

United States District Court
Northern District of California

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Attorneys for Estech Systems IP, LLC

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

ESTECH SYSTEMS IP, LLC,

Plaintiff,

v.

DIALPAD, INC.,

Defendant.

CASE NO. 3:24-cv-02524

COMPLAINT

DEMAND FOR JURY TRIAL

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

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.

United States District Court
Northern District of California

1 2. Defendant Dialpad, Inc. is a corporation organized and existing under the laws of
2 the state of Delaware, with its principal place of business at 2700 Camino Ramon, San Ramon,
3 CA 94583.

4 **JURISDICTION AND VENUE**

5 3. This is an action for infringement of United States patents arising under 35 U.S.C.
6 §§ 271, 281, and 284–85, among others. This Court has subject matter jurisdiction of the action
7 under 28 U.S.C. § 1331 and § 1338(a).

8 4. Venue is proper in this district pursuant to 28 U.S.C. §§ 1400(b) and 1391(b-c), for
9 at least the reason that Dialpad is has its principal place of business in the Northern District of
10 California.

11 5. Defendant Dialpad, Inc. is subject to this Court’s specific and general personal
12 jurisdiction due at least to Dialpad’s substantial business in this forum, including (i) at least a
13 portion of the infringements alleged herein; (ii) maintaining a regular and established place of
14 business in the district; and/or (iii) regularly doing or soliciting business, engaging in other
15 persistent courses of conduct, and/or deriving substantial revenue from goods and services
16 provided to individuals in California and in this district.

17 6. Specifically, Dialpad intends to and does business in California, directly or through
18 intermediaries and offer their products and/or services, including those accused herein of
19 infringement, to customers and potential customers located in California, including in the Northern
20 District of California.

21 7. Dialpad maintains at least one regular and established place of business in this
22 district, including at 2700 Camino Ramon, San Ramon, CA 94583.

23 **THE TECHNOLOGY**

24 8. Estech is an affiliate of Estech Systems, Inc. (“ESI”) which for more than 30 years
25 has been a leading U.S.-based provider of end-to-end business phone solutions. ESI’s Network
26 Operations Center is located in Plano, Texas.

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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 19. The Estech Asserted Patents have been widely licensed in relevant industries,
2 including 21 different license agreements consummated to date, including with Cisco Systems,
3 Microsoft, Mitel, and Avaya.

4 20. Products and services of or provided by Cisco, Microsoft, Avaya, Mitel,
5 RingCentral, 3CX, or their Affiliates, including any portions thereof, alone or in combination with
6 one or more other products, services, processes, or other items, are not alleged to satisfy, in whole
7 or in part, any element or a step of any claim in the Estech Asserted Patents.

8 **THE ACCUSED INSTRUMENTALITIES**

9 21. On information and belief, Dialpad has and continues to at least design, make,
10 manufacture, sell, or offer to sell communication equipment and services and system-design
11 services, including but not limited to, for example, Dialpad telephony devices (e.g., Polycom
12 VVX250, Polycom VVX350, Polycom VVX450, Yealink SIP-T33G, Yealink SIP-T43U, Yealink
13 SIP-T46U, Yealink SIP-T46U, Yealink SIP-T48U, Yealink SIP-T54W, Yealink SIP-T57W,
14 Polycom x50 Series (OBi Edition), OBi 300+), Dialpad software telephony products (e.g., Dialpad
15 for Windows, Dialpad for iOS, Dialpad for Android, Dialpad Progressive Web App, Dialpad
16 Chrome Extension), Dialpad VoIP telephony servers and services (e.g., Dialpad AI Voice), and
17 products and services that incorporate the same or similar technology, that employ VoIP to perform
18 various functions including, but not limited to, voice calling, voicemail, directory services, quality
19 of service, and others using multiple components including, but not limited to, for example, hubs,
20 switches, routers, session border controllers, servers and the like, and the software for operating
21 such components (“Dialpad Products and Services”).

22 22. Upon information and belief, Dialpad designs telecommunication and information
23 handling systems for its customers by incorporating the Dialpad Products and Services into their
24 customers’ existing network infrastructure.

25 23. Upon information and belief, the telecommunication and information handling
26 systems made for, sold and/or offered for sale to customers by Dialpad and the telecommunication
27 and information handling systems used by Dialpad employees provide at least one or more of the

1 following functionalities: (i) the ability to make VoIP-based voice calls using its VoIP telephony
2 devices; (ii) the ability to store voice mail messages; (iii) the ability to allow access to the voice
3 mail messages using VoIP telephony devices; and (iv) the ability to provide directory services,
4 which include, but are not limited to, for example, providing directory information to a user or
5 VoIP telephony device, including, but not limited to, for example, providing a list of
6 telecommunications extensions through VoIP telephony devices.

7 24. When this Complaint references “Accused Instrumentalities,” it is referring to the
8 telecommunications and information handling systems Dialpad offers to sell, sells, and makes for
9 its customers as well as the systems its employees use that are referenced in paragraphs 21-23
10 above and are incorporated herein by reference.

11 **COUNT I**

12 **INFRINGEMENT OF U.S. PATENT NO. 8,391,298**

13 25. Estech repeats and re-alleges the allegations in paragraphs 1-24 as though fully set
14 forth in their entirety.

15 26. Estech owns all substantial rights, interest, and title in and to the '298 Patent,
16 including the sole and exclusive right to prosecute this action and enforce the '298 Patent against
17 infringers, and to collect damages for all relevant times. The United States Patent and Trademark
18 Office duly issued the '298 Patent on March 5, 2013. A copy of the '298 Patent is attached as
19 Exhibit A.

20 27. The '298 Patent is titled “Phone Directory in a Voice Over IP Telephone System.”
21 The '298 Patent describes information processing systems that store a list of phone numbers,
22 integrated with a VoIP telephony system, to provide those phone numbers to the user of a VoIP
23 telephone. The user can use that list to dial the telephone number of another user associated with
24 the VoIP telephony system.

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

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

12 30. Dialpad has infringed the '298 Patent by at least making, having made, using,
13 importing, providing, supplying, distributing, selling, or offering the Accused Instrumentalities for
14 sale.

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

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

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

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

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

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

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

10 38. Estech or its predecessors-in-interest have satisfied all statutory obligations
11 required to collect pre-filing damages for the full period allowed by law for infringement of the
12 '298 Patent.

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

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

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

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

17 43. Dialpad's direct and indirect infringement of the '298 Patent is, has been, and
18 continues to be willful, intentional, deliberate, or in conscious disregard of Estech's rights under
19 the patent.

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

24 45. Estech has suffered irreparable harm, through its loss of market share and goodwill,
25 for which there is no adequate remedy at law. Estech has and will continue to suffer this harm by
26 virtue of Dialpad's infringement of the '298 Patent. Dialpad's actions have interfered with and
27 will interfere with Estech's ability to license technology. The balance of hardships favors Estech's

1 ability to commercialize its own ideas and technology. The public interest in allowing Estech to
2 enforce its right to exclude outweighs other public interests, which supports injunctive relief in
3 this case.

4 **COUNT II**

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

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

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

13 48. The '684 Patent is titled "Quality of Service in a Voice Over IP Telephone System."
14 The '684 Patent describes information handling systems used to transmit voice using VoIP
15 technology. The information handling systems throttle the amount of data being transferred from
16 a workstation connected to the VoIP telephone.

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

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

3 51. Dialpad has infringed the method claims of the '684 Patent by making, having
4 made, using, importing, providing, supplying, distributing, selling, or offering the Accused
5 Instrumentalities for sale.

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

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

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

15 55. The Accused Instrumentalities sufficiently throttle data sent from workstations to
16 VoIP telephony devices to increase a rate of transfer of audio information during the
17 communication of audio information, the data throttling comprises reducing a future amount of
18 data from being transferred from the workstation if the amount of data exceeds a predetermined
19 threshold.

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

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

1 58. Estech or its predecessors-in-interest have satisfied all statutory obligations
2 required to collect pre-filing damages for the full period allowed by law for infringement of the
3 '684 Patent.

4 **COUNT III**

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

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

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

13 61. The '699 Patent is titled "Voice Mail in a Voice Over IP Telephone System." The
14 '699 Patent describes an information handling system for storing a voice mail message in a voice
15 mail box in a voice mail system within a first local area network (LAN). A user can access and
16 listen to the voice mail using a VoIP telecommunications device within a second LAN by
17 connecting to the first LAN via a wide-area network (WAN), such as the Internet.

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

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

3 64. Dialpad has infringed the method claims of the '699 Patent by making, having
4 made, using, importing, providing, supplying, distributing, selling, or offering the Accused
5 Instrumentalities for sale.

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

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

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

22 68. The VoIP telephony devices and VoIP servers can establish a channel between the
23 first and second LANs over the WAN, wherein the establishing includes: (i) in response to an
24 input at VoIP telephony devices, sending a user mail box connection message from the second
25 LAN to the first LAN requesting a channel, wherein the user mail box connection message includes
26 an extension associated with VoIP telephony devices and an identification of the voice mail box;

1 (ii) assigning the channel by VoIP servers in the first LAN; and (iii) sending a connection
2 established message from VoIP servers in the first LAN to the second LAN.

3 69. As described above, Dialpad has directly infringed (literally or under the doctrine
4 of equivalents) one or more method claims, including at least Claim 1 of the '699 Patent. Estech
5 does not allege infringement of any non-method claims of the '699 patent.

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

10 71. Estech or its predecessors-in-interest have satisfied all statutory obligations
11 required to collect pre-filing damages for the full period allowed by law for infringement of the
12 '699 Patent.

13 **JURY DEMAND**

14 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Estech requests a trial by jury
15 on all issues triable by a jury.

16 **PRAYER FOR RELIEF**

17 Estech requests that the Court find in its favor and against Dialpad, and that the Court grant
18 Estech the following relief:

19 a. Judgment that one or more claims of the Estech Asserted Patents have been
20 infringed, either literally or under the doctrine of equivalents, by Dialpad or all others acting in
21 concert therewith;

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

1 c. Judgment that Dialpad accounts for and pays to Estech all damages to and costs
2 incurred by Estech because of Dialpad's infringing activities and other conduct complained of
3 herein;

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

6 e. Pre-judgment and post-judgment interest on the damages caused by Dialpad's
7 infringing activities and other conduct complained of herein;

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

10
11 All other and further relief as the Court may deem just and proper under the circumstances.

12
13 Dated: April 26, 2024

Respectfully submitted,

/s/ Stephen R. Dartt

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