

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SECURUS TECHNOLOGIES, INC.,
Petitioner,

v.

GLOBAL TEL*LINK CORPORATION,
Patent Owner.

Case CBM2017-00034
Patent 7,783,021 B2

Before KEVIN F. TURNER, BARBARA A. BENOIT, and
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION
Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

A. Background

Securus Technologies, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting a review under the transitional program for covered business method patents of claims 1–23 (“challenged claims”) of U.S. Patent No. 7,783,021 B2 (Ex. 1001, “’021 Patent”). Global Tel*Link Corporation (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”) thereto.

We have jurisdiction under 35 U.S.C. § 324,¹ which provides that a covered business method patent review may not be instituted unless the information presented in the Petition demonstrates “that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” We determine that the information presented in the Petition establishes that the ’021 Patent qualifies as a covered business method patent that is eligible for review, and that it is more likely than not that the challenged claims are unpatentable under 35 U.S.C. § 103. Pursuant to 35 U.S.C. § 324 and § 18(a) of the AIA, we institute a covered business method patent review as to all the challenged claims.

B. Related Matters

Petitioner informs us that the ’021 Patent is the subject of a patent infringement suit brought by Patent Owner captioned *Global Tel*Link Corp.*

¹ See Section 18(a)(1) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–30 (2011) (“AIA”), which provides that the transitional program for covered business method patents will be regarded as a post-grant review under chapter 32 of title 35 of the U.S. Code, and will employ the standards and procedures of a post-grant review, subject to certain exceptions.

v. Securus Techs., Inc., Case No. 3:14-cv-0829K (N.D. Tex.), with which Patent Owner concurs. Pet. 1, Paper 5, 1. In addition, Patent Owner lists U.S. Patent No. 9,143,609, as being related, as well as related applications U.S. App. Nos. 14/831,533 and 15/266,551. Paper 5, 1.

In addition, Petitioner previously filed a petition for *inter partes* review (“IPR”) of the ’021 Patent, IPR2015-00153 (“the ’153 Petition”), on October 24, 2014, where we subsequently declined to institute trial in that proceeding.

C. Standing

Section 18 of the AIA governs the transitional program for covered business method patent reviews. Section 18(a)(1)(B) of the AIA limits such reviews to persons, or their privies, that have been sued or charged with infringement of a covered business method patent. In asserting that it has standing to file the Petition, Petitioner states that it has been charged with infringement of the ’021 Patent in the U.S. district court case. Pet. 3. Petitioner further states that it is not estopped from challenging the claims on the grounds identified in the Petition and demonstrates that the ’021 Patent is a covered business method patent. *Id.* at 3, 14–25; *infra* § I.F.

D. The ’021 Patent

The ’021 Patent generally relates to telephone communication systems in penal institutions or similar facilities, specifically directed to systems with the capacity to allow the institutions to control, record, monitor, and report usage and access to a telephone network. Ex. 1001, 1:6–12. In one disclosed embodiment, the system allows an investigator to covertly monitor an inmate’s conversation for suspicious activity. *Id.* at 17:15–32.

“The platform may include a site server. This device serves as the main database for the telephone management system. It has the ability to log and record details of all telephone calls placed through the system and store them.” *Id.* at 9:60–65. The site server also digitizes all information and may include a recorder for “recording the telephone calls and storing them in one or more databases.” *Id.* at 9:65–10:2. User identification and authentication means described by the ’021 Patent provide access to the telephone management system using PIN verification and biometric data verification. *Id.* at 11:7–20, 50–53. For example, biometric data may include “voiceprints, facial architecture, signature architecture, fingerprints, retinal prints, hand geometry, and the infrared pattern of the face.” *Id.* at 11:53–56.

In the Background of the Invention section of the ’021 Patent, several prior art issues are addressed, such as “[t]o prevent such institutions from incurring unaccountable telephone costs, the institutions must either restrict access to outbound telephone lines or employ a telephone monitoring system to charge the responsible party for making the outbound communication,” and “[i]n order for a system to be cost effective the system must critically monitor and record the activities of each individual user to properly charge each individual caller for his or her outgoing calls.” *Id.* at 1:25–29, 2:17–20.

E. Illustrative Claim

Of the claims challenged in this proceeding, claims 1, 7, 16, and 20 are independent claims. Independent claim 1 is directed to an inmate telecommunication call processes system. Independent claim 1 is illustrative of the challenged claims and is reproduced below:

1. An inmate telecommunication call processing system comprising:

a plurality of trunk lines of a Public Switched Telephone Network (PSTN);

at least one telephone terminal for making a telephone call, wherein said telephone terminal is located onsite at an institution;

a central platform coupled to said plurality of trunk lines and coupled to said at least one telephone terminal for said telephone call,

wherein said central platform is located offsite from said institution, and

further wherein said central platform comprises one or more apparatuses for processing said telephone call;

an administrative workstation for connecting to a said telephone terminal to monitor conversations between said institution without detection by said user; and

at least one routing means coupled to said telephone terminal and said central platform;

wherein said one or more apparatuses controls telephonic communication between said at least one telephone terminal and said plurality of trunk lines,

wherein said one or more apparatuses records said conversations in said telephone call between a user associated with said at least one telephone terminal and an external party, and

further wherein said one or more apparatuses digitizes audio and stores said audio for caller identification at said institution, and

further wherein said one or more apparatuses communicates with an administrative workstation for billing regarding said telephone call originating from said institution.

Ex. 1001, 18:50–19:14.

F. Covered Business Method Patent

Under § 18(a)(1)(E) of the AIA, we may institute a transitional review proceeding only for a covered business method patent. A “covered business method patent” is a patent that “claims a method or corresponding apparatus

for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see also* 37 C.F.R. § 42.301 (defining “[c]overed business method patent” and “[t]echnological invention”).

1. Financial Product or Service

The Federal Circuit has recognized that “as a matter of statutory construction, the definition of ‘covered business method patent’ is not limited to products and services of only the financial industry, or to patents owned by or directly affecting activities of financial institutions.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015). At the same time, “[n]ecessarily, the statutory definition of a [covered business method] patent requires that the patent have a claim that contains, however phrased, a financial activity element.” *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1381 (Fed. Cir. 2017).

Petitioner contends that “the billing functions that are required to be performed as part of every challenged claim each constitute a ‘financial service’ and each inmate phone call represents a financial transaction.” Pet. 15. Petitioner also contends that “the patentee’s statements in the specification” demonstrate the financial nature of the claims. *Id.* at 16–17 (citing Ex. 1001, 9:30–35, 15:1–2, 10–12, Abstract). Furthermore, Petitioner contends one of ordinary skill in the art would have understood that the claims of the ’021 Patent “disclose a call management system that covers the financial aspect of the institutions using the system.” *Id.* at 17–18 (citing Ex. 1002 ¶¶ 93–99).

Patent Owner counters that the Petition fails to explain why billing for the use of a telephone system is a financial service. Prelim. Resp. 18–19. Patent Owner continues that “[a]t best, billing for use of a telephone system is merely an incidental or a complementary activity for receipt of telecommunication services.” *Id.* at 19. Patent Owner also argues that statements in the specification are not sufficient to demonstrate the financial activities of the claims, and that the claims fail to recite a “customer,” as alleged by Petitioner. *Id.* at 19–20.

We agree with Petitioner that the claims contain limitations for performing data processing or other operations that include a financial service. Specifically, claim 1 recites, in part, “wherein said one or more apparatuses communicates with an administrative workstation for billing regarding said telephone call originating from said institution.” Ex. 1001, 19:11–14. Additionally, claim 16 recites, in part, “billing for the usage of said system.” *Id.* at 20:31. Specifically billing users is a financial service. We find nothing in the record that indicates the system of the ’021 Patent would or should be implemented *without* billing, such that we are not persuaded that such billing activity is incidental or complementary to other services. Accordingly, we determine that these claims satisfy the “financial product or service” component of the definition for a covered business method patent set forth in § 18(d)(1) of the AIA.

2. *Technological Invention*

The definition of a “covered business method patent” in § 18(d)(1) of the AIA does not include patents for “technological inventions.” When determining whether a patent is for a technological invention, we consider the following: “whether the claimed subject matter as a whole [(1)] recites a

technological feature that is novel and unobvious over the prior art; and [(2)] solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b).

For the technological invention exception to apply, both prongs (1) and (2) of the inquiry must be met affirmatively, meaning that a negative answer under either prong renders inapplicable the technological invention exception. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016) (“We need not address this argument regarding whether the first prong of 37 C.F.R. § 42.301(b) was met, as we affirm the Board’s determination on the second prong of the regulation—that the claimed subject matter as a whole does not solve a technical problem using a technical solution.”); *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1341 (Fed. Cir. 2016) (addressing only whether the claimed invention solves a technical problem using a technical solution). In this case, we discuss both prongs of the inquiry, even though the discussion of only one is sufficient. For the reasons discussed below, neither prong of the technological invention inquiry is met.

Petitioner argues that the ’021 Patent claims do not recite any technological feature that is novel or unobvious over the prior art, or that solves a technical problem using a technical solution. Pet. 19–20 (citing Ex. 1002 ¶¶ 100–13). Petitioner contends that the claims recite known technologies, such as telephone and computer networks, with no technical innovation over the prior art, such that the claims can be carried out using conventional software and hardware components. *Id.* at 19–25.

Patent Owner disputes this characterization, pointing out that each claim recites “an administrative workstation” that monitors conversation or connects a call “without detection.” Prelim. Resp. 20. Patent Owner continues that the “[t]he inventive software ‘provides a means for patching

into a call using circuitry without alerting the user or called party to the operator's presence.” *Id.* at 21 (citing Ex. 1001, 17:18–21). Additionally, Patent Owner argues that the technical problem of “the need to monitor, control, record and provide detailed records of the usage of a telephone system in a controlled institutional environment,” is solved using “an inventive combination of hardware and novel software.” *Id.* at 21–22 (citing Ex. 1001, 1:15–23).

We agree with Petitioner that the challenged claims do not recite a novel and unobvious technological feature. Here, the challenged claims only generically recite an “inmate telecommunication call processing system,” which is not specific or unconventional. Merely reciting known technologies and their use to accomplish the otherwise non-technological method does not render the challenged claims a technological invention.

We also agree with Petitioner that the challenged claims do not involve a technical solution to a technical problem. The challenged claims seek to solve the problems of monitoring of inmate calls, but the '021 Patent, however, does not describe specifically any technical issues presenting a technical problem to be solved. Meanwhile, the claimed solution—to monitor conversations between said institutions without detection by said user—is recited more as a *fait accompli* than a technical solution. Indeed, the '021 Patent itself discusses prior art monitoring system. *See* Ex. 1001, 1:16–9:21. At most, the solution is implemented through the use of known telecommunication equipment, but this is not sufficient to constitute a technological invention. *See Versata*, 793 F.3d at 1327 (“[E]ven if the invention required the use of a computer, the claim did not constitute a technological invention.”).

3. Summary

The instant claims satisfy the definition for a covered business method as set forth in § 18(d)(1) of the AIA, and it is not for a technological invention. Accordingly, the '021 Patent is eligible for review under the transitional program for covered business method patents.

G. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims of the '021 Patent based on the following grounds under 35 U.S.C. § 103 (Pet. 25–91):

References	Basis	Claim(s) Challenged
Gainsboro ² and Kung ³	§ 103	1–19
Gainsboro, Cree ⁴ , and Joseph ⁵	§ 103	20–22
Gainsboro, Cree, Joseph, and Kung	§ 103	23

II. ANALYSIS

A. Claim Construction

In a covered business method patent review, we interpret claim terms in an unexpired patent according to the broadest reasonable interpretation in light of the specification of the patent in which it appears. 37 C.F.R. § 42.300(b). Only those terms that are in controversy, however, need be construed, and

² U.S. Patent No. 6,560,323 B2 (filed Aug. 1, 1997) (issued May 6, 2003) (Ex. 1008, “Gainsboro”).

³ U.S. Patent No. 6,633,635 B2 (filed Dec. 30, 1999) (issued Oct. 14, 2003) (Ex. 1007, “Kung”).

⁴ U.S. Patent No. 6,665,380 B1 (filed Jan. 11, 1999) (published Dec. 16, 2003) (Ex. 1009, “Cree”).

⁵ U.S. Patent Publication No. 2003/0123436 A1 (filed Nov. 18, 2002) (published Jul. 3, 2003) (Ex. 1010, “Joseph”).

only to the extent necessary to resolve the controversy. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

Petitioner allows that the terms “routing means” (claims 1, 2, and 11) and “authentication means” (claims 3 and 13) are means-plus-function limitations and proposes constructions for those claim terms based structures disclosed in the Specification of the '021 Patent. Pet. 9–14. Petitioner identifies the function of the first limitation as “routing a telephone call from said telephone terminal to said central platform,” and finds that structure to be “[a] router located onsite at an institutional facility, a communication link connecting the router to said telephone terminal, and a communication link connecting the router to said central platform.” *Id.* at 12 (citing Ex. 1001, 15:59–16:32 (“Routers 121a-n”), Fig. 1). With respect to the second limitation, Petitioner identifies the functions as “verifying identification information as indicative of a valid user,” and the corresponding structures as at least “[u]ser-specific personal identification number (“PIN”) and information entered by the user for comparison with information stored in a database for that specific user.” *Id.* at 13–14 (citing Ex. 1001, 11:10–12). Patent Owner does not address these claim constructions explicitly in its Preliminary Response.

We have reviewed Petitioner’s claim constructions and adopt them for purposes of determining whether to institute a covered business method patent review.

B. Discretion Under § 325(d).

Institution of covered business method patent review is subject to the Board’s discretion. *See* 37 C.F.R. § 42.208(b). In particular, “[i]n determining whether to institute or order a proceeding under this chapter,

chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C.

§ 325(d). In making this determination, we may consider whether Petitioner uses our prior Decision to bolster challenges it previously advanced unsuccessfully. *See, e.g., Unilever, Inc. v. The Procter & Gamble Co.*, Case IPR2014-00506, slip op. at 8 (PTAB July 7, 2014) (Paper 17) (informative).

Additionally, we often also examine whether a second petition would be a “second bite at the apple” used to bolster previously unsuccessful arguments. *See Conopco, Inc. dba Unilever v. The Procter & Gamble Co.*, Case IPR2014-00628, slip op. at 7–9 (PTAB Oct. 20, 2014) (Paper 21) (new reference, same argument); *Travelocity.com L.P. v. Cronos Techs., LLC*, Case CBM2015-00047, slip op. at 12–13 (PTAB June 15, 2015) (Paper 7) (new indefiniteness argument); *Samsung Elecs. Co., Ltd., v. Affinity Labs of Tex., LLC*, Case No. IPR2015-00820, slip op. at 4 (PTAB May 15, 2015) (Paper 12) (new reference).

Patent Owner raises the issue of our discretion under 35 U.S.C. § 325(d), arguing that we should deny the Petition on that basis. Prelim. Resp. 2–17.⁶ Patent Owner framed its arguments according to what it calls “*Blue*

⁶ Although Petitioner does not explicitly acknowledge the ’153 Petition in its Petition (Pet. 1), Petitioner did seek to leave to file a Reply to Patent Owner’s Preliminary Response, alleging that Patent Owner had taken inconsistent positions in this proceeding as compared to other proceedings. That request was made on July 13, 2017, more than two months after the Preliminary Response was filed, and the panel indicated that it was fully aware of the issues raised and did not deem it necessary to have a Reply by Petitioner be filed.

Coat factors,” stemming from *Blue Coat Sys., Inc., v. Finjan, Inc.*, IPR2016-01441, slip op. at 12–13 (PTAB Jan. 23, 2017) (Paper 14). We note that the cited decision is not a Precedential decision, so that is it not binding on the instant panel. Nonetheless, we review Patent Owner’s arguments of the “*Blue Coat factors*” in considering whether to exercise our discretion to deny the instant Petition under 35 U.S.C. § 325(d) because of the ’153 Petition.

Patent Owner argues that the Board’s finite resources should be expended on initial petitions, and not follow-on petitions, and that the same Petitioner previously filed the ’153 Petition. Prelim. Resp. 5–9. According to Patent Owner, the additional expenditure of resources is not worthwhile, based on the additional factors. *Id.* at 5–6. Patent Owner also argues that Petitioner waited until almost the last day to file for *inter partes* review (*id.* at 6), and should have already known of at least two of the four references that make up the grounds of unpatentability in the instant Petition. *Id.* at 7. Patent Owner argues as well that Petitioner is using CBM review because it is barred from further IPR review, and any institution of the instant Petition would likely further delay the related district court litigation. *Id.* at 8–9.

We first consider the discretionary factor expressed in 35 U.S.C. § 325(d)—whether the same or substantially the same prior art or arguments previously were presented to the Office. Herein, we review the references and grounds submitted in the ’153 Petition with those submitted in the instant Petitions to determine if our discretion is warranted. The references asserted in the instant Petition are substantially different than “Apple,⁷” considered in the ’153 Petition. The main question in the institution decision for the ’153 Petition was whether Petitioner had demonstrated that “Apple” was prior art.

⁷ U.S. Patent No. 7,881,446 B1.

*See Securus Techs., Inc. v. Global Tel*Link Corp.*, IPR2015-00153, slip op. at 5–8 (PTAB May 1, 2015) (Paper 12). Additionally, Patent Owner’s remarks regarding “Apple,” in response to the ’153 Petition, are not enlightening, as they do not address the references cited in the instant Petition. Similarly, the issue of the claim construction of the means-plus-function limitations discussed in the instant Petition was not raised in the ’153 Petition or Patent Owner’s preliminary response thereto.

Thus, we conclude that the same or substantially the same prior art or arguments were not presented previously in the prior PTAB proceeding considering the ’153 Petition. This weighs against exercising our discretion under 35 U.S.C. § 325(d).

In addition, although we acknowledge that Gainsboro and related patents were considered during the prosecution of the application that issued as the ’021 Patent (Prelim. Resp. 16), Patent Owner has not demonstrated that the same or similar grounds or arguments were considered, only that the same or related reference was considered. Without such a comparison, we are not persuaded that the instant Petition provides grounds that are the same or substantially the same prior art or arguments previously were presented to the Office. Thus, we cannot conclude that the same or substantially the same prior art or arguments were presented previously to the Office. This further weighs against exercising our discretion under 35 U.S.C. § 325(d).

We next examine whether a second petition would be a “second bite at the apple” used to bolster previously unsuccessful arguments. Patent Owner argues that Petitioner should have known of Gainsboro and Cree before the filing of the ’153 Petition, and that Petitioner received Patent Owner’s preliminary response to the ’153 Petition before it filed the instant Petition,

receiving “a wealth of information” after it filed the ’153 Petition. Prelim. Resp. 9–14. Although we agree that Petitioner could have known about Gainsboro and Cree at the time of filing of the ’153 Petition, those references are substantially different than “Apple,” considered in the ’153 Petition, as discussed above.

Patent Owner also argues that 27 months elapsed between the filing of the ’153 Petition and the instant Petition, to which Petitioner provides no explanation, should discourage institution on the instant Petition. Prelim. Resp. 14–15. We do not find this time lapse in the circumstances of this case to be dispositive of whether we should apply our discretion, particularly in view of the different asserted prior art and arguments from the prior petition. Neither Patent Owner’s preliminary response nor our institution decision construed the means-plus-function limitations at issue here, limiting any advantage to Petitioner in that respect. It seems clear that Patent Owner’s claim construction briefs (Exs. 1005, 1006), from the underlying litigation, provided greater clarity to Patent Owner’s constructions than the prior PTAB proceeding.

Furthermore, Patent Owner admits that “Securus adjusts its invalidity positions (*i.e.*, asserting a *different statutory ground of invalidity and different references*) in response to the Board’s decision denying the ’153 Petition.” Prelim. Resp. 12 (emphasis added). Given these clear differences, we are not persuaded that the instant Petition is a “second bite at the apple.”

We turn to Patent Owner’s assertions of what may have motivated the Petitioner in filing the instant CBM petition—filing a second IPR petition would have been barred under 35 U.S.C. § 315(b). Prelim. Resp. 8–9. The fact that the filing requirements for parties under IPR and CBM are different

is not dispositive, as Petitioner is acting well within those requirements. We do not generally investigate the motivations of those filing petitions except to determine whether a “second bite at the apple” is being used to bolster previously unsuccessful arguments. *See Coalition For Affordable Drugs VI, LLC, v. Celgene Corp.*, Case IPR2015-01092 (PTAB Sept. 25, 2015) (Paper 19) (denying a motion for sanctions that alleges abuse of the IPR process).

Based on the arguments presented, and in the particular circumstances of this proceeding, we decline to exercise our discretion under 35 U.S.C. § 325(d) and deny institution.

C. Obviousness under § 103 over Gainsboro and Kung

Petitioner asserts that claim 1–19 would have been obvious over the combination of Gainsboro and Kung. Pet. 25–80. Patent Owner disputes this ground. Prelim. Resp. 22–38. With respect to claims 1–19, claims 1, 7, and 16 are independent. We begin with summaries of the cited references and then turn to Petitioner’s application of those references to the claims and Patent Owner’s rebuttal.

1. Summary of Gainsboro

Gainsboro discloses a method and apparatus for managing institutional telephone activity having a computer control unit (CCU) that controls a trunk management unit (TMU), which connects institutional telephones to outside telephone lines. Ex. 1008, Abstract. Figure 1 of Gainsboro provides an overview of the disclosed system and is reproduced below.

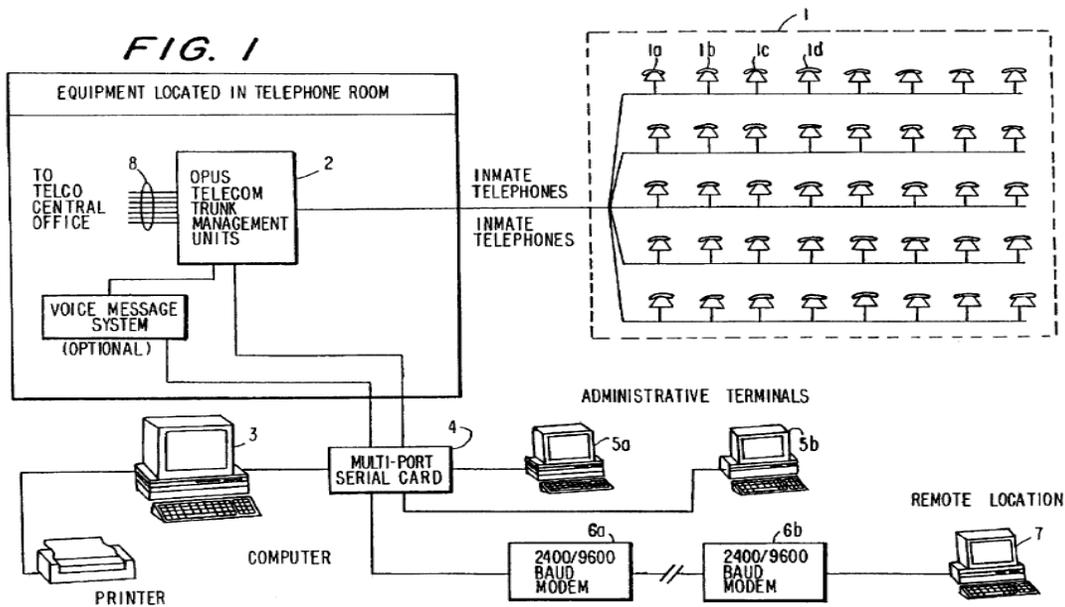


Figure 1 of Gainsboro is a block diagram of the major components of a preferred apparatus.

Gainsboro discloses that TMUs (2) control the connection of individual inmate telephones (1a, etc.) to outside telephone lines (8), and electronically monitor connected calls. *Id.* at 6:2–5; Fig. 1. CCU (3) connects bi-directionally with TMU (2), and directs the TMU to connect, record, passively monitor, and terminate calls, as well as downloading and playing messages to an inmate or outside call recipient. *Id.* at 6:38–42. TMU (2) monitors the real-time status, i.e., off-hook, DTMF tones, voltage spikes and rapid impedance changes, of institutional and outside telephone lines. *Id.* at 6:42–45. The TMU can also digitize samples of the caller’s voice, which can be compared with a stored voice print. *Id.* at 5:19–23. The system also includes administrative terminals (5a, 5b) to allow for “real-time monitoring of inmate telephone calls and alerts.” *Id.* at 7:25–40.

In addition, “prison officials can selectively invoke live monitoring to listen in on any call in progress” and “passively—that is, without in any way

monitoring or recording what is actually being said—monitor inmate-to-attorney calls.” *Id.* at 2:65–67; 4:60–65. As well, inmates provide a PIN, which is evaluated by the CCU, which checks to see if there are sufficient funds in the inmate’s debit account to make the call. *Id.* at 9:1–20.

2. *Summary of Kung*

Kung is directed to a packetized communications system, wherein a call waiting functionality is expanded to provide for handling of unlimited calls concurrently of one or more service types. Ex. 1007, Abstract. Kung discloses a central platform for telecommunications services that is off-site from the location at which users access outside telephone lines, with “local control devices,” that couple telephones to customer premise equipment (102) and residential gateways (300) controlling the connections, disposed at the business or other location. *Id.* at 3:45–52, 4:23–30. Kung also discloses a broadband residential router (BRG), which is part of the customer premise equipment, connected through communications links to the telephone and the central platform. *Id.* at 3:46–65, Fig. 1.

Figure 2 of Kung illustrates that conference server (224) operates within IP central station (200). Kung also discloses that call processing functions are provided by call manager (218). *Id.* at 9:47–56. Call manager (218) may include an authentication server to verify the identity of the calling or called party. *Id.* at 10:39–43. Kung also addresses the analog nature of the PSTN connected to the Central Office. *Id.* at 1:30–40.

3. *Independent Claim 1*

a. *Petitioner’s Assertions*

Petitioner asserts that persons of ordinary skill in the art would have applied known technologies of Kung to improve the prison call processing

system of Gainsboro, which at the time of the invention was ready for such improvements, to yield no more than predictable results. Pet. 29 (citing Ex. 1002 ¶ 322). Petitioner continues that “[s]uch a combination would have predictably garnered the benefits of ‘allow[ing] the public telephone systems at various sites to be integrated into the data network easily.’” *Id.* (citing Ex. 1008, 5:66–67). Petitioner also asserts that it would have further been obvious to utilize gateways and routers of Kung as control devices within the system of Gainsboro, to provide a connection configured for analog voice to be converted to digital data and packetized for transmission in an appropriate output protocol. *Id.* at 30 (citing Ex. 1002 ¶ 324). Additionally, Petitioner asserts that it would have further have been obvious to utilize VOIP as a protocol for transmitting telephonic voice signals across the broadband architecture of Kung and to connect a phone call with a remote telephone over the PSTN. *Id.* at 31 (citing Ex. 1002 ¶ 326).

Petitioner also argues that it would have been obvious to combine the system of Kung with the system of Gainsboro so that the services provided by the CCU or TMU, operating as a central platform, are moved offsite from the inmate telephones located at the prison because it would allow Gainsboro to benefit from Kung’s ability to adapt to legacy systems as well as newer packetized systems. Pet. 42–43. Petitioner also argues that it would have been obvious to utilize the call processing functions of the call manager in Kung in Gainsboro, to similarly provide the hybrid system benefits of Kung. *Id.* at 43–45.

With respect to the “routing means,” Petitioner asserts that the broadband residential router of Kung is equivalent and it would have been obvious to use that router to route calls over a VoIP frame relay to an off-site

platform to provide the benefits of decoding DTMF and selectively connecting inmate phones with remote parties. *Id.* at 49 (citing Ex. 1002 ¶¶ 169–72). Petitioner also asserts that it would have been obvious to use Gainsboro’s TMU digital recorder to store a voice sample. *Id.* at 53 (citing Ex. 1002 ¶¶ 185–87).

With respect to the first element of claim 1, Petitioner relies on the testimony of Dr. Akl that “[a] Central Office (CO) is typically a building where all subscriber phone lines are brought together and provided with a means of interconnection in a vast telephone network. These voice networks are referred to as a public switched telephone network (PSTN).” Ex. 1002 ¶¶ 143–44. Dr. Akl also testifies that “[i]nmate telephones are generally located onsite at an institution,” because of issues of practicality and safety. *Id.* ¶ 147. In addition, Dr. Akl testifies that it would have been obvious to include the TMU as the central platform, or have the CCU and the TMU separate from the inmate population. *Id.* ¶¶ 148–49.

As well, Dr. Akl testifies that it would have been obvious to use Gainsboro’s system to passively monitor inmate’s phone conversations, i.e., without detection to avoid tipping off the inmates as to when they are being monitored. *Id.* ¶¶ 162–64. Dr. Akl also testifies that the combined system of Gainsboro and Kung would have maintained the capability to connect to a telephone terminal to monitor conversations. *Id.* ¶ 165.

Based on Petitioner’s arguments, the disclosures of Gainsboro and Kung, and the testimony of Dr. Akl, we are persuaded that it is more likely than not that the claim 1 is unpatentable under 35 U.S.C. § 103. We address Patent Owner’s counter, rebuttal arguments below.

b. Patent Owner's Rebuttal

Patent Owner argues that the Petition fails to provide a clear mapping of the claim elements to the asserted references. Prelim. Resp. 24–26. Patent Owner argues that Petitioner's obviousness analysis "is a moving target" that fails to specify where each element of the claim is found in the prior art. *Id.* at 24 (citing 37 C.F.R. § 42.304(b)(4)). Patent Owner identifies areas of analysis that map several features to the same claim element, as well as the same feature to multiple claim elements. *Id.* at 24–26. We do not agree. It is inherent to the analysis that different elements may correspond to the "central platform" of claim 1 because Kung's influence would cause ordinary skilled artisans to place elements onsite or offsite. We are persuaded that, based on the analysis discussed above and in view of the present record, Gainsboro's administrative terminals, with their connections to the CCU and TMU, would be equivalent to the "administrative workstation" of claim 1.

Patent Owner also argues that the Petition's alleged motivation to combine Gainsboro and Kung is unclear because the scope and contents of those references are not first determined. *Id.* at 29–30. This objection to the obviousness analysis of the Petition being "out of order" is odd, as the panel may simply read the references to understand why one of ordinary skill in the art would have combined the asserted references; we are not persuaded that additional "context" in the Petition is needed if the teachings of the asserted references are understood.

Additionally, Patent Owner argues that the Petition fails to demonstrate that the administrative workstation monitors conversations or connects to a call "without detection." *Id.* at 30–36. In part, Patent Owner makes this argument based on the Petition providing insufficient clarity, as discussed

above, which we do not find to be persuasive. *See id.* at 32–33. Patent Owner also argues that claim 1 requires “monitor[ing] conversations between said institutions without detection by said user,” which Petitioner mistakenly analogizes to Gainsboro’s active and passing monitoring. *Id.* at 33–34. Patent Owner finds that the discussion of that monitoring occurring “without detection” is bald speculation that is unsubstantiated. *Id.* at 34–35. We do not agree.

As discussed in the Petition (Pet. 45–47), providing monitoring without detection of the user is an obvious variation in passively monitoring. As Gainsboro discloses:

A record blocking circuit 41 connects station input line 40 to recording equipment (not depicted) via line 41a (which line can also be used for “live” call monitoring). CCU 3 automatically controls an attorney relay 41b and, in the case of an inmate-to-attorney call, switches line 41a to a tone generator 41c, thereby blocking improper attempts to record or monitor inmate-to-attorney calls.

Ex. 1008, 8:2–9. This section suggests that inmates may be monitored without their implicit knowledge, which would apply equally to the called parties. The specific recitation of blocking improper attempts suggests that monitoring can be made without specific detection, even though an inmate may be generally aware that communications are monitored. We are persuaded that this is sufficient and that Petitioner has demonstrated adequately the obviousness of the cited claim element at this stage of the proceeding.

Lastly, Patent Owner argues that the “routing means” element of claim 1 is not obvious over Gainsboro and Kung because there would be no reason to incorporate Kung’s broadband residential gateway into Gainsboro. Prelim.

Resp. 36–37. Patent Owner continues that because Gainsboro already provides for some of the functionality of the broadband residential gateway, i.e., decoding DTMF tones, there would be no reason to incorporate elements from one system to the other. We do not agree on this record. The Petition provides multiple reasons for the references to be combined (Pet. 25–32), supported by declaration testimony (Ex. 1002 ¶¶ 60–67, 316–27), and we are unpersuaded that a single overlap in functionalities would deter the combination in the face of the benefits listed in the Petition.

As such, we are persuaded that it is more likely than not that the claim 1 is unpatentable under 35 U.S.C. § 103.

4. *Independent Claims 7 and 16*

a. *Petitioner’s Assertions*

Petitioner discusses the “slight differences” in claims 7 and 16 in comparison with claim 1. Pet. 61–66, 74–78. Based on the current record, we concur with Petitioner’s analysis regarding the differences between the claims and Petitioner’s highlighting of specific teachings in Gainsboro and Jung that teach or suggest those differing elements. *Id.* As such, we are persuaded that it is more likely than not that the claims 7 and 16 are unpatentable under 35 U.S.C. § 103.

b. *Patent Owner’s Rebuttal*

Patent Owner argues that despite the differences in the language and requirements of claims 1, 7, and 16, the “Petition baldly adopts much of its obviousness analysis of claim 1 (and certain dependent claims) when addressing claims 7, 16, and 20.” Prelim. Resp. 26. Patent Owner singles out “elements 7E and 7G,” as well as “element 16B,” as being identified as being different in the Petition, but the Petition fails to explain how or why the

differences are obvious. *Id.* at 27–28. We do not agree. Although Petitioner’s analysis is brief, and cites to the testimony of Dr. Akl (*see* Pet. 62, 74), we find the Petition to be clear with respect to the elements recited in claims 7 and 16. Our review of the similar elements of claims 7 and 16 make clear that they are analogous to those recited in claim 1, and separate detailed analysis is not necessary to find the requisite teachings in Gainsboro and Kung. Although additional analysis would be helpful if there were potential confusion, in this instance, it is clear how the Petition intends to demonstrate that claims 7 and 16 would have been obvious over Gainsboro and Kung.

In addition, Patent Owner argues that the Petition impermissibly incorporates by reference large portions of Dr. Akl’s declaration. *Id.* at 28–29. Patent Owner identifies areas addressing claims 7 and 16, and as we are not persuaded that the Petition is deficient in its analysis of those claims, we need not “turn to Dr. Akl’s declaration to cure the Petition’s deficient obviousness analysis.” *Id.* at 29. As such, we are not persuaded by Patent Owner’s argument.

5. *Dependent Claims 2–6, 8–15, and 17–19*

Petitioner discusses the elements recited in claims 2–6, 8–15, and 17–19, and how the specific teachings in Gainsboro and Jung teach or suggest those elements. Pet. 55–61, 66–74, 78–81. Patent Owner does not offer specific rebuttal to Petitioner’s analysis. Based on the current record, we concur with Petitioner’s analysis. *Id.* As such, we are persuaded that it is more likely than not that the claims 2–6, 8–15, and 17–19 are unpatentable under 35 U.S.C. § 103 over Gainsboro and Jung.

D. Obviousness under § 103 over Gainsboro, Cree, Joseph, and Kung

Petitioner asserts that claims 20–22 would have been obvious over the

combination of Gainsboro, Cree, and Joseph, and that claim 23 would have been obvious over the combination of Gainsboro, Cree, Joseph, and Kung. Pet. 81–91. Patent Owner does not offer separate arguments against these latter grounds. With respect to claims 20–23, claim 20 is independent. We begin with summaries of Cree and Joseph, and then turn to Petitioner’s application of all of the cited references to the claims.

1. Summary of Cree

Cree is directed to an inmate messaging system, with specific options for leaving messages and returning calls. Ex. 1009, Abstract. Cree discloses an inmate messaging system that operates in a telecommunication system to “provide voice connectivity between a remote caller and an inmate in a controlled prison environment.” *Id.* at 4:31–33. The Inmate messaging system (130) “includes a conventional computer 200 coupled to telephone interface card 206” and includes “line control cards 204 for providing switching and access control for remote telephone lines and for cell block telephones connected to system 130.” *Id.* at 4:45–46, 52–55.

2. Summary of Joseph

Joseph is directed to a system and method for sending long distance telephone calls over the Internet utilizes cost and quality of service data to optimize system performance and to minimize the cost of completing the calls. Ex. 1010, Abstract. Joseph teaches IP connectivity utilizing a routing controller 200 which is logically coupled to gateways 125/126. *Id.* ¶ 45. The gateways provide a translation of data between the PSTN’s 115/135 and the H.323-based VoIP network 130. *Id.* ¶ 41.

3. *Petitioner's contentions regarding claims 20–23.*

Petitioner contends that utilizing the routing controllers and gateway from Joseph in the system of Gainsboro would have improved the latter system “by allowing the router to ‘selectively connect inmate phones with outside lines.’” Pet. 81 (citing Ex. 1002 ¶ 334; Ex. 1008, 7:62–67; Ex. 1010 ¶ 20). Petitioner also contends that it would have been obvious to utilize a workstation and server, and that PC-based devices would have been adapted for use in a high-density network by using well-known and commonly available off-the-shelf components such as the telephone interface 206 and line control card 204 of Cree. *Id.* at 81–82 (citing Ex. 1009, 5:7–9).

Petitioner argues that the CCU in Gainsboro is disclosed as being a personal computer or larger “super mini” type computer (Ex. 1008 7:3–6), and that it would have been obvious to configure that computer with a line control card and telephone interface card to provide large scale switching and voice processing in a telephone network. Pet. 85, 87 (citing Ex. 1002 ¶¶ 291–92). In addition, Petitioner argues that it would have been obvious, in view of Joseph, to use hardware, such as a PCI card, to provide IP link egress and ingress to support conversion, receipt, and transmission of IP voice packets in a VOIP infrastructure in the system of Gainsboro. *Id.* at 87 (citing Ex. 1002 ¶ 293). Additionally, Petitioner argues that Joseph would have motivated one of ordinary skill in the art to use VoIP communications enhance the routing of calls. *Id.* at 87–89 (citing Ex. 1002 ¶¶ 297–299).

With respect to claim 21, Petitioner argues that Gainsboro discloses that the CCU operates a database management system, which would have been understood to operate as a server connected to a central platform. *Id.* at 89–90 (citing Ex. 1002 ¶¶ 303–04; Ex. 1008, 7:9–16, 25–40). With respect to claim

22, Petitioner argues that workstations were well-known interfaces used by administrators to access server functions, provide maintenance, and make customizations, and that it would have been obvious to connect a workstation to a server in the system, per the teachings of Gainsboro. *Id.* at 89–91 (citing Ex. 1002 ¶¶ 306–08; Ex. 1008, Fig. 1). With respect to claims 23, Petitioner argues that it would have been obvious to utilize the routing controller 200 and a conversion device, such as a gateway, in the system of Gainsboro to provide routing of voice signals in view of Kung’s placement of gateways on the customer premises, and have it operate on-site, per Cree, for reasons of ease of maintenance, control, and re-configuration. *Id.* at 91 (citing Ex. 1002 ¶¶ 297, 298, 311–13; Ex. 1007, 3:4–48).

Based on Petitioner’s analysis, the disclosures of the cited references and the testimony of Dr. Akl, we are persuaded that it is more likely than not that claims 20–22 would have been obvious over the combination of Gainsboro, Cree, and Joseph, and that claim 23 would have been obvious over the combination of Gainsboro, Cree, Joseph, and Kung.

III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition establishes that the '021 Patent qualifies as a covered business method patent that is eligible for review, as defined by § 18(d)(1) of the AIA, and that all the challenged claims are more likely than unpatentable under § 103. We, therefore, institute a covered business method patent review as to all the challenged claims.

IV. ORDER

Accordingly, it is:

ORDERED that pursuant to 35 U.S.C. § 324 and § 18(a) of the AIA, a covered business method patent review is hereby instituted as to claims 1–23 of the '021 Patent based on the following grounds:

- 1) Claims 1–19 as obvious under § 103 over Gainsboro and Kung;
- 2) Claims 20–22 as obvious under § 103 over Gainsboro, Cree, and Joseph;
- 3) Claim 23 as obvious under § 103 over Gainsboro, Cree, Joseph, and Kung; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 324(d) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial is commencing on the entry date of this decision.

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