

**Keywords:** claim construction, common specification, prosecution history, later application.

**General:** Asserted claims of patents directed to systems and methods for simultaneously transmitting voice and/or computer data are restricted to communications over telephone lines, and thus do not encompass communications over packet-switched network such as Internet, even though only one claim at issue explicitly states that transmission of data packets must occur “over a telephone line,” since specification repeatedly and consistently describes systems of claimed inventions as communicating directly over telephone line.

*Microsoft Corp. v. Multi-Tech Systems Inc.*  
69 U.S.P.Q.2d 1815 (Fed. Cir. 2004)  
February 3, 2004

## I. Facts

In this case, Multi-Tech Systems Inc. (Multi-Tech) appeals from final judgments of noninfringement entered in two actions. In the first action Multi-Tech filed suit against Net2Phone Inc. (NetPhone) in the United States District Court for the District of Minnesota for infringement of U.S. Patents 5,452,289 (‘289), 5,600,649 (‘649), 5,764,627 (‘627), and 5,471,470 (‘470). Microsoft Corp. (Microsoft) filed suit against Multi-Tech in that same court, seeking a declaratory judgment of noninfringement, invalidity, and unenforceability of seven Multi-Tech patents. Multi-Tech counterclaimed alleging that Microsoft infringed U.S. Patents ‘289, ‘470, ‘649, and 5,790,532 (‘532). Five of the patents at issue (i.e., the patents listed above) had the same parent application, ‘289, and all shared a common specification.

The district court construed the disputed claim terms in the two cases in a single Markman order. Specifically, for all five patents at issue, the court limited Multi-Tech’s inventions to use of direct point-to-point telephone line connections. Additionally, the court defined the claim terms: “headers,” “multiplexing,” “hands-free speaker phone,” “full-duplex speaker phone,” and “digitizing.” Following this claim construction order, Multi-Tech stipulated that Microsoft and NetPhone did not infringe under those claim constructions. The district court then entered final judgments of noninfringement in both actions.

Multi-Tech timely appealed, challenging the judgment in the Microsoft case only with respect to the ‘649, ‘627, and ‘532 patents and challenging the judgment in the NetPhone case only with respect to the ‘649 and ‘627 patents. The only issues on appeal relate to claim construction.

## II. Issues

- A. Did the district court properly construe the asserted claims of the ‘649, ‘627, and ‘532 patents to be limited to communications over a telephone line and to exclude communications over a packet-switched network?
- B. Should any disclaimer arising from statements made during prosecution of the ‘627 patent be applied to the ‘649 patent when the ‘649 patent issued before those statements were made?
- C. Did the district court properly construe the limitations relating to “headers,” multiplexing,” and “speaker phones” as recited in claims of the ‘649, ‘627, and ‘532 patents?

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### III. Discussion

- A. Yes, the district court properly construed the “sending,” “transmitting,” and “receiving” limitations in the ‘649, ‘627, and ‘532 patents as being limited to communications over a telephone line and excluding the use of a packet-switched network. Claim interpretation begins with the claims. Nonetheless, the claims must be interpreted in light of the specification, which is identical for all three patents. From the plain language of the claims in ‘627, only claim 7 explicitly states that the transmission of data packets must occur “over a telephone line.” However, statements in the specification consistently describe the claimed inventions as communicating directly over a telephone line. Additionally, the statements found in the specification are not limited to describing preferred embodiments, but more broadly describe the overall inventions of all three patents. Indeed, statements in the specification characterize the entire “personal communications system” as enabling communications between a local site and a remote site over a telephone line. Nowhere does it even suggest the use of a packet-switched network. Instead, the specification leads to the inescapable conclusion that the communications between the local and remote sites of the claimed inventions must occur directly over a telephone line.

Furthermore, an examination of the ‘627 patent’s prosecution history confirms that Multi-Tech viewed its inventions as being limited to communications over a telephone line. In response to the examiner’s first office action, Multi-Tech provided a “summary of the invention,” which stated:

Applicants disclose a communications system which operates over a standard telephone line. Such a telephone line is commonly referred to in the art as a “plain old telephone service” (POTS) line and establishes a point-to-point connection between telephone equipment on each end of the line. Applicants’ invention ... transmits the packets across a POTS line to a remote site ...

(citation omitted). This statement makes clear that Multi-Tech viewed the local and remote sites of its inventions as communicating directly over a telephone line. In fact, the statement reflects Multi-Tech’s understanding of its inventions in the ‘627, ‘649, and ‘532 patents as being limited to the transmission of data packets over a telephone line.

- B. Yes, although Multi-Tech made the above-quoted statement during prosecution of the ‘627 patent, it is also applicable to both the ‘649 and the ‘532 patents. The prosecution history of one patent is relevant to an understanding of the scope of a common term in a second patent stemming from the same parent application. A patentee’s statements during prosecution, whether relied on by the examiner or not, are relevant to claim interpretation. The holding in *Georgia-Pacific Corp. v. United States Gypsum Co.*, 195 F.3d 1322 (Fed. Cir. 1999) is not to the contrary. In that case, the Federal Circuit rejected the argument that the patentee was “bound by” statements made by the applicant in connection with a later application after the patent in suit had already issued. *See id.* at 1333. However, the Federal Circuit did not suggest that such a statement would be irrelevant as to the scope of the disclosed invention.
- C. No, the district court’s constructions of the limitations relating to “headers,” “multiplexing,” and “speaker phones” require revision. Regarding “headers” and “multiplexing,” the district court improperly imported limitations from the specification’s disclosure of preferred embodiments. Regarding “speaker phones” the district court construed the limitations too narrowly, impermissibly excluding a preferred embodiment.

#### **IV. Conclusion**

The district court properly construed the asserted claims of the '649, '627, and '532 patents to be limited to communications over a telephone line and to exclude communications over a packet-switched network such as the Internet. The district court's construction of the limitations relating to "headers," "multiplexing," and "speaker phones," were revised. However, because Multi-Tech's stipulations were unaffected, the final judgments of the district court were affirmed.

#### **V. Dissent**

Judge Rader dissented, stating:

This court today asserts that the language in the specification regarding "over" and "through" a telephone line somehow requires the claims to cover only those communication networks where nothing but a telephone line lies between the two end sites. To my eyes, that logic is akin to Evel Knievel jumping the Snake River Gorge on a motorcycle. Like Mr. Knievel, this court's conclusion falls short....

... If I travel *over* the river and *through* the woods to grandmother's house, this court would apparently conclude that I have traveled through nothing but rivers and woods....

*Microsoft*, 69 U.S.P.Q.2d at 1827. Judge Rader goes on to assert that this case represents the first time the Federal Circuit has applied the prosecution history of one patent to limit the claims of a related patent that was allowed before the creation of the prosecution history at issue.