre-defined rules" to control call routing. (Resp. Br. at 192). However, the Microsoft products appear to allow the user to at least set a "do not disturb" feature (clearly a "pre-defined" rule) for some or all callers. (See, e.g., CX-99C, at 7298). Indeed, Respondent appears to acknowledge this when it states that the "do not disturb" feature can be set manually or automatically. (Resp. Br. at 192). Thus, the Staff also expects Complainant to be able to show that its products are covered by claims 6 and 9 of the '289 patent. The Staff therefore believes that Complainant will be able to satisfy the technical prong of the domestic industry requirement with respect to the '289 patent.

3. The '064 Patent

Complainant contends that its domestic industry products practice claims 3, 8, 9, 11, 12, and 20 of the '064 patent. (Compl. Br. at 203-22). Respondent contends that the domestic industry products do not satisfy the limitations in the asserted claims calling for a first and second display areas on the menu and for the "telephony server being configured to audibly represent said communication options." (Resp. Br. at 193-94). The Staff expects the evidence

to show that the display area limitation is met but does not expect the evidence to show that the domestic industry products satisfy the TUI limitation of the asserted independent claims.

The Staff is of the view that the domestic industry products satisfy the limitations in independent claims 1 and 20 calling for the menu to have a “first display area . . . and a second display area.” (‘064 patent, col. 18:52-55; 23:6-9).¹³ Respondent does not proffer a construction of the term “display area,” and concedes that the various options are shown on different portions of the screen. (Resp. Br. at 193). The Staff therefore expects the evidence to show that the Microsoft products satisfy the “display area” limitation. (*See* Compl. Br. at 229).

However, the Staff does not expect the evidence to show that the domestic industry products satisfy the TUI limitations of the relevant independent claims. As discussed above, the TUI limitation requires that all of the communication options be available via the telephone interface. (*See supra* at § V.D.10). Although the issue is not entirely clear, the Staff does not believe that the telephone interface in Exchange allows access to all of the communication options available in the LCS and OCS systems. (*See* Compl. Br. at 232 (showing options available by telephone)). Because the domestic industry products do not satisfy the limitations of independent claims 1 and 20, they also are not covered by dependent claims 3, 8, 9, 11, and 12. *See* 35 U.S.C. § 112, ¶ 4 (stating that a dependent claim incorporates all of the limitations of the claim to which it refers). The Staff therefore does not expect Complainant to be able to satisfy the technical prong of the domestic industry requirement with respect to the ‘064 patent.

¹³ The Staff notes that Respondent apparently does not contest that the products satisfy the GUI limitation.

4. The '357 Patent

Complainant contends that its domestic industry products practice claims 4 and 6 of the '357 patent. (Compl. Br. at 223-34). Respondent contends that the domestic industry products are not covered by claims 4 and 6 of the '357 patent for the same reasons that they are not covered by the claims of the '064 patent. (Resp. Br. at 193). Respondent also contends that the domestic industry products are not covered by claim 4 of the '357 patent because they do not have a “facsimile receiving enable option.” (*Id.* at 194). The Staff expects the evidence to show that the display area and facsimile receiving limitations are met but does not expect the evidence to show that the domestic industry products satisfy the TUI limitation of independent claim 1.

First, the Staff is of the view that Complainant satisfies the “display area” limitations of independent claim 1 of the '357 patent for the same reasons that it satisfies the same limitations of the '064 patent. (*See supra* at § VII.A.3). And with respect to the “fax receiving enable option,” Respondent does not proffer a construction of this limitation and does not contest the identical limitation in the '064 patent. The Staff expects the evidence to show that the domestic industry products allow for the receiving of faxes. (*See* Compl. Br. at 219). These limitations are therefore satisfied by the domestic industry products.

However, the Staff does not expect the evidence to show that the domestic industry satisfy the TUI limitation of independent claim 1. As discussed above, the domestic industry products do not appear to allow for all communication options to be changed by phone. (*See supra* at § V.D.10). Because the domestic industry products are not covered by independent

claim 1, they also are not covered by dependent claims 4 and 6. *See* 35 U.S.C. § 112, ¶ 4. The Staff therefore does not expect Complainant to be able to satisfy the technical prong of the domestic industry requirement with respect to the ‘357 patent.

B. “Economic Prong”

The Judge has granted Complainant’s motion for summary determination that it has satisfied the economic prong of the domestic industry requirement. (*See* Order No. 9; Commission Decision Not to Review, Sept. 20, 2007).

VIII. INVALIDITY

The patents at issue are presumed to be valid. *See* 35 U.S.C. § 282. Although Complainant has the burden of proving a violation of Section 337, it can rely upon the presumption of validity, which Respondent must overcome by clear and convincing evidence. *See, e.g., Checkpoint Sys., Inc. v. United States Int’l Trade Comm’n*, 54 F.3d 756, 761 (Fed. Cir. 1995).

A. Anticipation

1. Legal Standards

Determination of whether a prior art reference anticipates a claim under 35 U.S.C. § 102 is a two-step inquiry: the first step is the proper construction of the claims, and the second step is the comparison of the properly construed claims to the prior art. *See, e.g., Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 933 (Fed. Cir. 2003). A claim is anticipated, and therefore invalid, when “the four corners of a single, prior art document describe every element of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could

practice the invention without undue experimentation.” *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1282 (Fed. Cir. 2000), *cert. denied*, 532 U.S. 904 (2001); *see also*, e.g., *In re Omeprazole Patent Litigation*, 483 F.3d 1364, 1371 (Fed. Cir. 2007) (“Anticipation requires disclosure of each and every claim limitation in a single prior art reference, either explicitly or inherently.”). To be considered anticipatory, the prior art reference must be enabling and describe the applicant’s claimed invention sufficiently to have placed it in the possession of a person of ordinary skill in the field of invention. *See, e.g., Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1346 (Fed. Cir. 2000). The disclosure of the prior art reference need not be express, but may anticipate by inherency – “if the prior art necessarily functions in accordance with, or includes, the claims limitations, it anticipates.” *Perricone v. Medicis Pharm. Corp.*, 432 F.3d 1368, 1375-76 (Fed. Cir. 2005) (internal quotation marks omitted); *see also*, e.g., *Glaxo Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1047 (Fed. Cir.), *cert. denied*, 516 U.S. 988 (1995). Anticipation is a question of fact. *See, e.g., Medical Instr. and Diagnostics Corp. v. Elektra AB*, 344 F.3d 1205, 1220 (Fed. Cir. 2003), *cert. denied*, 541 U.S. 959 (2004).

2. The ‘439 Patent

Respondent contends that all of the asserted claims of the ‘439 are invalid as anticipated. For the reasons discussed below, the Staff expects the evidence to show that all of the asserted claims are anticipated by at least one prior art reference.

a. The Chestnut Patent

Respondent contends that all of the asserted claims of the ‘439 patent are anticipated by U.S. Patent No. 6,041,114 (“the Chestnut patent”). (Resp. Br. at 143-51). Complainant

contends that none of the claims are anticipated because (1) the Chestnut patent does not disclose filtering calls based on “current activity of a user on the computer network”; (2) the Chestnut patent does not disclose a controller; and (3) the Chestnut patent does not disclose a “computer network access port.” (Compl. Br. at 239-42). Complainant also contends that claims 28, 38, and 48 are not anticipated because the Chestnut patent does not disclose user-selectable criteria “contained within a computer network that is independent of the telephone network.” (Compl. Br. at 243-44). The Staff expects the evidence to show that the Chestnut patent anticipates the asserted claims of the ‘489 patent under the correct claim construction.

First, the Staff expects the evidence to show that the Chestnut patent teaches filtering calls based on the current activity of the user on the computer network. Specifically,

Respondent points to the portion of the specification that states:

When an outside caller 30 places a call on the PSTN 6 the call is directed to the called party office extension 10 by the private branch exchange 4. Before the PBX sends the call to called party office extension 10, the telecommute server 2 checks the computer network 8 to see if the called party is logged on. If the called party is logged on, the telecommute server 2 instructs the private branch exchange 4 to forward the call to the telephone extension associated with the device the called party has used to log onto the computer network 8

(RX-1, col. 4:48-57). This is clearly call routing based on the user’s current status, *i.e.*, not only does it forward calls based on whether the user is logged on, but it forwards calls based on where the user is currently logged on. (Resp. Br. at 147-49). Thus, the Staff expects the evidence to show that the “current activity” limitation is disclosed.

Second, the Staff also expects the evidence to show that the Chestnut patent discloses a controller and a computer network access port. Specifically, the Respondent identifies the CTI

applications as functioning as the required controller. (RX-1, col. 1:41-44). This is consistent with the with Complainant’s (and the Staff’s) construction of the limitation at issue, which allows the controller to be either hardware or software. (*See supra* at § V.B.5). Moreover, the CTI applications, which “seamlessly interface the caller, the called party, and the information on a host computer,” also serve as the port between the computer and telephone networks. (RX-1, col. 1:45-16). Although no party has defined “network access port,” the ordinary definition of a “port” includes a “network access point for data entry or exit.” (SX-20, at 615).¹⁴ Thus, the Staff expects the evidence to show that the Chestnut patent discloses both a controller and a computer network access port.

Finally, the Staff is of the view that the Chestnut patent discloses the limitation of claims 28, 38, and 48 of the ‘439 patent calling for “a data structure contained within a computer network that is independent of the telephone network.” The Chestnut patent routes calls based on information stored in memory. (RX-1, col. 6:34-46). This does not appear to be distinguishable from the accused products, wherein the database is stored on the same server as the controller. (*See, e.g.*, Compl. Br. at 76, 77-78). In short, the Staff expects the evidence to show that all of the asserted claims of the ‘439 patent are anticipated by the Chestnut patent.

b. The Miner Patent

Respondent contends that all of the asserted claims of the ‘439 patent are anticipated by U.S. Patent No. 5,652,789 (“the Miner patent”). (Resp. Br.156-59). As with the Chestnut

¹⁴ The Staff also notes that in the accused devices, the “port” is a software module. (*See, e.g.*, Compl. Br. at 75).

patent, Complainant contends that the Miner patent does not anticipate the asserted claims because it does not disclose filtering calls based on “current activity of a user on the computer network,” and because it does not disclose a controller and a computer network access port. (Compl. Br. at 245-47). Complainant also contends that claims 28, 38, and 48 are not anticipated because the Miner patent does not disclose user selectable criteria “contained within a computer network that is independent of the telephone network.” (Compl. Br. at 248-49). The Staff believes that it is likely that the evidence will show that the Miner patent anticipates the asserted claims of the ‘439 patent.

First, the Staff believes that the Miner patent discloses call routing based on the “current activity of the user on the computer network.” Specifically, Respondent points to the portion of the Miner patent which reads:

Once the assistant either recognizes the caller either through a match with a stored vocalization or through the caller’s phone number or labels the caller as unknown, it then attempts to locate the subscriber. It does this by carrying out a sequence of operations the first of which is to check the subscriber’s status. If the subscriber currently has a connection established with his assistant (and he has not enabled a do not disturb function), then his status is available. If the subscriber is not connected, then the assistant may check a secondary information source (such as a cellular network) to determine the subscriber’s availability. Finally, the assistant will check the subscriber’s schedule. The subscriber can set his availability to indicate that he is accepting all calls, he is accepting no calls, or he is accepting only important calls.

(RX-3, col. 7:51-65). Moreover, the Miner patent states that “[a]s a first step in locating the subscriber, the system determines whether the subscriber is already connected to the system, either through another call or through some other communications medium (e.g. logged onto the network).” (*Id.*, col. 8:25-38). The patent thus discloses call routing based not only whether the

user is logged on, but also on whether the user has activated a do not disturb function, both of which indicate the user's status. Under the circumstances, the Staff expects the evidence to show that the Miner patent discloses the "current activity of the user" limitation.

The Staff also believes that the Miner patent most likely discloses a controller, a computer network access port, and a "computer network independent of the telephone network." In this respect, the Staff notes that Respondent's brief mistakenly identifies these features in the Chestnut patent, rather than the Miner patent. (Resp. Br. at 158; *see also* Compl. Br. at 248 (also identifying the Chestnut patent)). However, it is likely that the "electronic assistant" of the Miner patent satisfies the controller limitation. (RX-3, col. 3:3-19). The Staff also believes that in view of the disclosure in the Miner patent that the various applications and database services can be split among various systems it is likely that Miner discloses a computer network access port and independent computer and telephone networks. (RX-3, col. 10:22-30). The Staff therefore expects that Respondent will be able to establish by clear and convincing evidence that the Miner patent anticipates the asserted claims of the '439 patent.

c. The Miloslavsky Patent

Respondent contends that all of the asserted claims of the '289 patent are anticipated by U.S. Patent No. 6,185,287 ("the Miloslavsky patent"). (Resp. Br. at 162-66). Complainant contends that Miloslavsky patent does not anticipate the asserted claims because (1) it does not disclose "user-selectable criteria for call processing"; (2) it does not disclose filtering calls based on "current activity of a user on the computer network"; and (3) it does not disclose "process[ing] the incoming calls in accordance with the user-selectable criteria." (Compl. Br. at

250-51). Complainant also contends that claims 28, 38, and 48 are not anticipated because the Miloslavsky patent does not disclose user selectable criteria “contained within a computer network that is independent of the telephone network.” (Compl. Br. at 253). The Staff does not expect Respondent to be able to show by clear and convincing evidence that the asserted claims of the ‘439 patent are anticipated by the Miloslavsky patent.

The Staff expects the evidence to show that the Miloslavsky patent discloses filtering calls based on user activity on the computer network, as that phrase is properly defined. Specifically, the Miloslavsky system routes calls based on whether the users are logged on and available. (Resp. Br. at 164-65). However, the Miloslavsky patent does not appear to disclose routing calls based on “user-selectable criteria.” In fact, the Miloslavsky system appears to route calls based on availability and a user profile. (*Id.*). Respondent does not cite to any portion of Miloslavsky that discusses who selects the routing procedure and/or sets the user profiles. (*Id.*). Under the circumstances, the Staff does not believe that Respondent has demonstrated that all of the limitations of the asserted claims of the ‘439 patent are disclosed by the Miloslavsky patent.

3. The ‘289 Patent

Respondent contends that all of the asserted claims of the ‘289 patent are anticipated by the Chestnut patent, the Miner patent, and the Miloslavsky patent. (Resp. Br. at 51-153, 160-61, 167-69). Complainant contends that the claims are not anticipated for essentially the same reasons as with respect to the ‘439 patent (and also because the Chestnut patent allegedly does not disclose “pre-determined rules” for call routing). (Compl. Br. at 254-56). The Staff does

not expect the evidence to show that any of the identified references anticipate the asserted claims of the '289 patent.

Specifically, the asserted claims of the '289 patent differ from the claims of the '439 patent in that the claims call for "monitoring activity of a user computer" rather than filtering calls based on the "activity of a user on the computer network." As discussed above, while the '439 patent allows for filtering calls based on the user's status, the claims of the '289 patent require routing calls based on whether the "user computer" is active or idle. (*See supra* at § V.C.2). The Chestnut patent, the Miner patent, and the Miloslavsky patent all disclose monitoring the user's status, *e.g.*, whether he has logged on the network, activated a "do not disturb" function, etc. (*See, e.g.*, RX-1, col. 4:48-57; RX-3, col. 7:51-65; RX-2, col. 10:17-21, 10:52-59). Once a person is logged on, the system can detect this fact, and being logged on therefore a status. (Resp. Br. at 148; *see also* '289 patent, col. 8:13-25 (describing monitoring a user accessing the internet)). However, being logged on does not determine whether that person's computer is active or idle; after a person logs on, his or her computer can be either active or idle. (*See, e.g.*, '289 patent, col. 14:37-43 (noting that when a user does not use the computer for a period of time and the screen saver turns on, the computer is "idle")). Respondent has not pointed to any portion of the identified references that describe routing calls based on whether the user's computer is active or idle. The Staff therefore does not expect the evidence to show that any of the asserted claims of the '289 patent are invalid as anticipated.

4. The '064 and '357 Patents

Respondents alleges that all of the asserted claims of the '064 and '357 patents are anticipated by one or more prior art references. For the reasons discussed below, the Staff believes that while Respondent will be able to demonstrate anticipation under Complainant's claim construction, it will not be able to demonstrate that any of the asserted claims are anticipated under the correct construction of the GUI limitation.

a. The Swartz Patent

Respondent contends that all of the asserted claims of the '064 and '357 patent are anticipated by U.S. Patent No. 6,445,694 ("the Swartz patent"). (Resp. Br. at 117-23). Complainant contends that the Swartz patent does not anticipate any of the asserted claims because it does not disclose the "unified messaging system" required by independent claims 1 and 20 of the '064 patent and independent claim 1 of the '357 patent. (Compl. Br. at 256-58, 268-69). The Staff believes that the Swartz patent discloses a unified messaging system and, under Complainant's constructions would therefore anticipate the asserted claims. However, Complainant's construction is not correct as to the GUI limitation, which requires a single graphical menu that displays all of the communication options. (*See supra* at § V.D.9). The Staff therefore does not expect the evidence to show that the Swartz patent anticipates the asserted claims of the '064 and '357 patents.

First, the Staff is of the view that the Swartz patent discloses a "unified messaging system." As Respondent points out, the abstract of the Swartz patent describes the invention in the following terms:

The subscriber employs a web interface to populate a database with preference data which is used by the host services processor to handle incoming calls and establish outgoing telephone connections in accordance with the preference data provided by the subscriber. Incoming calls to a telephone number assigned to the subscriber may be automatically forwarded to any telephone number specified by the preference data. The subscriber may also use the web interface to specify whether call waiting is to be activated, to screen or reroute calls from designated numbers, *for selectively playing back voice mail messages via the web interface or for forwarding voice mail as an e-mail attachment, for handling incoming fax transmissions using character recognition and e-mail attachment functions, and for automatically paging the subscriber when incoming voice mail, fax or email messages are received*, all in accordance with the preference data supplied by the subscriber using the web interface. Outgoing connections and conference calls may be initiated using the web interface, and the subscriber may block the operation of caller identification functions. Call progress information may be visually displayed to the subscriber during calls by transmitting pages from the host services computer to the subscriber's web browser.

(RX-5, abstract) (emphasis added). This text is consistent with Figure 8, which shows voice, e-mail and fax functions. (RX-5, fig. 8). Moreover, contrary to Complainant's argument that the user cannot retrieve his messages, the figures also show that the claimed system uses computer monitors, phones, printers, pagers, etc., in addition to the computer itself. (RX-5, fig. 1). Thus, the Swartz patent discloses a "unified messaging system," and would anticipate the asserted claims of the '064 and '357 patents under Complainant's claim construction.

However, in addition to the unified messaging system, independent claims 1 and 20 of the '064 patent and independent claim 1 of the '357 patent also call for a "single graphical menu." ('064 patent, col. 18:42-43, 22:6-61; '357 patent, col. 18:31). Under the correct construction, this limitation requires that all of the communication options be displayed on a single screen. (*See supra* at § V.D.9). It appears that the Swartz patent uses multiple screens, organized hierarchically, to display the various communication options. (*See* RX-5, figs. 2-

11).¹⁵ The Staff therefore does not expect the evidence to show that the Swartz patent satisfies the GUI limitation of the relevant independent claims of the ‘357 and ‘064 patents. And because the independent claims are not anticipated, the asserted dependent claims are also not anticipated. *See, e.g., Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251, 1256 n.4 (Fed. Cir. 1989); *RCA Corp. v. Applied Digital Data Sys., Inc.*, 730 F.2d 1440, 1446 (Fed. Cir. 1984), *cert. dismissed*, 468 U.S. 1228 (1988).

b. The Nagai Patent

Respondent also contends that U.S. Patent No. 6,636,587 (“the Nagai patent”) anticipates all of the asserted claims of the ‘064 and ‘357 patents. (Resp. Br. at 124-29). Complainant contends that the Nagai patent does not any anticipate any of the asserted claims because it does not disclose a “unified messaging system.” (Compl. Br. at 259-60, 269). Complainant also contends that claims 8 and 9 of the ‘064 patent are not anticipated because the Nagai patent does not disclose call routing options. (Compl. Br. at 260-61). The Staff expects the evidence to show that the Nagai patent discloses both a “unified messaging system” and call routing options, and would thus anticipate the asserted claims of the ‘064 and ‘357 patents under Complainant’s constructions. However, the Staff does not expect Respondent to be able to show by clear and convincing evidence that the Nagai patent discloses the GUI limitation, as that limitation is properly construed. The Staff therefore does not believe that the asserted claims of the ‘064 and ‘357 patents will be shown to be anticipated by the Nagai patent.

¹⁵ The GUI limitation would be satisfied under Complainant’s construction because several menu display options for multiple services. (*See id.*).

First, the Staff believes that the evidence clearly shows that the Nagai patent discloses a unified messaging system. Indeed, the Nagai patent specifically uses the words “unified messaging” and “unified messaging service” to describe its claimed system. (RX-4, col. 1:43-45; 5:14-16, 7:63-64). “Unified messaging” is not a term given a special meaning in the ‘064 and ‘357 patents, but is instead a phrase which has an established meaning in the art. (*See supra* at § V.D.3; *see also* SX-19, at 548; SX-20, at 405). The disclosures of the Nagai patent satisfy the “unified messaging system” limitation.

Dependent claims 8 and 9 of the ‘064 patent call for first and second routing options and a plurality of routing options, respectively. (‘064 patent, col. 19:59-65). The Nagai patent clearly discloses a wide variety of routing options. (*See, e.g.*, RX-4, fig. 5; *see also* Resp. Br. at 128-29). The Staff therefore believes that under Complainant’s constructions, all of the asserted claims of the ‘064 and ‘357 patents would be anticipated by the Nagai patent.

However, as noted above, each of the relevant independent claims of the ‘064 and ‘357 patents incorporates the “single graphical menu” limitation. Respondent appears to contend that the Nagai patent discloses the GUI limitation “as that limitation is applied by Microsoft in its infringement analysis.” (Resp. Br. at 126). But, Microsoft’s construction of this limitation is not correct. (*See supra* at § VI.D.9). The Nagai patent does not appear to disclose a single menu, but rather uses multiple menus to display communication options. (*See, e.g.*, RX-4, figs. 5-6). The Staff therefore does not expect Respondent to be able to show by clear and convincing evidence that the Nagai patent discloses the GUI limitation. Thus, neither the independent claims nor the dependent claims of the ‘064 and ‘357 patents are anticipated.

c. The Octel Unified Messenger

Respondent contends that the Octel Unified Messenger product anticipates claims 11 and 12 of the '064 patent. (Resp. Br. at 133-34). Complainant contends that these claims are not anticipated because the Octel Unified Messenger does not allow a user to place a real time phone call. (Compl. Br. at 262-63). It is not clear from the private parties' submissions whether the Octel Unified Messenger necessarily incorporates a real-time calling feature. However, the Staff expects the evidence to show that other limitations of independent claim 1 (and thus dependent claims 11 and 12) are not disclosed by Octel Unified Messenger, and that these claims are therefore not anticipated.

Specifically, the GUI limitation of independent claim 1 of the '064 patent requires a "single graphical menu." (*See supra* at § V.D.9). However, the menu identified by Respondent as satisfying this limitation displays some, but not all, communications options and services (for example it does not display the fax and e-mail options). (*See* Resp. Br. at 132). Because the reference does not disclose all of the limitations of independent claim 1, it does not anticipate independent claim 1. *See, e.g., Juicy Whip, Inc. v. Orange Bang, Inc.*, 292 F.3d 728, 738 (Fed. Cir.) (overturning a jury verdict of anticipation because of a lack of clear and convincing evidence regarding at least one element of each asserted claim), *cert. denied*, 537 U.S. 1019 (2002). And if independent claim 1 is not anticipated, then dependent claims 11 and 12 cannot be anticipated. *See, e.g., Corning Glass Works*, 868 F.2d at 1256 n.4; *RCA Corp.*, 730 F.2d at 1446.

B. Obviousness

1. Legal Standards

Obviousness under 35 U.S.C. § 103(a) is determined by whether “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a). Obviousness is a question of law based on underlying facts. *See, e.g., Pharmastem Therapeutics, Inc. v. Viacell, Inc.*, 491 F.3d 1342, 1359 (Fed. Cir. 2007). The obviousness analysis hinges on four factual findings – the so-called *Graham* factors – (1) the scope and content of the prior art; (2) the differences between the prior art and the claims at issue; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966); *see also, e.g., Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1355 (Fed. Cir. 2007).

The U.S. Supreme Court has recently clarified the standards applicable to obviousness. *See generally KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007). The Court recognized that the Federal Circuit’s “teaching, suggestion, motivation” test “captured a helpful insight” because “inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known.” *Id.* at 1741. However, the Supreme Court also held that “[h]elpful insights . . . need not become rigid and mandatory formulas; and when it is so applied, the TSM test is incompatible with our precedents. The obviousness analysis cannot be confined by a

formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents.” *Id.* Thus, after *KSR*, the Federal Circuit has held that “the burden falls on the patent challenger to show by clear and convincing evidence that a person of ordinary skill in the art would have had reason to attempt to make the composition or device, or carry out the claimed process, and would have had a reasonable expectation of success in doing so.” *Pharmastem Therapeutics, Inc.*, 491 F.3d at 1360.

2. The ‘439 and ‘289 Patents

Complainant contends that all of the asserted claims of both the ‘439 and ‘289 patents are invalid as obvious under 35 U.S.C. § 103(a). As discussed below with reference to each of the *Graham* factors, the Staff does not expect Respondent to be able to show by clear and convincing evidence that any of the asserted claims are invalid as obvious.

a. The Level of Ordinary Skill in the Art

The experts appear to more or less agree that a person of ordinary skill in the art to which the ‘439 and ‘289 patents pertain would have a Bachelor’s degree in electrical engineering or computer science or a related field and three years of experience in computer telephony.¹⁶ This is not an exceptionally high or low level of skill in the art, and does not significantly affect the obviousness analysis. *See generally* 2 Donald S. Chisum, *Chisum on Patents* §§ 5.03[4][e][ii], [iii], [v] (2003) (discussing effect of different levels of skill in the art).

¹⁶ Respondent’s expert appeared to require slightly more experience (or a higher degree) but did not require it to be in the field of computer telephony. (Resp. Br. at 37-38).

b. The Scope and Content of the Prior Art

The Staff understands the private parties to agree that the field of invention to which the ‘439 and ‘289 patents relate is the field of computer telephony. (*See generally* ‘439 patent, col. 1:6-9; ‘289 patent, col. 1:6-10). “A reference is analogous if it is from the same field of endeavor as the invention If a reference is outside the inventor’s field of endeavor, it is still analogous art if the reference ‘is reasonably pertinent to the particular problem with which the inventor is involved.’” *State Contracting & Eng’g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1069 (Fed. Cir. 2003) (citations omitted). The Staff is of the view that the cited prior art references are at least reasonably pertinent to the problem to be solved and are thus within the field of invention.

c. The Differences Between the Prior Art and the Claims at Issue

i. The ‘439 Patent

Respondent contends that all of the asserted claims of the ‘439 patent are invalid as obvious in view of the Chestnut patent, the Miner patent, and the Miloslavsky patent, in combination with the Brennan patent (a prior art reference cited during prosecution of the ‘439 patent) and the knowledge of one of ordinary skill in the art. (Resp. Br. at 150-51, 159, 166-67). Complainant appears to contend that Respondent’s allegations are too general to establish obviousness. (Compl. Br. at 242-43, 247-48, 252). The Staff believes that the claims of the ‘439 patent are invalid as anticipated. (*See supra* at § VII.A.2). However, in the event that the Judge determines that the cited references do not disclose all of the limitations of the asserted

claims of the '439 patent, the Staff does not believe that Respondent will be able to show by clear and convincing evidence that the claims are obvious.

In the *KSR* decision, the Supreme Court rejected the Federal Circuit's strict teaching-suggestion-motivation test for obviousness. *KSR Int'l Inc.*, 127 S. Ct. at 1741-43. However, the Court also noted that "[a]s is clear from cases such as *Adams*, a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *Id.* at 1741. Here, Respondent's allegations of obviousness appear to be simply that the various features claimed in the '439 patent were all known in the prior art. (Resp. Br. at 150-51, 159, 166-67). The Staff does not believe that these allegations satisfy Respondent's burden of demonstrating "an apparent reason to combine the known elements in the fashion claimed by the patent at issue." *KSR Int'l Corp.*, 127 S. Ct. at 1741. Unless there is more detailed testimony on this subject, the Staff does not expect Respondent to be able to satisfy its burden of showing by clear and convincing evidence that the asserted claims of the '439 patent are invalid as obvious.

ii. The '289 Patent

Respondent also contends that the '289 patent is invalid as obvious in view of the Chestnut patent, the Miner patent, and the Miloslavsky patent, in combination with the Brennan patent and the knowledge of one of ordinary skill in the art. (Resp. Br. at 154-55, 161-62, 169-70). Complainant appears to generally contend that the claims of the '289 patent are not obvious for the same reason that the claims of the '439 patent are not obvious. (See Compl. Br.

at 254-56). The Staff does not expect Respondent to be able to demonstrate by clear and convincing evidence that the claims of the ‘289 patent are invalid as obvious.

As discussed above, none of the identified prior art references satisfy the “monitoring the activity of a user computer” limitation that appears in all of the asserted claims of the ‘289 patent. (*See supra* at § VIII.A.3). Respondent has not suggested that it would be obvious to modify any of the references to teach a system that routes calls based on whether a user is active or idle on a computer. (*See Resp. Br.* at 154-55, 159, 166-67). The Staff therefore does not believe that the asserted claims of the ‘289 patent will be shown to be obvious.

d. Secondary Considerations of Non-Obviousness

Complainant contends that secondary considerations weigh against finding obviousness. Specifically, Complainant contends that it will present evidence of commercial success and of a long-felt but unmet need. (*Compl. Br.* at 270-71). Respondent contends that Complainant’s expert has not identified any secondary considerations of non-obviousness. (*Resp. Br.* at 116 n.12). As discussed below, the Staff does not expect secondary considerations to weigh significantly in favor of non-obviousness.

In this respect, the Staff does not expect Complainant to be able to show the required nexus between the ‘439 and ‘289 patents and the alleged secondary considerations of non-obviousness. *See, e.g., Ormco Corp. v. Align Technology, Inc.*, 463 F.3d 1299, 1311-12 (Fed. Cir. 2006) (“Evidence of commercial success, or other secondary considerations, is only significant if there is a nexus between the claimed invention and the commercial success.”); *WMS Gaming, Inc. v. International Game Tech.*, 184 F.3d 1339, 1359 (Fed. Cir. 1999) (“The

patentee bears the burden of showing that a nexus exists between the claimed features of the invention and the objective evidence offered to show non-obviousness.”). Although the Microsoft products may be a commercial success, these products also incorporate many different features, and the Staff does not expect the evidence to show that any demonstrated success was necessarily due to “intelligent call routing.” (Compl. Br. at 271). Similarly, the Staff does not expect the evidence to show a long felt but unsolved need for the specific features at issue. Thus, the Staff expects there to be, at best, only slight evidence that secondary considerations weigh against a finding of obviousness.

3. The ‘064 and ‘357 Patents

Respondent contends that all of the asserted claims of both the ‘064 and ‘357 patent are obvious under 35 U.S.C. § 103(a). For the reasons discussed below, the Staff does not expect Respondent to be able to show by clear and convincing evidence that any of the claims of the ‘064 and ‘357 patent are obvious under the correct claim constructions.

a. The Level of Ordinary Skill in the Art

The experts appear to more or less agree that a person of ordinary skill in the art would have a Bachelor’s degree in electrical engineering or computer science and three years of experience in designing or implementing unified communication systems.¹⁷ This is not an exceptionally high or low level of skill in the art, and does not significantly affect the

¹⁷ Respondent’s expert requires slightly more experience or a higher degree, but does not require experience specific to unified communications systems. (Resp. Br. at 37).

obviousness analysis. *See generally* 2 Donald S. Chisum, *Chisum on Patents* §§ 5.03[4][e][ii], [iii], [v] (2003) (discussing effect of different levels of skill in the art).

b. The Scope and Content of the Prior Art

The Staff understands the private parties to agree that the field of art to which the ‘064 and ‘357 patents pertain is the field of unified messaging systems. (*See generally* ‘064 patent, col. 1:50-59; ‘357 patent, col. 1:47-56). “A reference is analogous if it is from the same field of endeavor as the invention If a reference is outside the inventor’s field of endeavor, it is still analogous art if the reference ‘is reasonably pertinent to the particular problem with which the inventor is involved.’” *State Contracting & Eng’g Corp.*, 346 F.3d at 1069 (citations omitted). The Staff is of the view that the cited prior art references are at least reasonably pertinent to the problem to be solved and are thus within the field of invention.

c. The Differences Between the Prior Art and the Claims at Issue

i. The Swartz and Nagai Patents

Respondent contends that, in the event that the Swartz and Nagai patents are not found to anticipate the asserted claims of the ‘064 and ‘357 patents, each reference will render these claims invalid as obvious in combination with the Octel Unified Messenger system. (Resp. Br. at 123-24, 129-30). Complainant contends that Respondent’s arguments with respect to these references are too general to demonstrate obviousness. (Compl. Br. at 257-58, 260-61, 268-69). As discussed above, the Staff is of the view that the Swartz and Nagai patents do not anticipate the asserted claims of the ‘064 and ‘357 patent because they do not disclose the GUI limitation of the relevant independent claims, as that limitation is properly construed. (*See supra* at §

VIII.A.3). Given that none of the cited references, including the Octel Unified Messenger, appear to disclose such a “single graphical menu,” the Staff does not believe that Respondent will be able to show by clear and convincing evidence that this limitation would be obvious to one of ordinary skill in the art.¹⁸ The Staff therefore does not expect the evidence to show that the asserted claims of the ‘064 and ‘357 are obvious in view of combinations involving the Nagai and Swartz references.

ii. The Octel Unified Messenger Product

Respondent contends that the asserted claims of the ‘064 and ‘357 patent are also obvious in view in the Octel Unified Messenger system. (Resp. Br. at 130-37). Complainant contends that Respondent’s arguments are too general to support a finding of obviousness and that, in any event, the limitations of the dependent claims of the ‘064 and ‘357 patents are not obvious. (Compl. Br. at 261-65, 269-70). As discussed above, the Staff is of the view that the Octel Unified Messenger does not disclose the GUI limitation of the relevant independent claims. (*See supra* at § VIII.A.4). Moreover, none of the other identified prior art references disclose a single graphical menu, as that term is properly construed, and Respondent does not appear to argue that it would be obvious to put all options (as opposed to multiple options) on a single screen. (*See* Resp. Br. at 130 (“Microsoft also concedes that the Octel Unified Messenger products disclosed ‘generating a single graphical menu,’ as Microsoft applies that

¹⁸ The Staff notes that the examiner rejected claims of the ‘064 patent on the grounds that combining Pepe and another reference to show a single graphical menu was obvious, but found that a single graphical menu with multiple display areas (as would be required for multiple services) was allowable. (*See* JX-7, at 1011, 1165).

term in its infringement analysis.”); *see also id.* at 142 (“Moreover, it was well known to use a ‘single graphical menu,’ as that limitation is applied by Microsoft in its infringement analysis . . .”). The Staff therefore does not expect Respondent to show by clear and convincing evidence that the Octel Messenger system renders the asserted claims of the ‘064 and ‘357 patent invalid as obvious.

iii. The Pepe Patent

Respondent also contends that the Pepe patent renders obvious the asserted claims of the ‘064 and ‘357 patents. (Resp. Br. at 38-42). In contrast, Complainant contends that the Pepe patent does not disclose at least the “single graphical menu, “unified messaging system,” and “enable option” limitations, and that it would not have been obvious to modify Pepe in such a way as to satisfy these limitations. (Compl. Br. at 265-68, 270). The Staff does not expect Respondent to be able to show by clear and convincing evidence that the asserted claims of the ‘064 and ‘357 patents are obvious in view of Pepe.

Specifically, the Staff notes that the Pepe patent was before the PTO during prosecution of the patents at issue. The burden of proving invalidity is “‘especially’ difficult when, as in the present case, the infringer attempts to rely on prior art that was before the patent examiner during prosecution.” *Glaxo Group Ltd. v. Apotex Corp.*, 376 F.3d 1339, 1348 (Fed. Cir. 2004); *see also, e.g., Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 909 F.2d 1464, 1467 (Fed. Cir. 1990). And in this case, Respondent’s allegations are not directed at demonstrating that a particular prior art reference would have been combined with Pepe, but rather that the features missing from Pepe are allegedly “well known.” (Resp. Br. at 142). Respondent has thus not set

forth an explicit analysis of whether there was “an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR Int’l Co.*, 127 S. Ct. at 1741.

Under the circumstances, the Staff does not expect Respondent to satisfy its burden of showing that the Pepe patent renders the asserted claims of the ‘064 and ‘357 patent invalid as obvious.

d. Secondary Considerations of Non-Obviousness

Complainant contends that secondary considerations weigh against finding that the ‘064 and ‘357 patents are obvious. (Compl. Br. at 270-71). The analysis with respect to this issue is generally the same as with the ‘439 and ‘289 patents. (*See supra* at § VIII.B.2.d). Again, it is not clear that the alleged secondary considerations of commercial success and long-felt need are linked to the claimed invention. *See Ormco Corp.*, 463 F.3d at 1313. Indeed, the fact that Complainant is alleging the existence of secondary considerations of non-obviousness for all four of the patents at issue based on the same products indicates that any alleged commercial success, for example, is not linked to any individual feature of the products. Under the circumstances, the Staff does not expect evidence to show that secondary considerations weigh against a finding of obviousness with respect to the ‘064 and ‘357 patents.

IX. INEQUITABLE CONDUCT

Respondent contends that the ‘429, ‘289, and ‘357 patent are unenforceable due to inequitable conduct. (Resp. Br. at 170-89). For the reasons set forth below, the Staff does not expect Respondent to establish that the patents at issue are unenforceable.

A. Legal Standards

Section 337(a)(1)(B) declares importations that infringe a U.S. patent unlawful only if that patent is valid and enforceable. *See* 19 U.S.C. § 1337(a)(1)(B). “Unenforceability due to inequitable conduct requires proof of materiality and intent by clear and convincing evidence. Upon finding evidence that satisfies a threshold measure of materiality and intent, the trial court then weighs that evidence to determine that the equities warrant a conclusion of inequitable conduct.” *Agfa Corp. v. Creo Prods., Inc.*, 451 F.3d 1366, 1377 (Fed. Cir. 2006) (citation omitted); *see also, e.g., Honeywell Int’l Inc. v. Universal Avionics Sys. Corp.*, 488 F.3d 982, 999 (Fed. Cir. 2007).

With respect to the first factor, materiality, the Staff notes that “[m]ateriality is not limited to prior art but embraces any information that a reasonable examiner would be substantially likely to consider important in deciding whether to allow an application to issue as a patent.” *Liquid Dynamics Corp.*, 449 F.3d at 1226 (internal quotation marks omitted); *see also, e.g., Honeywell Int’l Inc.*, 488 F.3d at 1000. With respect to the second factor, intent, the Staff notes that “[i]ntent is a subjective inquiry into whether the inventor knew that the information was material and chose not to disclose it.” *Liquid Dynamics Corp.*, 449 F.3d at 1227. When the withheld information is highly material, a lower showing of deceptive intent will be sufficient to establish inequitable conduct. *See, e.g., American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1363 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984); *see also, e.g., Honeywell Int’l Inc.*, 488 F.3d at 999. However, “[i]ntent to deceive ‘cannot be inferred solely from the fact that information was not disclosed; there must be a factual basis for a

finding of deceptive intent.” *Kao Corp. v. Unilever U.S. Inc.*, 441 F.3d 963, 972 (Fed. Cir. 2006).

Finally, “an important step in the judicial resolution of inequitable conduct claims is for the court to determine whether the material misrepresentations or omissions in question are sufficiently serious in light of the evidence of intent to deceive, under all the circumstances, to warrant the severe sanction of holding the patent unenforceable.” *Hoffman-La Roche, Inc. v. Promega Corp.*, 323 F.3d 1354, 1372 (Fed. Cir. 2003). But, when there are high levels of both materiality and intent, inequitable conduct will be found even without express balancing. *See Agfa Corp.*, 451 F.3d at 1379-80.

B. The ‘439 and ‘289 Patents

Respondent contends that the ‘439 and ‘289 patents are unenforceable because the patentee failed to disclose the to the examiner of each application that the other application was co-pending, and because the patentee failed to cite certain prior art reference discussed during prosecution of each application to the examiner in the co-pending application. (Resp. Br. at 182-89). Complainant contends that the references are not material and that Complainant cannot demonstrate intent. (Compl. Br. at 273-77). The Staff is of the view that this is a very close question. However, the Staff does not believe that Respondent will be able to show inequitable conduct by clear and convincing evidence.

Here, the Staff expects there to be some evidence from which one could infer inequitable conduct. Although the inventions are very similar, neither the patentees nor their attorneys brought the co-pending applications for the ‘439 and ‘289 patents to the attention of the

examiners. *See* MPEP § 2001.06(b) (8th ed. 2005) (requiring persons involved in the application to bring relevant pending applications to the attention of the examiner). Moreover, after the examiner rejected the ‘439 application based on the Brennan reference, the prosecuting attorneys did not bring the Brennan reference to attention of the examiner evaluating the ‘289 application. Similarly, after the ‘289 application was rejected based on the De Simone reference, the prosecuting attorneys did not bring the De Simone reference to the attention of the examiner evaluating the ‘439 application. (*See* Resp. Br. at 13-18; ‘439 patent, cover; ‘289 patent, cover). Indeed, the prosecuting attorneys did not even bring the fact of the rejections to the attention of the examiner. *See Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1368 (Fed. Cir. 2003). This is particularly troubling given that there was at least one attorney in common with respect to the two applications, and the two applications were being prosecuted at virtually the same time.¹⁹

However, in order to demonstrate inequitable conduct, both materiality and intent must be proven by clear and convincing evidence. *See, e.g., Kingsdown Medical Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 872 (Fed. Cir. 1988) (en banc), *cert. denied*, 490 U.S. 1067 (1989). As the Federal Circuit has held, “materiality does not presume intent, which is a separate and essential component of inequitable conduct.” *Sanofi-Synthelabo v. Apotex, Inc.*, 470 F.3d 1368, 1381 (Fed. Cir. 2006). Thus, “[i]ntent to deceive ‘cannot be inferred solely

¹⁹ For example, the ‘289 application was rejected in view of Simone on September 27, 2001 (and the rejection was mailed on October 2, 2001), and the attorneys had a meeting with the examiner with respect to the ‘439 application on October 17. (Resp. Br. at 178, 180-81; *see* JX-5, at 678; JX-6, at 1496-97).

from the fact that information was not disclosed; there must be a factual basis for a finding of deceptive intent.” *Kao Corp.*, 441 F.3d at 972. Here, the evidence purporting to show intent is equally consistent with a finding of negligence, which is not sufficient to prove inequitable conduct. *See Ulead Sys., Inc. v. Lex Computer & Management Corp.*, 351 F.3d 1139, 1145 (Fed. Cir. 2003). Under the circumstances, the Staff does not believe that Respondent will be able demonstrate by clear and convincing evidence that the ‘439 and ‘289 patents are unenforceable.

C. The ‘357 Patent²⁰

Respondent also contends that the ‘357 patent is unenforceable due to the patentee’s inequitable conduct in failing to disclose the Swartz patent to the examiner. (Resp. Br. at 170-76). The Staff agrees that the Swartz patent is highly material to the application that issued as the ‘357 patent. (*See supra* at § VIII.A.4.a). However, the Staff does not expect Respondent to be able to make the requisite showing of intent to deceive. The Staff therefore does not expect Respondent to show by clear and convincing evidence that the ‘357 patent is unenforceable.

As discussed above, “materiality does not presume intent, which is a separate and essential component of inequitable conduct.” *Sanofi-Synthelabo*, 470 F.3d at 1381. Here, Respondent alleges that intent to deceive should be inferred because the Swartz patent was discussed in a related application, but was not disclosed during the prosecution of the ‘357 patent. (Resp. Br. at 176-77). However, the existence of the related application was disclosed to the examiner (‘357 patent, col. 1:30-32), and the record indicates that the examiner did in fact

²⁰ Respondent does not appear allege inequitable conduct with respect to the ‘064 patent.

search the file for the related application. (JX-8, at 1422). This does not support Respondent's contention that the patentee intended to keep the Swartz patent from the examiner.

Respondent relies heavily on the recent Federal Circuit decision in *McKesson Information Solutions, Inc. v. Bridge Medical, Inc.*, 487 F.3d 897 (Fed. Cir. 2007), in support of its contention that failure to disclose a reference cited in a related application can render a patent unenforceable. (Resp. Br. at 175-76). However, the *McKesson* decision notes that the disclosure of the related application is evidence of a *lack* of intent to deceive. *McKesson Information Solutions, Inc.*, 487 F.3d at 917. Moreover, the *McKesson* court also found other facts (aside from materiality) which would support inferring an intent to deceive. *Id.* at 909-10. None of these factors appear to be present with respect to the '357 patent. In short, the Staff does not believe that Respondent will be able to demonstrate by clear and convincing evidence that the '357 patent is unenforceable.

X. REMEDY

In the event that the Judge determines that a violation of Section 337 has occurred, the Staff expects the evidence to support the following recommendations with respect to remedy.

A. Exclusion Order

When a violation of Section 337 is found, the Commission may issue either a limited exclusion order, directed against products manufactured by or on behalf of by persons found in violation, or a general exclusion order, directed against all infringing products. *See* 19 U.S.C. § 1337(d). Here, Complainant seeks entry of a limited exclusion order and has not indicated that it will present evidence on which to base a general exclusion order. (Compl. Pre-Hearing Br. at

511-13). If a violation of Section 337 is found, the Staff therefore recommends entry of only a limited exclusion order. *See* 19 U.S.C. § 1337(d)(1).

B. Cease and Desist Order

In addition to, or instead of, an exclusion order, the Commission may issue cease and desist orders to respondents violating or believed to be violating Section 337. *See* 19 U.S.C. § 1337(f)(1). Under Commission precedent, cease and desist orders are warranted with respect to respondents that maintain commercially significant U.S. inventories of the infringing product. *Certain Agricultural Tractors Under 50 Power Take-off Horsepower*, Inv. No. 337-TA-380, Commission Opinion at 31, USITC Pub. 3026 (March. 1997); *see also, e.g., Certain Cigarettes and Packaging Thereof*, Inv. No. 337-TA-424, Commission Opinion at 10, USITC Pub. 3366 (Nov. 2000). Even if a respondent is a foreign entity, issuance of a cease and desist order is appropriate if the inventories in question are located in the United States. *See, e.g., Certain Abrasive Products Made Using a Process for Powder Preforms, and Products Containing Same*, Inv. No. 337-TA-449, Commission Opinion at 6-8, USITC Pub. 3530 (Aug. 2002), *aff'd in part, rev'd in part, Kinik Co. v. International Trade Comm'n*, 362 F.3d 1359 (Fed. Cir. 2004).

Here, Respondent appears to have a large U.S. inventory of accused products and components thereof. (*See* SX-14C). Even a single product in inventory can be “commercially significant” if the product is very expensive. *See Hardware Logic*, Commission Opinion at 6-7. Under the circumstances, the Staff expects the evidence to show that Alcatel’s U.S. inventory is commercially significant. *See Flash Memory*, Commission Opinion at 25 (“Although Samsung may be correct in asserting that its inventory is relatively small compared to SanDisk’s annual

revenues from flash memory sales or to the worldwide flash memory market as a whole, Samsung's inventory nonetheless remains commercially significant in absolute terms, which is sufficient to justify issuance of a cease and desist order.”). The Staff therefore believes that, if a violation is found, the appropriate remedy will include a cease and desist order.

XI. BONDING

If the Commission determines to enter an exclusion order and/or a cease and desist order in this investigation, then affected articles shall still be entitled to entry under bond during the 60-day Presidential review period. The amount of such bond must “be sufficient to protect the complainant from any injury.” 19 U.S.C. § 1337(j)(3); *see also* 19 C.F.R. § 210.50(a)(3). The Commission typically sets the Presidential review period bond based on the price differential between the imported or infringing product, or based on a reasonable royalty. *See, e.g., Microsphere Adhesives*, Commission Opinion at 24 (setting bond based on price differentials); *Certain Plastic Encapsulated Integrated Circuits*, Inv. No. 337-TA-315, Commission Opinion at 45, USITC Pub. 2574 (Nov. 1992) (setting the bond based on a reasonable royalty). However, where the available pricing information is inadequate, the bond may be set at 100% of the entered value of the accused product. *See, e.g., Certain Neodymium-Iron-Boron Magnets, Magnet Alloys, and Products Containing Same*, Inv. No. 337-TA-372, Commission Opinion at 15, USITC Pub. 2964 (May 1996).

The Commission Rules provide that the Administrative Law Judge shall take evidence and hear argument for the purposes of determining the amount of bond to be posted by the Respondent during the Presidential review period. 19 C.F.R. § 210.36(a)(1). The Staff defers

taking a position on the amount of any bond until hearing the evidence, if any, presented by the parties. The Staff will take a position on the appropriate bond in its post-hearing brief.

XII. CONCLUSION

For all of the above reasons, the Staff does not expect the evidence to show that a violation of Section 337 has occurred.

Respectfully submitted,

/s/ David O. Lloyd

Lynn I. Levine, Director
Anne Goalwin, Supervisory Attorney
David O. Lloyd, Investigative Attorney

OFFICE OF UNFAIR IMPORT INVESTIGATIONS

U.S. International Trade Commission
500 E Street, S.W., Suite 401
Washington, D.C. 20436
(202) 205-2576
(202) 205-2158 (Facsimile)

September 21, 2007

Public Version Dated: October 5, 2007

CERTIFICATE OF SERVICE

I hereby certify that, on October 5, 2007, copies of the foregoing **PUBLIC VERSION** of the **COMMISSION INVESTIGATIVE STAFF'S PRE-HEARING STATEMENT** was filed with the Secretary (in electronic format), served by hand upon Administrative Law Judge Paul J. Luckern (two copies), and served upon the following parties as indicated below:

For Complainant Microsoft Corporation:

By U.S. Mail:

Ruffin B. Cordell, Esq.
Linda Liu Kordziel, Esq.
Joseph V. Colaianni, Jr., Esq.
Jeffrey R. Whieldon, Esq.
Rama G. Elluru, Esq.
Joshua Pond, Esq.

Fish & Richardson P.C.

1425 K Street NW, Suite 1100
Washington, D.C. 20005
Telephone: (202) 783-5070
Facsimile: (202) 783-2331

By U.S. Mail:

John E. Gartman, Esq.
Fish & Richardson P.C.
12390 El Camino Real
San Diego, CA 92130
Telephone: (858) 678-5070
Facsimile: (858) 678-5099

For Respondent Alcatel Business Systems:

By U.S. Mail:

Steven C. Cherny, Esq.
Latham & Watkins LLP
885 Third Avenue, Suite 1000
New York, NY 10022-4834
Telephone: (212) 906-1200
Facsimile: (212) 751-4864

By U.S. Mail:

F. David Foster, Esq.
James B. Altman, Esq.
Kelly Busby, Esq.
Miller & Chevalier Chartered
655 Fifteenth Street, N.W.
Suite 900
Washington, D.C. 20005
Telephone: (202) 626-5800
Facsimile: (202) 626-5801

By U.S. Mail:

David A. Nelson, Esq.
Sasha D. Mayergoyz, Esq.
Peter N. Moore, Esq.
Latham & Watkins LLP
223 South Wacker Drive, Suite 5800
Chicago IL 60606-6306
Telephone: (312) 876-7700
Facsimile: (312) 993-9767

By U.S. Mail:

David M. Farnum, Esq.
Latham & Watkins LLP
555 Eleventh Street NW, Suite 1000
Washington DC 20004-1304
Telephone: (202) 637-2200
Facsimile: (202) 637-2201

/s/ David O. Lloyd

David O. Lloyd
OFFICE OF UNFAIR IMPORT INVESTIGATIONS
U.S. International Trade Commission
500 E Street, S.W., Suite 401
Washington, D.C. 20436
(202) 205-2576
(202) 205-2158 (Fax)