

United States District Court
Northern District of California

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16 Attorneys for Estech Systems IP, LLC

17 **IN THE UNITED STATES DISTRICT COURT**
18 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
19 **SAN FRANCISCO DIVISION**

20 ESTECH SYSTEMS IP, LLC,

21 Plaintiff,

22 v.

23 ZOOM VIDEO COMMUNICATIONS, INC.,

24 Defendant.

CASE NO. 3:24-cv-2528

COMPLAINT

DEMAND FOR JURY TRIAL

25 Plaintiff Estech Systems IP, LLC (“Estech”) files this original complaint against Zoom
26 Video Communications, Inc. (“Zoom”) alleging, based on its own knowledge as to itself and its
27 own actions, and based on information and belief as to all other matters, as follows:

28 **PARTIES**

1. Estech Systems IP, LLC is a Texas corporation, with its principal place of business
at 3701 East Plano Parkway, Suite 300, Plano, Texas 75074.

1 9. Since 1987, ESI has sold more than 400,000 solutions to its customers, working
2 with more than 1,500 certified partners nationwide. Its customers include small and large
3 businesses across the country.

4 10. Recognizing that business doesn't get done without communication, ESI provides
5 powerful products that are easy and simple to use. ESI's products are engineered to make
6 intelligent technology that is intuitive and user-friendly, empowers employee productivity, and
7 fuels customer satisfaction.

8 11. ESI's technology is American-engineered. From its Plano, Texas headquarters,
9 ESI provides a full solutions portfolio of modern business phone systems, including Cloud,
10 Hybrid, Pure IP, and SIP dial tone products. Given ESI's end-to-end product offerings, its
11 customers are empowered to choose the product features they need and want.

12 12. ESI's products include the most integrated cloud PBX in the market—the award-
13 winning ESI Cloud PBX; Voice over IP (VoIP) products and systems; and on-premises products.
14 A cloud-based PBX is a sophisticated telephone exchange system that uses a cloud infrastructure
15 to provide communication services, such as telephony services.

16 13. VoIP transmits and receives voice communications over data networks, such as the
17 Internet or private networks, using the Internet Protocol (IP).

18 14. VoIP systems offer several advantages over traditional phone systems including,
19 but not limited to, lower cost and more efficient network management.

20 15. VoIP systems also enable integration of additional communication services.

21 16. ESI cloud-based VoIP products have handled billions of call minutes.

22 17. ESI also provides U.S.-based, best-in-class technical support for its customers.

23 18. The patents-in-suit, U.S. Patent Nos. 8,391,298 (the "'298 Patent"), 7,068,684 (the
24 "'684 Patent"), and 7,123,699 (the "'699 Patent") (collectively, the "Estech Asserted Patents"),
25 are generally directed to systems and methods for providing robust, feature-rich communications
26 systems including, but not limited to, VoIP telephony and additional communication services that
27 can be integrated with a VoIP telephony system.

1 integrated with a VoIP telephony system, to provide those phone numbers to the user of a VoIP
2 telephone. The user can use that list to dial the telephone number of another user associated with
3 the VoIP telephony system.

4 28. The claims of the '298 Patent are not directed to an abstract idea. For example,
5 claim 13 of the '298 Patent recites a specific arrangement of devices and networking components.
6 Together those devices and networking components enable a user of a first telecommunications
7 device to observe a list of a plurality of telecommunications extensions. The list of extensions is
8 stored in a server within a specific networking configuration, and the user can select to view a
9 subset of the extensions. Taken as a whole, the claimed inventions of the '298 Patent are not
10 limited to well-understood, routine, or conventional activity. Rather, the claimed inventions
11 include inventive components that improve upon the functioning and operation of information
12 processing systems.

13 29. The written description of the '298 Patent describes in technical detail each of the
14 limitations of the claims, allowing a skilled artisan to understand the scope of the claims and how
15 the non-conventional and non-generic combination of claim limitations is patently distinct from
16 and improved upon what may have been considered conventional or generic in the art at the time
17 of the invention.

18 30. Zoom has infringed the '298 Patent by at least making, having made, using,
19 importing, providing, supplying, distributing, selling, or offering the Accused Instrumentalities for
20 sale.

21 31. The Accused Instrumentalities provide VoIP-based voice calling and data-
22 networking services to VoIP telephony devices.

23 32. The Accused Instrumentalities use first, second, and third LANs that are coupled
24 with a WAN.

25 33. The Accused Instrumentalities include VoIP telephony devices connected to LANs,
26 the VoIP telephony devices having telecommunications extensions associated therewith, the
27 telecommunications extensions being coupled to the second and third LANs.

1 34. The VoIP telephony devices include circuitry (i) enabling users of VoIP telephony
2 devices to observe a list of telecommunications extensions; (ii) to automatically call one of the
3 telecommunications extensions in response to a user selecting one of the telecommunications
4 extensions from the list; and (iii) enabling the user to select between observing the list of
5 telecommunications extensions coupled to the second LAN or the third LAN.

6 35. The Accused Instrumentalities include servers in the second LAN that store
7 telecommunications extensions accessed across the WAN.

8 36. As described above, Zoom has directly infringed (literally or under the doctrine of
9 equivalents) at least Claim 13 of the '298 Patent. Zoom's infringement in this regard is ongoing.

10 37. Estech has been damaged as a result of the infringing conduct by Zoom alleged
11 above. Thus, Zoom is liable to Estech in an amount that compensates it for such infringements,
12 which by law cannot be less than a reasonable royalty, together with interest and costs as fixed by
13 this Court under 35 U.S.C. § 284.

14 38. Estech or its predecessors-in-interest have satisfied all statutory obligations
15 required to collect pre-filing damages for the full period allowed by law for infringement of the
16 '298 Patent.

17 39. Zoom has also indirectly infringed the '298 Patent by inducing others to directly
18 infringe the '298 Patent. Zoom has induced end-users, including Zoom's customers, partners,
19 personnel, clients, and contractors, to directly infringe (literally or under the doctrine of
20 equivalents) the '298 Patent by making and using the Accused Instrumentalities. Zoom took active
21 steps, directly or through contractual relationships with others, with the specific intent to cause
22 them to use the Accused Instrumentalities in a manner that infringes one or more claims of the
23 '298 Patent, including, for example, Claim 13 of the '298 Patent. Such steps by Zoom included,
24 among other things, advising or directing customers, partners, personnel, contractors, or end-users
25 to make or use the Accused Instrumentalities in an infringing manner; advertising and promoting
26 the use of the Accused Instrumentalities in an infringing manner; or distributing instructions that
27 guide users to use the Accused Instrumentalities in an infringing manner. Zoom is performing

1 these steps, which constitute induced infringement, with the knowledge of the '298 Patent and
2 with the knowledge that the induced acts constitute infringement. Zoom is aware that the normal
3 and customary use of the Accused Instrumentalities by others would infringe the '298 Patent.
4 Zoom's inducement is ongoing.

5 40. Zoom has also indirectly infringed by contributing to the infringement of the '298
6 Patent. Zoom has contributed to the direct infringement of the '298 Patent by its customers,
7 partners, personnel, contractors, clients, and suppliers. The Accused Instrumentalities have special
8 features that are specially designed to be used in an infringing way and that have no substantial
9 uses other than ones that infringe one or more claims of the '298 Patent, including, for example,
10 Claim 13 of the '298 Patent. The special features include, for example, the devices and networking
11 components recited in Claim 13, including the interrelation between those devices and networking
12 components, that allow the claimed server to provide a list of extensions and for the user to select
13 to view a subset of the extensions. The special features constitute a material part of the invention
14 of one or more of the claims of the '298 Patent and are not staple articles of commerce suitable for
15 substantial non-infringing use. Zoom's contributory infringement is ongoing.

16 41. Furthermore, on information and belief, Zoom has a policy or practice of not
17 reviewing the patents of others (including instructing its employees to not review the patents of
18 others), and thus has been willfully blind of Estech's patent rights.

19 42. Zoom's actions are at least objectively reckless as to the risk of infringing a valid
20 patent, and this objective risk was either known or should have been known by Zoom.

21 43. Zoom's direct and indirect infringement of the '298 Patent is, has been, and
22 continues to be willful, intentional, deliberate, or in conscious disregard of Estech's rights under
23 the patent.

24 44. Estech has been damaged as a result of the infringing conduct by Zoom alleged
25 above. Thus, Zoom is liable to Estech in an amount that compensates it for such infringements,
26 which by law cannot be less than a reasonable royalty, together with interest and costs as fixed by
27 this Court under 35 U.S.C. § 284.

1 45. Estech has suffered irreparable harm, through its loss of market share and goodwill,
2 for which there is no adequate remedy at law. Estech has and will continue to suffer this harm by
3 virtue of Zoom’s infringement of the ’298 Patent. Zoom’s actions have interfered with and will
4 interfere with Estech’s ability to license technology. The balance of hardships favors Estech’s
5 ability to commercialize its own ideas and technology. The public interest in allowing Estech to
6 enforce its right to exclude outweighs other public interests, which supports injunctive relief in
7 this case.

8 **COUNT II**

9 **INFRINGEMENT OF U.S. PATENT NO. 7,068,684**

10 46. Estech repeats and re-alleges the allegations in paragraphs 1-45 as though fully set
11 forth in their entirety.

12 47. Estech owns all substantial rights, interest, and title in and to the ’684 Patent,
13 including the sole and exclusive right to prosecute this action and enforce the ’684 Patent against
14 infringers, and to collect damages for all relevant times. The United States Patent and Trademark
15 Office duly issued the ’684 Patent on June 27, 2006. A copy of the ’684 Patent is attached as
16 Exhibit B.

17 48. The ’684 Patent is titled “Quality of Service in a Voice Over IP Telephone System.”
18 The ’684 Patent describes information handling systems used to transmit voice using VoIP
19 technology. The information handling systems throttle the amount of data being transferred from
20 a workstation connected to the VoIP telephone.

21 49. The method claims of the ’684 Patent are not directed to an abstract idea. For
22 example, claim 42 of the ’684 Patent recites specific steps performed by a specific arrangement of
23 devices and networking components and operations performed by those components. Together,
24 those devices and networking components provide quality of service to audio information by
25 throttling the amount of data being transferred through a VoIP telephony device. Taken as a whole,
26 the claimed inventions of the ’684 Patent are not limited to well-understood, routine, or
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1 conventional activity. Rather, the claimed inventions include inventive components that improve
2 upon the function and operation of information processing systems.

3 50. The written description of the '684 Patent describes in technical detail each of the
4 limitations of the method claims, allowing a skilled artisan to understand the scope of the method
5 claims and how the non-conventional and non-generic combination of claim limitations is patently
6 distinct from and improved upon what may have been considered conventional or generic in the
7 art at the time of the invention.

8 51. Zoom has infringed the method claims of the '684 Patent by making, having made,
9 using, importing, providing, supplying, distributing, selling, or offering the Accused
10 Instrumentalities for sale.

11 52. The Accused Instrumentalities provide VoIP-based voice calling and data-
12 networking services to VoIP telephony devices.

13 53. The Accused Instrumentalities include VoIP servers such that audio information
14 for VoIP-based voice calls is communicated between at least VoIP telephony devices and VoIP
15 servers.

16 54. The Accused Instrumentalities include workstations (including, but not limited to,
17 for example, desktop computers, workstations, laptops, embedded devices, point-of-sale devices,
18 and mobile devices) that send and receive data from data servers (including, but not limited to, for
19 example, websites) that transfer data through VoIP telephony devices.

20 55. The Accused Instrumentalities sufficiently throttle data sent from workstations to
21 VoIP telephony devices to increase a rate of transfer of audio information during the
22 communication of audio information, the data throttling comprises reducing a future amount of
23 data from being transferred from the workstation if the amount of data exceeds a predetermined
24 threshold.

25 56. As described above, Zoom has directly infringed (literally or under the doctrine of
26 equivalents) one or more method claims, including at least Claim 42 of the '684 Patent. Estech
27 does not allege infringement of any non-method claims of the '684 patent.

1 57. Estech has been damaged as a result of the infringing conduct by Zoom alleged
2 above. Thus, Zoom is liable to Estech in an amount that adequately compensates it for such
3 infringements, which by law cannot be less than a reasonable royalty, together with interest and
4 costs as fixed by this Court under 35 U.S.C. § 284.

5 58. Estech or its predecessors-in-interest have satisfied all statutory obligations
6 required to collect pre-filing damages for the full period allowed by law for infringement of the
7 '684 Patent.

8 **COUNT III**

9 **INFRINGEMENT OF U.S. PATENT NO. 7,123,699**

10 59. Estech repeats and re-alleges the allegations in paragraphs 1-58 as though fully set
11 forth in their entirety.

12 60. Estech owns all substantial rights, interest, and title in and to the '699 Patent,
13 including the sole and exclusive right to prosecute this action and enforce the '699 Patent against
14 infringers, and to collect damages for all relevant times. The United States Patent and Trademark
15 Office duly issued the '699 Patent on October 17, 2006. A copy of the '699 Patent is attached as
16 Exhibit C.

17 61. The '699 Patent is titled "Voice Mail in a Voice Over IP Telephone System." The
18 '699 Patent describes an information handling system for storing a voice mail message in a voice
19 mail box in a voice mail system within a first local area network (LAN). A user can access and
20 listen to the voice mail using a VoIP telecommunications device within a second LAN by
21 connecting to the first LAN via a wide-area network (WAN), such as the Internet.

22 62. The method claims of the '699 Patent are not directed to an abstract idea. For
23 example, claim 1 of the '699 Patent recites specific steps performed by a specific arrangement of
24 devices in a networking environment. Together those devices enable a user within a second LAN
25 to access and listen to voice mail messages stored within a first LAN. Taken as a whole, the
26 claimed inventions of the '699 Patent are not limited to well-understood, routine, or conventional
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1 activity. Rather, the claimed inventions include inventive components that improve upon the
2 functioning and operation of information processing systems.

3 63. The written description of the '699 Patent describes in technical detail each of the
4 limitations of the method claims, allowing a skilled artisan to understand the scope of the method
5 claims and how the non-conventional and non-generic combination of claim limitations is patently
6 distinct from and improved upon what may have been considered conventional or generic in the
7 art at the time of the invention.

8 64. Zoom has infringed the method claims of the '699 Patent by making, having made,
9 using, importing, providing, supplying, distributing, selling, or offering the Accused
10 Instrumentalities for sale.

11 65. The Accused Instrumentalities operate under a routable protocol including, but not
12 limited to, for example, TCP/IP or UDP/IP.

13 66. The Accused Instrumentalities include VoIP servers that store a voice mail message
14 in a voice mail box in a voice mail system within a first LAN.

15 67. The Accused Instrumentalities include VoIP telephony devices coupled to the
16 second LAN that provide a sensory indication when the voice message is stored in the voice mail
17 box within the first LAN. The VoIP telephony devices allow a user to access the voice mail system
18 within the first LAN to listen to the voice message stored in the voice mail box. The VoIP
19 telephony devices allow a user to access the voice mail message stored in the voice mail box
20 provided by the VoIP Servers by using communication protocols, including, but not limited to, for
21 example, TCP/IP, UDP/IP, Session Initiation Protocol (SIP), Session Description Protocol (SDP),
22 Real-time Transport Protocol (RTP), and Real-time Transport Control Protocol (RTCP) protocols
23 to: (i) establish a channel between the first and second LANs over the WAN; (ii) couple an audio
24 path over the channel between the telecommunications device and the voice mail box; and (iii)
25 stream voice data containing the voice message from the voice mail box to the telecommunications
26 device over the audio path.

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1 b. A permanent injunction enjoining Zoom and its officers, directors, agents, servants,
2 affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in concert
3 therewith from infringement of the '298 Patent; or, in the alternative, an award of a reasonable
4 ongoing royalty for future infringement of the '298 Patent by such entities;

5 c. Judgment that Zoom accounts for and pays to Estech all damages to and costs
6 incurred by Estech because of Zoom's infringing activities and other conduct complained of
7 herein;

8 d. Judgment that Zoom's infringement be found willful, and that the Court award
9 treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;

10 e. Pre-judgment and post-judgment interest on the damages caused by Zoom's
11 infringing activities and other conduct complained of herein;

12 f. That this Court declare this an exceptional case and award Estech its reasonable
13 attorneys' fees and costs in accordance with 35 U.S.C. § 285; and

14
15 All other and further relief as the Court may deem just and proper under the circumstances.

16
17 Dated: April 26, 2024

Respectfully submitted,

/s/ Stephen R. Dartt

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