

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA**

Estech Systems IP, LLC v. Freshworks Inc.

Estech · No. 5:24-cv-02525-EJD · Decided December 26, 2025

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6
SAN JOSE DIVISION 7 8 ESTECH SYSTEMS IP, LLC, Case No. 5:24-cv-02525-EJD 9
Plaintiff, ORDER GRANTING MOTION TO DISMISS 10 v. 11 FRESHWORKS INC., Re: ECF
No. 56 Defendant. 12 13 Plaintiff Estech Systems IP, LLC brings this suit against Defendant
Freshworks Inc. for 14 infringement of U.S. Patent Nos. 8,391,298 (the “298 Patent”) and
7,123,699 (the “699 Patent”) 15 (together, the “Asserted Patents”).

The Asserted Patents are directed to systems and methods for 16 providing communications
systems across local area networks (“LANs”), including voice over IP 17 (“VoIP”) telephony.
Freshworks now moves to dismiss Estech’s First Amended Complaint 18 (“FAC”) for failure to
state a claim under Rule 12(b)(6). Mot., ECF No. 56; FAC, ECF No. 51. 19 The motion is fully
briefed, and the Court heard oral argument on June 26, 2025.

Opp., ECF No. 20 59; Reply, ECF No. 63; ECF No. 77. After careful consideration, the Court
GRANTS 21 Freshworks’s motion. 22 I. BACKGROUND 23 The Court summarized the relevant
factual background of this case in its Order dismissing 24 Estech’s original complaint. MTD
Order at 1–4, ECF No. 49.

The relevant facts remain the same. 25 In the FAC, Estech reasserts the claims of direct and
indirect infringement the Court previously 26 27 1 dismissed. Attached to the FAC are two new
exhibits that appear to be claim charts¹ comparing 2 the claims of the Asserted Patents to the
Accused Instrumentalities.² FAC, Exs. B, D, ECF Nos. 3 51-2, 51-4. 4 II. LEGAL STANDARD 5
For the FAC to survive Freshworks’s 12(b)(6) motion, it must allege sufficient facts from 6 which
the Court can reasonably infer that Freshworks is liable for the alleged patent infringement.

7 See *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 8
544, 570 (2007)). Courts accept well-pled allegations in the complaint as true, but unsupported 9
legal conclusions are not afforded the same treatment. *Iqbal*, 556 U.S. at 678 (citing *Twombly*, 10
550 U.S. at 555).

As such, “[t]hreadbare recitals of the elements of a cause of action supported by 11 mere
conclusory statements” are insufficient to state a plausible claim for relief. *Id.* 12 Likewise, in the

patent context, a plaintiff does not assert a plausible claim for 13 infringement by merely reciting the elements of patent claims and concluding that the accused 14 product practices those elements.

Bot M8 LLC v. Sony Corp. of Am., 4 F.4th 1342, 1353 (Fed. Cir. 15 2021). “A plaintiff is not required to plead infringement on an element-by-element basis,” but the 16 claim must be supported by factual allegations that, when taken as true, give rise to a plausible 17 inference of infringement beyond the speculative level. *Id.* at 1352 (citing *Nalco Co. v. Chem- 18 Mod, LLC*, 883 F.3d 1337, 1350 (Fed.

Cir. 2018)). “The level of detail required in any given case 19 will vary depending upon a number of factors, including the complexity of the technology, the 20 materiality of any given element to practicing the asserted claim(s), and the nature of the allegedly 21 infringing device.” *Id.* at 1353. 22 III. DISCUSSION 23 Freshworks’s motion is relatively straightforward.

In the MTD Order, the Court dismissed 24 25 1 Because Estech’s claim charts forms the basis of its infringement claims, the Court considers them as incorporated into the FAC by reference. See *Khoja v. Orexigen Therapeutics, Inc.*, 899 26 F.3d 988, 1002 (9th Cir. 2018). 2 “Accused Instrumentalities” has the same meaning as in the FAC—i.e., Freshworks’s 27 telecommunications and information handling systems accused of infringing the Asserted Patents.

See FAC ¶¶ 21–24. 1 Estech’s infringement claims with leave to amend to “include additional factual allegations to 2 support a plausible claim of infringement beyond just identifying the products and claiming they 3 infringe” and to correct “the conclusory nature of the allegations which merely track the claim 4 language.” MTD Order at 6–8. Freshworks argues that Estech has not remedied these 5 deficiencies in the FAC.

6 A. Direct Infringement 7 A party who “makes, uses, offers to sell, or sells” a patented invention “without authority” 8 directly infringes a patent. 35 U.S.C. § 271(a). To state a claim for direct infringement, a plaintiff 9 must plead facts that give the alleged infringer fair notice of the claim and the accused 10 misconduct. *Disc Disease Sols. Inc. v. VGH Sols., Inc.*, 888 F.3d 1256, 1260 (Fed.

Cir. 2018). 11 Even then, a plaintiff may still fail to state a claim where (1) the infringement theory rests on an 12 implausible claim construction (*Ottah v. Fiat Chrysler*, 884 F.3d 1135, 1141–42 (Fed. Cir. 2018)), 13 or (2) “the factual allegations are actually inconsistent with and contradict infringement” (*Bot M8*, 14 4 F.4th at 1354). Freshworks contends that Estech has failed to plead a claim for direct 15 infringement of the Asserted Patents for both of these reasons.

16 1. ’298 Patent 17 Estech alleges that Freshworks directly infringes at least Claim 13 of the ’298 Patent. FAC 18 ¶¶ 25–45. Claim 13 recites the following: 13. A telecommunications system comprising: 19 a first IP telephone coupled to a first IP server within a first LAN; second and third telephone extensions coupled to a second IP server within a 20 second LAN; a WAN coupling the

first LAN to the second LAN, the first LAN, the second 21 LAN, and the WAN communicating using an IP protocol; a third LAN coupled to the first and second LANs via the WAN; 22 means for displaying on the first IP telephone a list of telephone destinations stored in the second IP server in response to selection of a first input 23 on the first IP telephone, wherein the list of telephone destinations is communicated from the second IP server over the WAN to the first 24 IP telephone; means for automatically dialing the selected one of the telephone destinations 25 for a communications link between the first IP telephone and the selected one of the telephone destinations in response to selection of 26 one of the telephone destinations from the displayed list, wherein the selection of one of the telephone destinations from the displayed list 27 is performed in response to selection of a second input on the first IP telephone by a user; 1 means for displaying on the first IP telephone a list of LANs coupled to the WAN, including the second and third LANs; and 2 means for displaying the first list in response to selection of the second LAN from the displayed list of LANs.

3 '298 Patent 17:20–50. 4 Freshworks argues that Estech's infringement theories are contradictory or otherwise 5 implausible. In support, Freshworks identifies several limitations in Claim 13 that highlight the 6 deficiency of Estech's allegations.

The Court takes each in turn. 7 “First LAN.” Freshworks contends that the FAC asserts contradictory theories for how 8 Freshworks practices a “first LAN” and does not provide factual support for those theories. 9 Freshworks reads the FAC, or more specifically the incorporated claim chart in Exhibit B, as 10 alleging that “LAN(s) associated with Freshworks' premises,” “the local network,” or a “caller's 11 phone” all satisfy the “first LAN” element.

Mot. at 10 (citing FAC, Ex. B at 34–42). Freshworks 12 argues that none of these three implements can be a “first LAN” because they contradict each 13 other and do not match up with how the '298 Patent's specification describes a LAN: 14 “Workstation PC 106, network hub 103 and server 104 coupled to each other... where data is 15 communicated between the workstation 106 and the server 104.” Id. (citing '298 Patent, 2:51– 16 54).

17 As an initial matter, the general description of a LAN in the specification does not 18 necessarily limit the patent's scope to that embodiment. See *Apple Inc. v. Wi-LAN Inc.*, 25 F.4th 19 960, 967 (Fed. Cir. 2022).

The specification explicitly states that its description of the 20 components comprising a LAN only “illustrate[s] a typical LAN configuration.” '298 Patent, 21 2:50–54. Any further construction of the term “LAN” is improper at the 12(b)(6) stage. See 22 *Nalco*, 883 F.3d at 1350. 23 Freshworks's remaining arguments also miss the mark. Estech explains that the three 24 components Freshworks identifies from the claim chart generally refer to the same concept: a local 25 network consisting of phones, servers, and routers on a Freshworks customer's premises.

See 26 Opp. at 10 (“Estech’s theory is that each Freshworks customer’s site has a local network (with 27 1 phones, and possibly on-site servers or routers)—i.e., a first LAN—which connects to 2 Freshworks’ cloud.”).

Under this theory, a “caller’s phone” is not by itself a LAN. Rather, it is 3 one of many devices that may be coupled to a Freshworks customer’s LAN. Likewise, “LAN(s) 4 associated with Freshworks’ premises” and “the local network” both refer to Freshworks customer 5 LANs. Estech provides screenshots of Freshworks webpages that instruct or recommend that 6 customers use LANs, providing some basis to infer that customer LANs are used as part of the 7 Accused Instrumentalities.

See FAC, Ex. B at 36–37. 8 Freshworks nevertheless contends that Estech’s theory cannot be squared with its 9 allegation that the LANs are “associated with Freshworks’ premises,” because the relevant LANs 10 reside on a customer’s premises rather than on Freshworks’s. This argument, too, is unpersuasive. 11 Estech alleges that customer LANs are connected to Freshworks’s premises “via an Ethernet or 12 Wi-Fi connection,” meaning the wide area network (“WAN”).

The Court does not read Estech’s 13 arguments or allegations as requiring the LANs to be physically within Freshworks’s own 14 environment. Accordingly, the Court does not find Estech’s allegations regarding a “first LAN” 15 to be implausible or contradictory. 16 “Second LAN.” Similarly, Freshworks argues that Estech does not plausibly allege 17 “second and third telephone extensions coupled to a second IP server within a second LAN” 18 because Estech’s infringement theory rests on an implausible definition of a LAN.

Estech alleges 19 that “the second LAN can be the Freshworks cloud network” (FAC, Ex. B at 39), and explains that 20 “Freshworks’ cloud network contains networked computers that locally communicate with each 21 other, so they form a [LAN]” (Opp. at 13). Freshworks contends that its cloud network cannot be 22 a LAN based on the way the ’298 Patent’s specification defines the term.

But as explained above, 23 the specification’s definition does not necessarily preclude Freshworks’s cloud network from 24 being a LAN. Estech’s explanation that the Freshworks cloud is a LAN because it contains 25 networked computers locally communicating with each other is somewhat vague but plausibly fits 26 within the ’298 Patent’s broad definition of a LAN.

27 However, Estech’s theory that Freshworks’s cloud constitutes a “second LAN” runs into 1 another issue. As Estech itself alleges, “phones can... register over the WAN to Freshworks’ 2 cloud servers using the IP protocol.” FAC, Ex. B at 39 (emphasis added). A network with 3 devices that connect over large distances via a WAN is at odds with the plain meaning of a local 4 area network (LAN).

Without further explanation to reconcile this apparent contradiction, 5 Estech's infringement theory regarding the "second LAN" rests on an implausible claim 6 construction. See *ALD Soc., LLC v. Verkada, Inc.*, 654 F. Supp. 3d 972, 978 (N.D. Cal. 2023). 7 Accordingly, Estech does not plausibly allege that Freshworks's system practices a "second 8 LAN." 9 "First IP server." Freshworks argues that Estech's allegations regarding a "First IP Server" 10 are conclusory and contradictory.

In its claim chart, Estech lists many different components in the 11 first LAN that could meet this requirement: provisioning server, configuration server, DHCP 12 server, LLDP server, Session Border Controller, OAM appliance/management station/server, 13 OAMP appliance/management station/server, local survivability appliance, survivability server, 14 on-premises configuration server, or NTP/firmware update host.

FAC, Ex. B at 34–35. Estech 15 claims that this list demonstrates that Freshworks's system could involve a variety of different 16 kinds of IP servers. Freshworks, on the other hand, contends that listing components that 17 Freshworks customers could use without alleging facts to support that any customer actually uses 18 any of these components is conclusory and insufficient to allege infringement.

19 The Court agrees with Freshworks. Though it lists several potential examples of a "first IP 20 server," Estech does not allege facts suggesting that any of these examples exist in the Accused 21 Instrumentalities. That is, merely listing possible ways Freshworks's system could practice a 22 "first IP server" is insufficient to allege that it plausibly does so.

See *Iqbal*, 556 U.S. at 678 23 ("Where a complaint pleads facts that are merely consistent with a defendant's liability, it stops 24 short of the line between possibility and plausibility of entitlement to relief." (internal quotations 25 omitted) (quoting *Twombly*, 550 U.S. at 557)). Estech's shotgun approach to alleging that the 26 Accused Instrumentalities use some form of "first IP server" fails to provide Freshworks with fair 27 notice of the specific conduct being accused of infringement and improperly shifts the burden of 1 demonstrating infringement onto Freshworks.

See *Lifetime Indus., Inc. v. Trim-Lok, Inc.*, 869 F.3d 2 1372, 1379 (Fed. Cir. 2017) (quoting *K-Tech Telecomms., Inc. v. Time Warner Cable, Inc.*, 714 3 F.3d 1277, 1284 (Fed. Cir. 2013)). To the extent Estech relies on the assumption that Freshworks 4 must use at least one of these components by virtue of being a VoIP provider, Estech fails to 5 substantiate that assumption with other factual allegations.

As such, Estech has not plausibly 6 alleged a "first IP server." 7 "Third LAN." Freshworks asserts the same arguments it makes for the "first LAN" to the 8 "third LAN." For the same reasons stated above, Estech has plausibly alleged a "third LAN." 9 "A WAN coupling the first LAN to the second LAN." Freshworks next challenges the 10 sufficiency of Estech's allegations regarding

“a WAN coupling the first LAN to the second LAN.” 11 Estech alleges that the Internet is the relevant WAN, and Freshworks couples (or at least directs or 12 controls the coupling of) LANs over the Internet through its system.

Opp. at 17 (citing FAC, Ex. 13 B at 47, 54–55). Yet, at the same time, it contends that “[Freshworks’s] cloud servers cause the 14 two LANs to communicate,” implying that the cloud is the relevant WAN and not one of the 15 connected LANs. *Id.* This contradicts Estech’s other allegation that Freshworks’s cloud is the 16 “second LAN.” Given these seemingly incongruous allegations, Estech fails to plausibly allege 17 that Freshworks’s system practices “a WAN coupling the first LAN to the second LAN.” 18 “Means for displaying... a list of LANs.” Finally, Freshworks argues that Estech has not 19 plausibly alleged that the Accused Instrumentalities practice a “means for displaying... a list of 20 LANs coupled to the WAN, including the second and third LANs.” Estech alleges the Accused 21 Instrumentalities display “different directories of contacts”—e.g., “Personal Directory” and 22 “Company Directory”—rather than a list of LANs, so Freshworks contends that Estech has failed 23 to plausibly allege infringement.

FAC, Ex. B at 80–88. Estech counters that displaying a list of 24 directories connected with each LAN is functionally the same as displaying a list of the LANs 25 themselves. Opp. at 20 (“Estech’s theory is not that a contact is a LAN; it is that the phone’s 26 grouping of contacts by source or location is effectively a grouping by LAN.”); see also FAC, Ex. 27 B at 87 (alleging the same under the doctrine equivalents).

At this early stage, Estech’s proffered 1 construction does not strike the Court as implausible given the ’298 Patent’s general purpose. As 2 such, Estech has plausibly alleged a “means for displaying... a list of LANs.” 3 2. ’699 Patent 4 Freshworks asserts similar arguments as to the ’699 Patent.

In the FAC, Estech alleges 5 that Freshworks infringes “at least Claim 1 of the ’699 Patent.” FAC ¶¶ 46–58. Claim 1 recites, 6 in relevant part, the following: In a telecommunications system, a method comprising the steps of: 7 storing a voice mail message in a voice mail box in a voice mail system within a first LAN; 8 coupling a second LAN to the first LAN over a WAN, wherein the first LAN, the second LAN, and the WAN operate under a 9 routable network protocol;... establishing a channel between the first and second LANs over the 10 WAN;...

11 ’699 Patent, 12:52–13:4. According to Estech, the “first LAN” for purposes of the ’699 Patent is 12 Freshworks’s cloud data center, and the “second LAN” has the same meaning as “first LAN” in 13 the ’298 Patent—i.e., a Freshworks customer’s local network. Opp. at 21–22. 14 Freshworks argues that the FAC’s allegations fail to satisfy the “first LAN” limitation for 15 the same reasons discussed above with regard to the ’298 Patent.

That is, Estech's theory that the 16 "first LAN" in the '699 Patent is Freshworks's cloud network rests upon an implausible 17 construction of the term "LAN." The Court agrees for the same reasons already discussed. 18 Estech's theory of "first LAN" for the '699 Patent also suffers from another issue. Claim 1 19 requires that "a voice mail system" be "within a first LAN." Estech alleges that the "voice mail 20 system" could be either in Freshworks's cloud or some unidentified third-party server but does not 21 provide any facts to support the plausibility of either of these allegations.

FAC, Ex. D at 33. Nor 22 do the screenshots Estech provides say anything about where voicemails in Freshworks's system 23 are stored. See *id.* at 33–43. Accordingly, Estech fails to allege infringement of the '699 Patent 24 because its allegations are conclusory and rest upon an implausible claim construction. ALD 25 Social, 654 F. Supp. 3d at 978. 26 * * * 27 To summarize, Estech's FAC does not fully cure the pleading deficiencies the Court 1 identified in the MTD Order and thus still does not state an actionable claim for direct 2 || infringement of the Asserted Patents.

The Court therefore Freshworks's motion to dismiss the 3 || direct infringement claim. The Court is somewhat skeptical that Estech will be able to cure the 4 || pleading deficiencies identified in this Order, but nonetheless GRANTS leave to amend out of an 5 abundance of caution. 6 B. Indirect and Willful Infringement 7 Since Estech has again failed to plead a plausible claim for direct infringement of the 8 Asserted Patents, Estech's indirect and willful infringement claims also fail.

See *e.Digital Corp. v. 9 || iBaby Labs, Inc.*, No. 15-CV-05790, 2016 WL 4427209, at *5 (N.D. Cal. Aug. 22, 2016) 10 (dismissing indirect infringement claim where complaint failed to state direct infringement claim); 11 see also *Yangtze Memory Techs. Co., Ltd. v. Micron Tech., Inc.*, No. 23-CV-05792, 2024 WL 12 3422598, at *3 (N.D. Cal. July 16, 2024) (dismissing willful infringement claim where complaint 5 13 failed to state a claim for direct infringement).

The Court therefore GRANTS Freshworks's 14 || motion as to Estech's claim for indirect infringement of the Asserted Patents. 2 15 || IV. CONCLUSION 16 For the foregoing reasons, the Court GRANTS Freshworks's motion.

The Court further 3 17 grants Estech leave to amend, and any amended complaint must be filed within 21 days of this S 18 Order. 19 IT IS SO ORDERED. 20 Dated: December 26, 2025 21 22 EDWARD J. DAVILA 23 United States District Judge 24 25 26 27 28 || Case No.: 5:24-cv-02525-EJD ORDER GRANTING MOTION TO DISMISS