

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

RONALD A. KATZ TECHNOLOGY  
LICENSING, L.P.,

Plaintiff,

v.

CITIZENS COMMUNICATIONS CO.,  
FRONTIER COMMUNICATIONS OF  
AMERICA, INC., FRONTIER  
SUBSIDIARY TELCO LLC, LEAP  
WIRELESS INTERNATIONAL, INC., and  
CRICKET COMMUNICATIONS, INC.

Defendants.

Civil Action No.: \_\_\_\_\_

Jury Trial Demanded

**PLAINTIFF RONALD A. KATZ TECHNOLOGY LICENSING, L.P.'S  
COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff, Ronald A. Katz Technology Licensing, L.P. (“Katz Technology Licensing”), by counsel, alleges as follows:

**THE PARTIES**

1. Plaintiff Katz Technology Licensing is a limited partnership organized under the laws of the State of California, and has a principal place of business at 9220 Sunset Blvd. #315, Los Angeles, CA 90069.

2. On information and belief, Defendant Citizens Communications Co. (“Citizens”) is a Delaware entity maintaining its principal place of business at Three High Ridge Park, Building 3, Stamford, CT 06905.

3. On information and belief, Defendant Frontier Communications of America, Inc. (“Frontier”) is a Delaware entity maintaining its principal place of business at 180 South Clinton Avenue, Rochester, NY 14646.

4. On information and belief, Defendant Frontier Subsidiary Telco LLC (“Frontier

Subsidiary”) is a Delaware entity maintaining its principal place of business at 180 South Clinton Avenue, Rochester, NY 14646.

5. On information and belief, Defendant Leap Wireless International, Inc. (“Leap”) is a Delaware entity maintaining its principal place of business at 10307 Pacific Center Court, San Diego, CA 92121.

6. On information and belief, Defendant Cricket Communications, Inc. (“Cricket”) is a Delaware entity maintaining its principal place of business at 10307 Pacific Center Court, San Diego, CA 92121.

### **JURISDICTION AND VENUE**

7. This is a civil action for patent infringement arising under the United States patent statutes, 35 U.S.C. § 1 *et seq.*

8. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

9. Upon information and belief, Defendants Citizens, Frontier, and Frontier Subsidiary (collectively, “the Citizens defendants”) are subject to this Court’s personal jurisdiction because (i) they are Delaware corporations and therefore legally present in this judicial district, and (ii) they regularly solicit or do business in this judicial district, engage in other persistent courses of conduct, and/or derive substantial revenue from services provided to individuals in this district. In addition, the Citizens defendants have designated an agent for service of process in the State of Delaware.

10. Upon information and belief, Defendants Leap and Cricket, (collectively, “the Leap defendants”) are subject to this Court’s personal jurisdiction because they are Delaware corporations and therefore legally present in this judicial district. In addition, the Leap

defendants have designated an agent for service of process in the State of Delaware.

11. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b)-(c) and 1400(b).

### **BACKGROUND FACTS**

12. Ronald A. Katz (“Mr. Katz”), founder of Katz Technology Licensing, is the sole inventor of each of the patents in suit. Mr. Katz has been widely recognized as one of the most prolific and successful inventors of our time, and his inventions over the last forty-plus years have been utilized by literally millions of people.

13. In 1961, Mr. Katz co-founded Telecredit Inc. (“Telecredit”), the first company to provide online, real-time credit authorization, allowing merchants to verify checks over the telephone. Further innovations from Telecredit include the first online, real-time, point-of-sale credit verification terminal, which enabled merchants to verify checks without requiring the assistance of a live operator, and the first device that used and updated magnetically-encoded cards in automated teller machines. Multiple patents issued from these innovations, including patents co-invented by Mr. Katz.

14. Telecredit was eventually acquired by Equifax, and has now been spun off as Certegy, a public company traded on the New York Stock Exchange. Certegy continues to provide services in the credit and check verification field established by Mr. Katz and Telecredit.

15. Mr. Katz’s inventions have not been limited to telephonic check verification. Indeed, Mr. Katz is responsible for advancements in many fields of technology. Among his most prominent and well-known innovations are those in the field of interactive call processing. Mr. Katz’s inventions in that field are directed to the integration of telephonic systems with computer databases and live operator call centers to provide interactive call processing services.

16. The first of Mr. Katz's interactive call processing patents issued on December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for his inventions in the interactive call processing field, including each of the patents-in-suit.

17. In 1988, Mr. Katz partnered with American Express to establish FDR Interactive Technologies, later renamed Call Interactive, to provide interactive call processing services based on Mr. Katz's inventions. The American Express business unit involved in this joint venture later became known as First Data.

18. Early clients of Call Interactive included *The New York Times*, ABC's *Monday Night Football*, KABC Radio, CBS News, and Beatrice Foods (Hunt-Wesson division).

19. Many of these clients utilized Call Interactive technology for high-profile events. For example, CBS News hired Call Interactive to operate an interactive, real-time telephone poll to gauge viewer reaction to President George H.W. Bush's 1992 State of the Union address.

20. Mr. Katz sold his interest in Call Interactive to American Express in 1989 but continued to provide advisory services to Call Interactive until 1992. American Express later spun off the First Data business unit into a separate corporation, and with that new entity went Mr. Katz's interactive call processing patents and the Call Interactive call processing business. The former Call Interactive, now known as First Data Voice Services, continues to provide call processing solutions today.

21. In 1994, Mr. Katz formed Katz Technology Licensing, which acquired the rights to the entire interactive call processing patent portfolio, including the rights to each of the patents-in-suit, from First Data, the owner of all of the Katz interactive call processing patents at that time.

22. The marketplace has clearly recognized the value of Mr. Katz's inventions.

Indeed, over 150 companies have licensed the patents-in-suit. Licensees include IBM, Hewlett-Packard, Bank of America, JPMorgan Chase, Wells Fargo, HSBC, Verizon, Sprint, Microsoft, Delta Airlines, Merck, Sears, and Home Shopping Network. These licenses and others acknowledge the applicability of the patents-in-suit to multiple fields of use, including but not limited to financial services call processing, automated securities transactions, automated credit card authorization services, automated wireless telecommunication services and support, automated health care services, and product and service support.

23. Each of the defendants employs the inventions of certain of the patents-in-suit. Katz Technology Licensing, through its licensing arm A2D, L.P., has repeatedly attempted to engage each defendant in licensing negotiations, but to date, none of the defendants have agreed to take a license to any of the patents-in-suit.

#### **THE PATENTS-IN-SUIT**

24. On July 7, 1992, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,128,984 (“the ‘984 Patent”), entitled “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A. Katz, sole inventor. (Ex. A).

25. On October 5, 1993, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,251,252 (“the ‘252 Patent”), entitled “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A. Katz, sole inventor. (Ex. B).

26. On October 19, 1993, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,255,309 (“the ‘309 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘309 Patent expired on December 20, 2005. (Ex. C).

27. On November 2, 1993, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,259,023 (“the ‘023 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘023 Patent expired on December 20, 2005. (Ex. D).

28. On September 27, 1994, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,351,285 (“the ‘285 Patent”), entitled “Multiple Format Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘285 Patent expired on December 20, 2005. (Ex. E).

29. On October 1, 1996, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,561,707 (“the ‘707 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘707 Patent expired on December 20, 2005. (Ex. F).

30. On November 4, 1997, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,684,863 (“the ‘863 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘863 Patent expired on December 20, 2005. (Ex. G).

31. On July 28, 1998, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,787,156 (“the ‘156 Patent”) entitled “Telephonic-Interface Lottery System,” to Ronald A. Katz, sole inventor. The ‘156 Patent expired on December 20, 2005. (Ex. H).

32. On September 29, 1998, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,815,551 (“the ‘551 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘551 Patent expired

on December 20, 2005. (Ex. I).

33. On October 27, 1998, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,828,734 (“the ‘734 Patent”), entitled “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A. Katz, sole inventor. (Ex. J).

34. On April 27, 1999, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,898,762 (“the ‘762 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘762 Patent expired on December 20, 2005. (Ex. K).

35. On June 29, 1999, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,917,893 (“the ‘893 Patent”), entitled “Multiple Format Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘893 Patent expired on December 20, 2005. (Ex. L).

36. On October 26, 1999, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,974,120 (“the ‘120 Patent”), entitled “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A. Katz, sole inventor. (Ex. M).

37. On March 7, 2000, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,035,021 (“the ‘021 Patent”), entitled “Telephone-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘021 Patent expired on December 20, 2005. (Ex. N).

38. On November 14, 2000, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,148,065 (“the ‘065 Patent”), entitled “Telephonic-

Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘065 Patent expired on July 10, 2005. (Ex. O).

39. On January 1, 2002, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,335,965 (“the ‘965 Patent”), entitled “Voice-Data Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘965 Patent expired on December 20, 2005. (Ex. P).

40. On August 13, 2002, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,434,223 (“the ‘223 Patent”), entitled “Telephone Interface Call Processing System With Call Selectivity,” to Ronald A. Katz, sole inventor. The ‘223 Patent expired on July 10, 2005. (Ex. Q).

41. On January 28, 2003, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,512,415 (“the ‘415 Patent”), entitled “Telephonic-Interface Game Control System,” to Ronald A. Katz, sole inventor. The ‘415 Patent expired on July 10, 2005. (Ex. R).

42. On January 13, 2004, the United States Patent and Trademark Office duly and legally issued United States Patent No. 6,678,360 (“the ‘360 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘360 Patent expired on July 10, 2005. (Ex. S).

**COUNT I**  
**(PATENT INFRINGEMENT BY THE CITIZENS DEFENDANTS)**

43. Katz Technology Licensing realleges and incorporates by reference paragraphs 1-42 of this Complaint as if fully set forth herein.

44. Katz Technology Licensing is the sole holder of the entire right, title, and interest in the ‘984, ‘285, ‘707, ‘863, ‘551, ‘734, ‘893, ‘120, ‘065, ‘965, ‘223, ‘415, and ‘360 Patents.



45. Upon information and belief, the Citizens defendants operate automated telephone systems, including without limitation customer service systems that allow their customers to utilize telephone calling cards, order internet, DSL, and dial-up services, and perform a variety of account related tasks such as billing and payments.

46. The Citizens defendants have directly infringed, contributorily infringed, and/or induced others to infringe, one or more claims of each of the patents identified in paragraph 44 of this Complaint by making, using, offering to sell, and/or selling within the United States automated telephone systems, including without limitation customer service systems that allow their customers to utilize telephone calling cards, order internet, DSL, and dial-up services, and perform a variety of account related tasks such as billing and payments.

47. The Citizens defendants continue to infringe, contributorily infringe, and/or induce others to infringe the '984, '734, and '120 Patents.

48. The Citizens defendants' infringement of the patents identified in paragraph 44 of this Complaint has been willful.

49. Katz Technology Licensing has been, and continues to be, damaged and irreparably harmed by the Citizens defendants' infringement, which will continue unless the Citizens defendants are enjoined by this Court.

**COUNT II**  
**(PATENT INFRINGEMENT BY THE LEAP DEFENDANTS)**

50. Katz Technology Licensing realleges and incorporates by reference paragraphs 1-42 as if fully set forth herein.

51. Katz Technology Licensing is the sole holder of the entire right, title, and interest in the '252, '309, '023, '707, '863, '156, '551, '734, '762, '120, '021, '965, '415, and '360 Patents.

52. Upon information and belief, the Leap defendants operate automated telephone systems, including without limitation customer service systems that allow their customers to set up and operate a voice mailbox, make changes to their rate plan and optional features, activate new phones, and make payments or changes to an existing account.

53. The Leap defendants have directly infringed, contributorily infringed, and/or induced others to infringe, one or more claims of each of the patents identified in paragraph 51 of this Complaint by making, using, offering to sell, and/or selling within the United States automated telephone systems, including without limitation customer service systems that allow their customers to set up and operate a voice mailbox, make changes to their rate plan and optional features, activate new phones, and make payments or changes to an existing account.

54. The Leap defendants continue to infringe, contributorily infringe, and/or induce others to infringe the '252, '734, and '120 Patents.

55. The Leap defendants' infringement of the patents identified in paragraph 51 of this Complaint has been willful.

56. Katz Technology Licensing has been, and continues to be, damaged and irreparably harmed by the Leap defendants' infringement, which will continue unless the Leap defendants are enjoined by this Court.

#### **REQUEST FOR RELIEF**

WHEREFORE, Plaintiff Katz Technology Licensing respectfully requests the following relief:

A. A judgment holding the Citizens defendants liable for infringement of the patents identified in paragraph 44 of this Complaint;

B. A permanent injunction against the Citizens defendants, their officers, agents,

servants, employees, attorneys, parent and subsidiary corporations, assigns and successors in interest, and those persons in active concert or participation with them, enjoining them from continued acts of infringement of the '984, '734, and '120 Patents;

C. An accounting for damages resulting from the Citizens defendants' infringement of the patents identified in paragraph 44 of this Complaint, together with pre-judgment and post-judgment interest;

D. A judgment holding that the Citizens defendants' infringement of the patents identified in paragraph 44 of this Complaint is willful, and a trebling of damages pursuant to 35 U.S.C. § 284;

E. A judgment holding the Leap defendants liable for infringement of the patents identified in paragraph 51 of this Complaint;

F. A permanent injunction against the Leap defendants, their officers, agents, servants, employees, attorneys, parent and subsidiary corporations, assigns and successors in interest, and those persons in active concert or participation with them, enjoining them from continued acts of infringement of the '252, '734, and '120 Patents;

G. An accounting for damages resulting from the Leap defendants' infringement of the patents identified in paragraph 51 of this Complaint, together with pre-judgment and post-judgment interest;

H. A judgment holding that the Leap defendants' infringement of the patents identified in paragraph 51 of this Complaint is willful, and a trebling of damages pursuant to 35 U.S.C. § 284;

I. A judgment holding this Action an exceptional case, and an award to Plaintiff Katz Technology Licensing for its attorneys' fees and costs pursuant to 35 U.S.C. § 285; and

J. Such other relief as the Court deems just and equitable.


Dated: June 8, 2007

LANDIS RATH & COBB LLP

OF COUNSEL:

Stephen C. Neal  
*nealsc@cooley.com*  
COOLEY GODWARD KRONISH  
LLP  
Five Palo Alto Square  
3000 El Camino Real  
Palo Alto, CA 94306-2155  
Telephone: (650) 843-5000  
Facsimile: (650) 857-0663

Frank V. Pietrantonio  
*fpietrantonio@cooley.com*  
Jonathan G. Graves  
*jgraves@cooley.com*  
COOLEY GODWARD KRONISH  
LLP  
One Freedom Square  
11951 Freedom Drive  
Reston, VA 20190-5656  
Telephone: (703) 456-8000  
Facsimile: (703) 456-8100



Daniel B. Rath (No. 3022)  
Rebecca L. Butcher (No. 3816)  
James S. Green, Jr. (No. 4406)  
919 Market Street  
Suite 600  
Wilmington, DE 19801  
Telephone: 302-467-4400  
Facsimile: 302-467-4450

*Attorneys for Plaintiff*  
*Ronald A. Katz Technology Licensing, L.P.*