UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.,
Requester,

v.

CLASSCO INC.,
Patent Owner.

Appeal 2015-000186
Reexamination Control 95/002,109
Patent 6,970,695 B1
Technology Center 3900

Before STEPHEN C. SIU, DAVID M. KOHUT, and ERIC B. CHEN, *Administrative Patent Judges*.

SIU, *Administrative Patent Judge*.

DECISION ON APPEAL

Patent Owner (Classco Inc.) appeals under 35 U.S.C. §§ 134 and 315 (pre-AIA) the Examiner's rejections of claims 2–5, 7, 9, 10, 14, 17, 18, 23, 26-30, and 34 over various grounds.[1] Claims 1, 11–13, 15, 16, 19–22, 25, 31–33, 35, and 36 are cancelled.[2] We have jurisdiction under 35 U.S.C. §§ 134 and 315. An Oral Hearing was conducted on March 11, 2015.

STATEMENT OF THE CASE

This proceeding arose from a request by Apple, Inc. ("Requester") for an *inter partes* reexamination of claims of U.S. Patent 6,970,695 B1, titled "Calling Party Announcement Apparatus" and issued to David J. Luneau, on November 29, 2005 ("the '695 patent").

The '695 patent describes a calling party announcement apparatus. Spec. Abstract.

Claim 2 reads as follows:

> 2. A caller announcement apparatus for a telephone system that provisions a telephone call between a caller telephone at a caller station and a called telephone at a called station, where the caller station is associated with an identity, where the telephone system provides signals to the called station that include caller identification signals representative of the identity associated with the caller station and voice signals representative of audio detected by an audio transducer of the caller telephone, and where the voice signals are processed by the called telephone

[1] We cite to "Patent Owner Appeal Brief" dated April 28, 2014 ("PO App. Br.").
[2] *Ex Parte* Reexamination Certificate Issued Under 35 U.S.C. § 307.

to produce audio using an audio transducer at the called station, the caller announcement apparatus comprising:

a signal receiver at the called station operatively connected to the telephone system to receive signals therefrom, the signal receiver being operative to extract caller identification signals from the signals received from the telephone system and to provide caller identification data corresponding to the extracted caller identification signals;

a processing unit operatively connected to the signal receiver to receive caller identification data therefrom, the processing unit being operative to provide identity information associated with the caller identification data;

an audio announcing circuit operatively connected to the processing unit to receive identity information therefrom, the audio announcing circuit being operative to use the identity information to produce audio using the audio transducer at the called station,

wherein the processing unit comprises memory storage for storing identity information associated with the caller identification data.

The cited references are as follows:

Fujioka	US 4,894,861	Jan. 16, 1990
Gulick	US 5,199,064	Mar. 30, 1993
Marui	US 4,998,291	Mar. 5, 1991
Iwaya	JP H2-177648	July 10, 1990

Patent Owner appeals the following rejections:

1) Claims 2–5, 7, 9, 10, 14, 17, 18, 23, 26–30, and 34 under 35 U.S.C. § 103(a) as unpatentable over Fujioka and Gulick (RAN 3); and

2) Claims 2–5, 7, 9, 10, 14, 17, 18, 26–30, and 34 under 35 U.S.C. § 103(a) as unpatentable over the combination of Fujioka and Marui (RAN 11) or the combination of Iwaya and Gulick (RAN 18-19).

ISSUE

Did the Examiner err in rejecting claims 2–5, 7, 9, 10, 14, 17, 18, 23, 26–30, and 34?

PRINCIPLES OF LAW

The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

"The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 416 (2007).

ANALYSIS

Fujioka and Gulick

The Examiner finds that "Fujioka does not specifically disclose outputting [the] call announcing audio signal with identity information through the same audio transducer that produces the voice signals received at the called station from the caller" but that "Gulick . . . teaches using the same audio transducer to output a ringing signal announcing an incoming call as well as the audio signal received from the caller (column 3, lines 3-16; column 9, lines 27-38)." RAN 4-5. The Examiner further finds that

"[t]he combination of these known elements according to known methods would yield predictable results." RAN 5. We agree with the Examiner.

For example, Fujioka discloses "transferring voice signals in the ISDN" to a speaker in handset 4 and "deriv[ing] the calling party's name or . . . identification . . . and transfer[ring] it to" a speaker. Fujioka 5:34–36, 51–54, Fig. 3. Hence, Fujioka discloses speakers (in a telephone system) that produce audio derived from voice signals and audio derived from identity information. As Patent Owner's declarant (Mr. James R. Bress) points out, Gulick discloses a speaker that produces audio derived from "tonal ringing call-alerting" and also from "caller voice signals." Second Declaration of James R. Bress, dated October 15, 2013, "Bress 2nd Dec.," ¶ 22. In other words, based on Gulick, one of ordinary skill in the art would have understood that a speaker in a telephone system may (and does) produce audio derived from multiple types of data in a telephone system, including "tonal ringing call-alerting" and "caller voice signals."

We agree with the Examiner that the combination of the known disclosure of Fujioka of the use of speakers to produce audio derived from data in a telephone system (e.g., voice signals or identity information) with the known disclosure of Gulick that a speaker in a telephone system can produce audio derived from multiple types of data within a telephone system (e.g., voice signals or "tonal ringing call-alerting") would have resulted in no more than the predictable result of the use of a speaker in the telephone system that produces audio derived from data in a telephone system, the data being any of voice signals, identity information, or "tonal ringing call-alerting," for example. "The combination of familiar elements according to

known methods is likely to be obvious when it does no more than yield predictable results." *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 416 (2007).

Patent Owner argues that Fujioka and Gulick fail to disclose "outputting both associated identity information and the call itself from the same speaker" and that it would not have been obvious to one of ordinary skill in the art to have combined the teachings of Fujioka and Gulick because, according to Patent Owner, "using the same speaker for associated identity information and caller voice signals is not necessary to . . . [provide] 'a non-handset external speaker output . . . [to] enable the called person to communicate with the caller in a hands-free . . . manner'." PO App. Br. 12, 22. We need not consider whether it would have been "necessary" or not for one of ordinary skill in the art to have used a "same speaker," because the inquiry is whether it would have been *obvious* to one of ordinary skill in the art and not whether it would have been *necessary* to one of ordinary skill in the art to have combined the teachings of Fujioka and Gulick. We are not persuaded by Patent Owner's arguments.

Patent Owner argues that it would not have been obvious to one of ordinary skill in the art to have combined the known features of Fujioka and the known features of Gulick to achieve a predictable result because, according to Patent Owner, "the methods of combining" "the known 'elements' [of Fujioka and Gulick]" "are not 'known' from the prior art" and the Examiner fails to "explain[] what the term 'predictable results' means in the present context." PO App. Br. 13, 16. We are not persuaded by Patent Owner's arguments. As previously described, we agree with the Examiner

that it would have been within the purview of one of ordinary skill in the art, having produced audio associated with various types of data in a telephone system (e.g., either voice data or identification data) with speakers of Fujioka to have produced audio from either one of voice data or identification data with speakers, particularly given the disclosure by Gulick that producing audio derived from multiple types of data in a telephone system with a speaker was known to one of ordinary skill in the art.

For at least the previously stated reasons, we also are not persuaded by Patent Owner's argument that the combination of Fujioka and Gulick would not result in a "predictable result." As previously discussed, we agree with the Examiner that such a combination would have resulted in a predictable result. Patent Owner does not explain sufficiently how using a speaker that produces audio from different types of data in a telephone system would have been unpredictable or unexpected to one of ordinary skill in the art, particularly in view of such a disclosure by Gulick, for example.

Patent Owner argues that it would not have been obvious to one of ordinary skill in the art to have combined the teachings of Fujioka and Gulick because "Fujioka [discloses] loudspeaker 6" and "Gulick . . . use[s] the same loudspeaker . . . which would be a third speaker." PO App. Br. 15 (citing Bress Dec. ¶ 22). Hence, Patent Owner appears to argue that it would not have been obvious to one of ordinary skill in the art to have bodily incorporated Gulick into Fujioka. We are not persuaded by Patent Owner's argument at least because "[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference.... Rather, the test is what the combined

teachings of those references would have suggested to those of ordinary skill in the art." *In re Keller,* 642 F.2d 413, 425 (CCPA 1981). *See* also *In re Sneed,* 710 F.2d 1544, 1550 (Fed. Cir. 1983) ("[I]t is not necessary that the inventions of the references be physically combinable to render obvious the invention under review."); and *In re Nievelt,* 482 F.2d 965, 968 (CCPA 1973) ("Combining the teachings of references does not involve an ability to combine their specific structures.").

Regarding claim 14, Patent Owner argues that the Examiner misconstrued the term "identity information" and that under a proper construction of the term, Fujioka and Gulick fail to disclose or suggest "identity information." *See*, e.g., PO App. Br. 24–25. Patent Owner notes that "the specification of the '695 patent nowhere uses the exact term 'identity information'" but argues that the proper construction of the term "identity information" is "not . . . an abstract concept," is "concrete 'identity information'," and "does not mean two separate items of identity information that are related to two caller station identities." PO App. Br. 24, 25. We agree with the Examiner that Fujioka, for example, discloses "identity information." Fujioka discloses that "the central processing unit derives the calling party's name . . . corresponding to the originating subscriber's number in the memory 15." Fujioka 5:51–54. Patent Owner does not explain sufficiently how the "calling party's name," for example, differs from the claimed "identity information." In both cases, the information indicates an "identity" (e.g., a name).

Patent Owner argues that "ClassCo products" correspond to the claimed invention and that the "ClassCo products" received industry praise.

Based on this alleged "praise," Patent Owner contends that the claimed invention would not have been obvious to one of ordinary skill in the art. PO App. Br. 27–28. In particular, Patent Owner argues that the "ClassCo products" was praised by "[a]n article in *N.H. Business Review*, July 31-Aug. 1998 (Luneau Exhibit 1)" for "the ability to produce identity information over the same speaker used for caller voice signals (claim 1), the ability to store identity information (claim 2), and the ability to associate one item of identity information with plural telephone numbers (claim 14)." PO App. Br. 27–28. Patent Owner cites additional articles as allegedly "praising" claim features of the '695 patent. PO App. Br. 28–29 (citing Teleconnect Magazine, October 1995, at pages 40–41 (Luneau Exhibit 2); Computer Telephony, July 1996, at page 114; The Dallas Morning News (the Archive), Oct. 20, 1998 (Exhibit 4); "Testimonials from purchasers collected in Luneau Exhibit 3"; and "news releases collected in Luneau Exhibit 5"). We are not persuaded by Patent Owner's arguments.

Patent Owner's declarant (Mr. David J. Luneau) testifies that the claimed invention received praise (Second Declaration of David J. Luneau, dated October 15, 2013, "2nd Luneau Dec.," 5 (citing N.H. Business Review)). Specifically, Dr. Luneau testifies that N.H. Business Review describes a phone system (presumably, the claimed invention) that "can store between 20-40 names" and enables a user to "listen to the voice announcement coming from the box via the phone itself" so that the user "can choose to either take the call or let it continue on to the answering machine." First, N.H. Business Review appears to merely state objectively the alleged features of the phone system rather than providing "praise."

Even if such objective statements could be construed as "praise," we are still not persuaded by Patent Owner that such "praise" is sufficient to refute the prima facie showing of obviousness of the claimed invention over the prior art. For example, Patent Owner does not demonstrate or assert that the ability of the system to "store between 20-40 names" or producing a "voice announcement coming from the box via the phone itself" is recited in the claims. In other words, Patent Owner does not demonstrate a sufficient nexus between the alleged "praise" and the claimed invention. In addition, as previously discussed, storing identification data and producing a voice announcement (i.e., audio corresponding to identification data of a caller) is disclosed by Fujioka. Under these circumstances, the alleged "praise" stems from what was known in the prior art so that there can be no nexus. *Tokai Corp. v. Easton Enters., Inc.*, 632 F.3d 1358, 1369 (Fed. Cir. 2011).

Mr. Luneau also cites the following:

1) Teleconnect Magazine, October 1995 as stating that the telephone device has a "switch marked 'handset'" that enables the user to "lift the handset without 'answering the call'" and that pressing the "RECORD button" enables the user to "record [a] five-second voice announcement that will be used . . . to announce this caller";
2) Computer Telephony, July 1996, as stating that the user may "record a voice message for up to 20 different numbers" and that the system "play[s] the name of the caller" when the user picks up the phone;
3) The Dallas Morning news, October 20, 1998, as stating that the system includes "Full Caller ID," that the system can "introduce

[a] number when it comes through," that "the call will be announced through the handset" when using a cordless phone, and that the "machine stores the numbers for 64 incoming calls";

4) A Philips news release, April 1995, that states that the system is a "voice-capable caller ID unit", "can store up to 30 names available for voice announcing" "can also store multiple phone numbers for the same name," and "works with existing telephone sets";

5) A second Philips news release, January 1996, as stating that the system "stores up to 30 recorded names or numbers," "works with existing telephone sets, including cordless telephones," and allows "the user to hear who's calling even from outside the home.

2nd Luneau Dec. 6, 8, 9.

We disagree with Patent Owner that these objective statements of features of the alleged telephone system constitute "praise" in the context of obviousness of the claimed invention. Even if any of these statements constitute such "praise," Patent Owner does not assert or demonstrate sufficiently that any of the stated features (e.g., "lifting the handset without 'answering the call'" or "record[ing a] five-second voice announcement" upon depression of a "RECORD button," for example) is recited in the claims. In other words, we agree with the Examiner that Patent Owner has not demonstrated a sufficient nexus between the alleged "praise" and the claimed invention.

Patent Owner also argues that "there is also evidence of long-felt need in the industry." PO App. Br. 28. Specifically, Patent Owner argues that "Caller ID customers with ClassCo products were highly satisfied, more so

than users of other Caller ID devices, and Luneau Exhibit 1 makes it clear that the reason was because they incorporated features claimed in the '695 patent." PO App. Br. 23 (citing Luneau Exhibit 1, Second Luneau Declaration, at paras. 10). First, Patent Owner provides insufficient evidence to demonstrate persuasively that customers were, indeed, "highly satisfied" and to what extent the customers were "satisfied." Second, even if customers were "satisfied" to a sufficient extent, Patent Owner does not explain how the level of customer satisfaction correlates with a "long-felt need in the industry." Indeed, the level of satisfaction of customers does not appear to relate to whether or not there was a long-felt need in the industry. Most importantly, however, even if customers were sufficiently "satisfied" and that the level of customer satisfaction was somehow indicative of a "long-felt need in the industry," Patent Owner provides insufficient evidence of a nexus between a specific claimed feature and any potential "long-felt need in the industry."

Patent Owner argues commercial success of "'ClassCo products' with the features in claim 2 (via claim 1) and claim 14." PO App. Br. 29–30 (citing Second Luneau Declaration, at ¶¶ 12–17). Mr. Luneau testifies that he "consider[s] the sales volumes and growth of market share of ClassCo products . . . to be strong evidence of the commercial success of ClassCo products." 2nd Luneau Dec. ¶ 16. However, even if Mr. Luneau is correct that "ClassCo's share of that [$82,000,000] market was 0.8%" and that "ClassCo products held a 3.7% share [of a $31,000,000 market]" (2nd Luneau Dec. 15) and even if such market share values constituted "commercial success" in the context of secondary considerations of non-

obviousness of the claimed invention, we are still not persuaded by Patent Owner's arguments for at least the reasons set forth by the Examiner and Requester. RAN 32–33, 3PR Resp. Br. 17–20. For example, Mr. Luneau states that the market included "total number of units capable of audible announcement based on Caller ID" but does not demonstrate that the claims recite the system as "capable of audible announcement based on Caller ID." Therefore, Patent Owner does not demonstrate a sufficient nexus between the alleged commercial success and the claimed invention. Even if the claims recited that the system has "audible announcement based on Caller ID," we note that Fujioka discloses, for example, a telephone system "for notifying an originating party's number" and provides "an audible indication of the ID information corresponding to the registered subscriber's number." Fujioka, Abstract. Hence, at best, the alleged commercial success would stem from a feature disclosed in the prior art so that there can be no nexus. *Tokai Corp. v. Easton Enters., Inc.*, 632 F.3d 1358, 1369 (Fed. Cir. 2011).

Patent Owner argues that "the features of claim 2 (via claim 1) and claim 14 were primary reasons why Philips took a license from ClassCo" and that "the features of claim 2, particularly the audio announcing circuit and memory storage, were prime reasons why the licenses were taken." PO App. Br. 30 (citing 2nd Luneau Dec. ¶¶ 18–19 and "Luneau Exhibit 5"). We have carefully reviewed Patent Owner's "Luneau Exhibit 5" and we do not find specific evidence demonstrating why "Philips took a license from ClassCo" and what specific claim features caused Philips to take the alleged license(s), if any. To the extent that "audio announcing" and "memory storage" were the reasons for the license, as seemingly alleged by Patent

Owner, we note that Fujioka discloses "an audible indication of the ID information corresponding to the registered subscriber's number" (i.e., "audio announcing") and "memory 15" (i.e., "memory storage"). Fujioka, Abstract; Fig. 2. As explained previously, reasons stemming from features disclosed in the prior art are insufficient to demonstrate a nexus between the alleged reasons and the claimed invention.

Other appealed grounds

Patent Owner also appeals the rejection of claims 2–5, 7, 9, 10, 14, 17, 18, 26–30, and 34 as unpatentable over Fujioka and Marui or over Iwaya and Gulick. We do not address these additional rejections because the affirmance of the rejection for claims 2–5, 7, 9, 10, 14, 17, 18, 26–30, and 34 as unpatentable over Fujioka and Gulick render it unnecessary to reach the propriety of the Examiner's decision to reject those claims on a different basis. *Cf. In re Gleave*, 560 F.3d 1331, 1338 (Fed. Cir. 2009).

CONCLUSION

We affirm the Examiner's decision to reject claims 2–5, 7, 9, 10, 14, 17, 18, 23, 26–30, and 34 under 35 U.S.C. § 103(a) as unpatentable over Fujioka and Gulick.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). Requests for extensions of time in this *inter partes* reexamination proceeding are governed by 37 C.F.R. § 1.956. *See* 37 C.F.R. § 41.79.

In the event neither party files a request for rehearing within the time provided in 37 C.F.R. § 41.79, and this decision becomes final and

appealable under 37 C.F.R. § 41.81, a party seeking judicial review must timely serve notice on the Director of the United States Patent and Trademark Office. *See* 37 C.F.R. §§ 90.1 and 1.983.

AFFIRMED

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