

PTAB Wrestles With How To Construe Anti-Spoofing Patent

By Britain Eakin

Law360 (November 20, 2019, 9:46 PM EST) -- The Patent Trial and Appeal Board asked tough questions Wednesday about whether it should adopt a district court's definition of a key term in a TrustID Inc. patent covering anti-spoofing technology challenged by Next Caller.

Next Caller Inc. filed its petition before the PTAB adopted the more narrow claim construction standard used in district courts, but Wednesday's hearing nonetheless highlighted how much construction issues can ensnarl patent cases.

TrustID contends that its invention can be used to combat spoofing, which happens when a caller deliberately falsifies the number that appears on a caller ID to disguise the call's origin. TrustID generates a metric that gauges the trustworthiness of the caller identification information.

One of the primary disputes between the parties is whether the term "source origin confidence metric" pertains to the invention's authentication of the entity placing a call or the number from which they are calling. Next Caller argued it's the former, while TrustID said it's the latter.

The district court presiding over TrustID's 2018 infringement suit against Next Caller construed the term to mean "a number in a range that represents the credibility of the calling party number or the calling party billing number," which TrustID said it agrees with because the claim in which the term appears refers to a calling party or billing number.

But Next Caller said the district court got it wrong. In PTAB filings, Next Caller argued the board should give "source origin" its plain and ordinary meaning, which it said means "the entity from which the call originated."

Next Caller attorney Paul M. Schoenhard of McDermott Will & Emery LLP told U.S. Patent Trial and Appeal Board Judge Jean R. Homere that TrustID's patent isn't meant to determine if a number is trustworthy, but rather whether a number is credibly tied to the calling party.

Judge Homere appeared befuddled by the argument, saying at one point, “I’m somewhat confused with your arguments here.”

The judge asked Schoenhard what difference it makes if it’s the number or the entity making the call. The primary purpose, he said, seems to be determining if the number associated with a caller is legitimate. The attorney said that even if the board adopts the district court’s construction, the patent would still be invalid as obvious in light of two earlier patents that he said disclose a source origin confidence metric.

TrustID disputes that and said in PTAB filings that it “revolutionized the caller-authentication market.” TrustID attorney Michael D. Specht said the company’s invention solved a problem that legislative and regulatory efforts couldn’t. Providing some context to how the problem of spoofing developed, Specht said the telephone network back in the 1960s through the 1980s was like a steel pipe.

“No one could mess with it,” Specht said.

But that changed with the introduction of voice over internet protocol and the integrated services digital network, which he said made spoofing easier. And while call spoofing isn’t in the challenged claims, Specht said financial institutions are using it to address spoofing.

U.S. Patent Trial and Appeal Board Judge Barbara A. Parvis asked Specht whether the district court’s claim construction would be determinative if the board adopts it. Specht said it was, though he added there are other ways to uphold the challenged claims.

Specht said one of the earlier patents Next Caller cited as its primary reference to prove obviousness has nothing to do with spoofing and assumes an incoming number is correct, which he said “dooms the petition from the start.”

In October, the board denied two related IPR petitions from Next Caller on the basis that the trial in an underlying infringement suit in Delaware federal court was due to wrap several months before the board’s decisions would be due on those petitions.

In its decision denying institution, the board also pointed to Next Caller’s delay in filing the petitions, saying it could have done so sooner because it used the same prior art in an earlier petition challenging the patent at issue Wednesday, which the board said is a continuation of the patent the board declined to review.

Counsel for the parties declined to comment.

The patent-in-suit is U.S. Patent No. 9,001,985.

U.S. Patent Trial and Appeal Board Judges Jean R. Homere, Barbara A. Parvis and Stacey G. White sat on the panel.

Next Caller Inc. is represented by Nicole M. Jantzi, Ian B. Brooks, Paul Schoenhard and Stephen J. Smith of McDermott Will & Emery LLP.

TrustID Inc. is represented by Michael D. Specht, Richard M. Bembem, Daniel Block and Christopher R. O'Brien of Sterne, Kessler, Goldstein & Fox PLLC.

The case is Next Caller Inc. v. TrustID Inc., case number IPR 2019-00039, at the U.S. Patent Trial and Appeal Board.

--Editing by Amy Rowe.