

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

DIALECT, LLC,
Patent Owner.

IPR2025-01193
Patent 7,917,367 B2

**PETITIONER'S OPPOSITION TO
PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

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EXHIBIT LIST

LIST OF NEWLY FILED EXHIBITS

Exhibits concurrently filed with Petitioner's Opposition To Patent Owner's

Request For Discretionary Denial:

No.	Description
1025	Comparison of U.S. Patent No. 7,917,367 against U.S. Patent No. 7,640,160
1026	<i>End of Support For Cortana</i> , Microsoft, available at https://support.microsoft.com/en-us/topic/end-of-support-for-cortana-d025b39f-ee5b-4836-a954-0ab646ee1efa#:~:text=Cortana%20voice%20assistance%20in%20Windows,in%20the%20fall%20of%202023
1027	Chris Paoli, <i>Microsoft to Kill Cortana in Windows</i> , Redmond Magazine, June 5, 2023, available at https://redmondmag.com/articles/2023/06/05/microsoft-to-kill-cortana-in-windows.aspx
1028	<i>Cortana to Open up to New Devices and Developers With Corana Skills Kit and Cortana Devices SDK</i> , Windows Apps Team, Dec. 13, 2016, available at https://blogs.windows.com/windowsdeveloper/2016/12/13/cortana-skills-kit-cortana-devices-sdk-announcement
1029	Appendix H to the Complaint, <i>Dialect, LLC v. Microsoft Corp.</i> , Case 2:24-cv-01067-JRG (E.D. Tex. Dec. 20, 2024)
1030	Daniel B. Kline, <i>Is 2015 the Year Voice Assistants Take Over Your Home?</i> , The Motley Fool, Jan. 25, 2015, available at https://www.fool.com/investing/general/2015/01/25/is-2015-the-year-cortana-echo-and-siri-take-over-y.aspx
1031	Madeline Vuong, <i>VoiceBox and Samsung Announce Partnership for S Voice Technology</i> , GeekWire, Feb. 22, 2016, available at https://www.geekwire.com/2016/voicebox-and-samsung-announce-partnership-for-samsung-voice-services

No.	Description
1032	<i>Nuance and Microsoft Partner to Transform the Doctor-Patient Experience</i> , Microsoft Source, Oct. 17, 2019, available at https://news.microsoft.com/source/2019/10/17/nuance-and-microsoft-partner-to-transform-the-doctor-patient-experience
1033	Press Release, Microsoft Corp. and Nuance Communications, Inc., Microsoft Accelerates Industry Cloud Strategy for Healthcare with the Acquisition of Nuance, April 12, 2021, available at https://news.microsoft.com/source/2021/04/12/microsoft-accelerates-industry-cloud-strategy-for-healthcare-with-the-acquisition-of-nuance/
1034	Franchise Tax Account Status, Texas Comptroller of Public Accounts, available at https://comptroller.texas.gov/taxes/franchise/account-status/search/32083980899
1035	<i>A Study of Unpatentability Findings in Inter Partes Review (IPR) Final Written Decisions (FWDs)</i> , United States Patent and Trademark Office, Nov. 21, 2024, available at https://www.uspto.gov/sites/default/files/documents/ppac-aia-ipr-study-20241121.pdf
1036	U.S. District Court – Judicial Caseload Profile, available at https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0630.2025.pdf
1037	Final Written Decision, <i>Google LLC v. Dialect, LLC</i> , IPR2024-00753, Paper 36 (PTAB Oct. 17, 2024)
1038	Press Release, Microsoft Completes Acquisition of Nuance, Ushering in New Era of Outcomes-Based AI, March 4, 2022, available at https://news.microsoft.com/source/2022/03/04/microsoft-completes-acquisition-of-nuance-ushering-in-new-era-of-outcomes-based-ai/
1039	File History of U.S. Patent No. 7,640,160

LIST OF PREVIOUSLY FILED EXHIBITS

No.	Description
1001	U.S. Patent No. 7,917,367 (“ 367 patent ”)
1002	File History of U.S. Patent No. 7,917,367
1003	Declaration of Paul Jacobs, dated July 18, 2025 (“ Jacobs Decl. ” or “ Jacobs ”)
1004	U.S. Patent Application Pub. No. 2002/0059425 to Belfiore et al. (“ Belfiore ”)
1005	U.S. Patent Application Pub. No. 2004/0044516 to Kennewick et al. (“ Kennewick ”)
1006	Redline showing differences between text, aside from the claims, of Kennewick (EX1005) and 367 patent (EX1001).
1007	U.S. Patent Application Pub. No. 2002/0133354 to Ross et al. (“ Ross ”)
1008	Order (Construing Claim Terms), <i>Dialect, LLC v. Amazon.com Inc. et al.</i> , Civil No. 1:23cv581 (DJN) (E.D. Va. Apr. 29, 2024)
1009	Complaint, <i>Dialect, LLC v. Microsoft Corp.</i> , Case 2:24-cv-01067-JRG (E.D. Tex. Dec. 20, 2024)
1010	Akiyoshi Ochi, <i>et al.</i> , <i>Network Applications for Mobile Computing</i> , Fujitsu Sci. Tech. J., 34(1), 41-49 (Sept. 1998)
1011	Robin Garner, <i>Pelican DHCP Automated Self-Registration System: Distributed Registration and Centralized Management</i> , Proc. of the LISA 2001 15 th Sys. Admin. Conf., 257-266 (Dec. 2001)
1012	Adam Rifkin & Rohit Khare, <i>The Evolution of Internet-Scale Event Notification Services</i> , Workshop on Internet-Scale Event Notification (July 13, 1998)
1013	Antonio Carzaniga, <i>et al.</i> , <i>Achieving Scalability and Expressiveness in an Internet-Scale Event Notification Service</i> ,

No.	Description
	PODC '00: Proc. Nineteenth ACM Symp. Principles of Distributed Computing, 219-227 (2000)
1014	Frederick Jelinek, <i>The Development of an Experimental Discrete Dictation Recognizer</i> , Proc. of the IEEE, 73(11), 1616-1624 (1985)
1015	Andreas Stolcke, et al., <i>Dialogue Act Modeling for Automatic Tagging and Recognition of Conversational Speech</i> , Computational Linguistics, 26(3), 339-373 (Sept. 2000)
1016	E. Levin, et al., <i>The AT&T-DARPA Communicator Mixed-Initiative Spoken Dialog System</i> , Sixth Int'l Conf. on Spoken Language Processing (2000)
1017	International Pub. No. WO 01/78065 to Weber et al.
1018	Appendix H to U.S. Patent No. 7,917,367
1019	Andrew S. Tanenbaum, <i>Computer Networks</i> (Pearson Education, Inc., 4 th ed. 2003)
1020	L. Rau et al., <i>Information Extraction And Text Summarization Using Linguistic Knowledge Acquisition</i> , Information Processing & Management Vol. 25, No. 4, pp. 419-428 (1989)
1021	Paul S Jacobs, <i>Joining Statistics with NLP for Text Categorization</i> , Third Conference on Applied Natural Language Processing, Association for Computational Linguistics, pp. 178-185, Mar. 31, 1992-Apr. 3, 1992
1022	List of Challenged Claims - USP 7,917,367
1023	Paul S. Jacobs, <i>A Knowledge Framework for Natural Language Analysis</i> , IJCAI 87 Proceedings of the Tenth International Conference on Artificial Intelligence, 675-678 (1987)
1024	Email correspondence from Carrie A. Beyer to Garland Stephens, Richard Koehl and Heng Gong dated August 8, 2025 (“ Sotera Plus Stipulation ”)

I. INTRODUCTION

For the reasons explained herein, discretionary denial is not warranted. Material error during original prosecution alone warrants Board review of the challenged claims. Moreover, IPR would provide consistency with the Board’s Final Written Decision (“FWD”) in IPR2024-00753, which found a claim in a related patent obvious, based on two of the three same prior art references relied on here.

IPR here was spurred by Patent Owner’s belated allegations that Microsoft products infringe the challenged ’367 patent, in a suit filed more than a year after a primary accused product, Cortana, had been discontinued. Moreover, earlier owners of the ’367 patent created the impression that Microsoft did not infringe. Contrary to Patent Owner’s assertions, Microsoft has never benefited from the challenged patent and the present circumstances differ greatly from those leading to Microsoft’s earlier IPRs against different patents asserted against Bank of America, which was the named real part in interest (“RPI”) in the earlier IPRs but is not an RPI here.

Finally, Petitioner’s broad stipulation removes any district court overlap and further confirms that discretionary denial is inappropriate.

II. IPR IS AN APPROPRIATE USE OF BOARD RESOURCES TO CURE THE MATERIAL ERROR MADE DURING PROSECUTION AND TO MAINTAIN CONSISTENCY WITH AN FWD IN ANOTHER IPR

Material error during original prosecution, a recent Board FWD in an IPR on a related patent involving two of the three asserted prior art references, and the

focused nature of the Petition all weigh in favor of institution. These and other factors outweigh any “settled expectations” based on the age of the ’367 patent and establish that IPR of the challenged claims is an appropriate use of Board resources.

A. The Examiner Materially Erred By Allowing The Claims Based On Context Synchronization Features Taught By The Prior Art

In allowing the claims, the Examiner focused on the supposed absence from the prior art of context synchronization, finding that the claimed “context” refers to “time, location, numbers, dates, categories” EX1002, 100-101 (“closest prior art of record” disclosed synchronization of “navigation histories,” not “context.”).

The Petition relies on prior art Belfiore (EX1004) and Kennewick (EX1005) to show the unpatentability of all challenged claims. These references were listed on a 300-reference IDS filed only after initial allowance of the claims, although the applicants knew of them much earlier. The Examiner failed to appreciate the context synchronization teachings of these references when allowing the claims. These material errors warrant Board review and weigh against discretionary denial. *E.g.*, *Microsoft Corp. v. ParTec AG*, IPR2025-00318, Paper 9 at 3 (Director June 12, 2025) (“Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error.”).

1. Prior Art Belfiore (EX1004) Teaches Synchronizing Context And Alone Renders Obvious Claims 11-12 And 15

Belfiore (EX1004) expressly teaches synchronizing context, e.g., providing a user's devices with "continually updated information about their *context*." EX1004, [0119] (emphasis added) (cited by Petition, 26); *id.*, [0097] (teaching to maintain consistent "state and context across a number of client devices"). Belfiore performs context synchronization through use of events. *Id.*, [0020] ("Events within the platform are used to synchronize.") (cited by Petition, 27). *See also* Petition, 26-29.

Further, Belfiore describes "context" in a way that aligns with the Examiner's characterization during original prosecution of the '367 patent. For example, Belfiore describes *location data* as part of context events in providing "events, such as an update on the general *location*" EX1004, [0020] (emphasis added) or "a stream of events about a user's *location*" (*id.*, [0123] (emphasis added)) (cited by Petition, 29 ("When a user moves from an old location to a new location, any event (e.g., observation of state) reflecting the new location would be a context change event.")).

Belfiore alone renders obvious three of the five challenged claims. *See* Petition, 18-34. It discloses a multi-server platform that uses events to synchronize context across multiple mobile devices with multi-modal natural language interfaces. *Id.*, 10-17. It even includes claims directed to this concept. *Id.*, 13-16.

2. Kennewick (EX1005) Also Teaches Context Synchronization

Prior art Kennewick (EX1005) also expressly discloses a natural language processing system that synchronizes context across a user's multiple devices, e.g.: "history and profile information for the user may be synchronized between the multiple devices on a periodic basis or other basis." EX1005, [0043]; Petition, 34. Kennewick is Section 102(b) prior art and has one of its five inventors in common with the five inventors of the '367 patent. *Compare* EX1005 with EX1001. Thus, Kennewick describes much of the same subject matter, using much of the same language as the '367 patent, including near-identical Figs. 1-6. *See* Petition, 34.

While Kennewick teaches and discloses many of the challenged claims' features, Belfiore more fully describes implementation details for certain features. The Petition shows how Kennewick in view of Belfiore renders obvious all challenged claims. Petition, 34-62. The Examiner also failed to appreciate device synchronization teachings and how they naturally combined with Belfiore's teachings on device authentication and events. *Id.*, 35-37.

3. The Examiner Failed To Appreciate The Teachings Of Belfiore And Kennewick, Which Were Listed On A 12-Page IDS That Included Over 300 Publications

Although Kennewick and a patent related to Belfiore were included on a 12-page information disclosure statement, that IDS listed 301 documents and nothing indicates that the Examiner meaningfully considered the Belfiore and Kennewick

teachings relied on by the Petition. *See* EX1002, 113-126. Indeed, that IDS was submitted with an RCE only after the Examiner had already allowed the claims. *Compare id.*, 114 (December 6, 2010, letter submitting IDS and RCE) *with id.*, 98-102 (November 1, 2010, notice of allowability). Moreover, the applicants knew of both Belfiore and Kennewick long before submission of the IDS, as the issued patents of those two references were listed on IDSs submitted in 2008/2009, during prosecution of the '367 patent's parent application. EX1039, 314-320, 442-449. In later confirming allowability as part of continued examination under the RCE, the Examiner merely referred to "the reasons given in the previous Office Action." EX1002, 784-88.

The Examiner materially erred by overlooking that Belfiore and Kennewick teach context synchronization and other claimed features, and by failing to issue any rejections based on those two prior art references. *Ecto World, LLC and SV3, LLC v. Rai Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5-6 (Director May 19, 2025) ("[E]ven though the asserted prior art is listed on an IDS, the Examiner did not issue any prior art rejections during examination, so the Examiner materially erred by overlooking certain teachings in the prior art on the IDS."); *id.* at 7 n.3 ("Most IDS submissions contain fewer than 25 references.") (citing Nov. 2024 statistics that "only 4% of applications contain more than 200 applicant-provided items of information.").

B. Efficiency And Consistency Further Weigh Against Denial, As The Board Recently Found That Kennewick And Ross Render Obvious A Claim With Language Similar To Claim 17

In an FWD issued October 17, 2024, the Board found that Kennewick and Ross render obvious claim 12 of U.S. Pat. No. 7,640,160 (“’160 patent”). *Google LLC v. Dialect, LLC*, IPR2024-00753, Paper 36 at 6-7, 39 (PTAB Oct. 17, 2024) (filed as EX1037). The ’160 patent is the parent to the challenged ’367 patent. *See* EX1001, 1. Now-held-obvious ’160 patent claim 12 recites features materially indistinct from those recited in challenged claim 17 of the ’367 patent. *See* EX1025 (side-by-side comparison of these two claims); *see also* Petition, 1 (noting overlap).

This further weighs against discretionary denial, as the Board has made final unpatentability determinations involving both the subject matter recited in challenged claim 17 and the teachings and disclosures of the Kennewick and Ross prior art. *See POSCO Co., Ltd. v. Arcelormittal*, IPR2025-00370, Paper 10 at 3 (Director June 25, 2025) (“The fact that the Board previously determined related claims to be unpatentable ... tips the balance against discretionary denial. It is an appropriate use of Office resources to provide consistency and predictability to the public, and to ensure that a patent applicant or owner does not take action inconsistent with the judgment in a prior Office proceeding.”). Moreover, concerns of efficiency weigh against discretionary denial. Given the Board’s fresh familiarity with both the claimed subject matter and two of the three cited prior art references,

it will more efficiently resolve the unpatentability issues presented in the Petition.

**C. The Petition Presents A Focused Challenge,
Targeting Just Five Claims With Three Overlapping Grounds**

Considerations of efficiency also weigh against exercising discretionary denial given the relatively small number of challenged claims (5) and prior art references (3). Ground 1 presents a single-reference obviousness theory, based on Belfiore alone, that shows the unpatentability of claims 11-12 and 15. Ground 2 shows how those claims and additional claims 17-18 are obvious over the combination of Belfiore and 102(b) prior art Kennewick, which contains many disclosures and figures identical to the challenged '367 patent. Ground 2 thus efficiently relies on many of the same Belfiore teachings and disclosures presented in Ground 1, explaining how skilled artisans would have applied those teachings in the Kennewick system. Ground 3 adds the Ross prior art (EX1007) to the Ground 2 references, as a fallback ground challenging claims 17-18 to the extent that Patent Owner argues Kennewick does not teach verbatim matching. *E.g.*, Petition, 62. Because the Petition challenges just five claims based on a small number of straightforward and overlapping Grounds, an IPR proceeding here would be an efficient use of Board resources.

**III. PATENT OWNER UNREASONABLY DELAYED ASSERTION,
FURTHER WEIGHING AGAINST DISCRETIONARY DENIAL**

Patent Owner took no action during the roughly 10-year life of the now-accused Cortana product, waiting until Cortana had been “retired” for almost twenty months before alleging infringement of the ’367 patent. EX1009, ¶119. Prior owner VoiceBox had supposedly identified the ’367 patent to Microsoft during “extensive discussions” about a possible acquisition (*id.*, ¶¶101-103) but never suggested infringement by any Microsoft technology. Another prior owner, Nuance, never suggested infringement despite intimate knowledge of another now-accused product, Azure AI. *See* EX1032. These actions, and Patent Owner’s undue delay outweigh any settled expectations based on the age of the ’367 patent.

If anything, Microsoft had settled expectations that no VoiceBox patents would be asserted against it, given that neither VoiceBox nor any subsequent owner suggested infringement of any of those patents from April 2012 to December 2024. Microsoft certainly had settled expectations that those patents would not be asserted against its discontinued Cortana offering or the Azure AI technology used by Nuance when Nuance owned the ’367 patent before being acquired by Microsoft. *See id.*

**A. Patent Owner Did Not Allege Infringement Until 2024,
After The Accused Cortana Was Discontinued, And Based Its
Infringement Allegations on Public Documents Dating To 2014**

Patent Owner waited to assert the ’367 patent until after Microsoft had discontinued accused product Cortana. Not only that, but its infringement allegations

were based on public documents from as early as 2014, showing that it knew or should have known about the allegedly infringing conduct long before the complaint and long before the discontinuation of Cortana. This lay-in-the weeds approach undercuts Patent Owner’s allegations of settled expectations and cements Microsoft’s own expectation that it would not face any infringement allegations.

Patent Owner filed its complaint on December 20, 2024 (EX1009), less than eight months before the ’367 patent expired and identified Cortana as an accused product (*e.g.*, *id.*, ¶¶45, 116-119). Yet Patent Owner admits that Cortana had existed since 2014 (*id.*, ¶116) and was discontinued by 2023 (*id.*, ¶119 (“[I]n 2023, Microsoft retired Cortana and replaced it with Copilot as the new virtual assistant in Windows.”) (citing EX1026); *see also* EX1027).

Moreover, the complaint’s infringement allegations relied on old documents, showing Patent Owner knew or should have known about the allegedly infringing acts for years. For example, the December 2024 Complaint cited to a 2016 webpage in alleging that Microsoft “advertised the Accused Products with instructions to users to encourage infringement” (EX1009, ¶¶307-308 (citing EX1028)) and incorporated a supposed infringement claim chart that cited to *inter alia* a 2015 YouTube video (EX1029 at 1), a 2016 IEEE publication (*id.* at 3, 6-7, 7-8), a 2018 article (*id.* at 7), a 2015 article (*id.* at 12), and a 2016 article (*id.*).

This unreasonable delay by Patent Owner—withholding allegations despite long-accessible documents that purportedly showed infringement—suggests that Microsoft reasonably could have expected not to have been accused of infringing the '367 patent. And even though Patent Owner was assigned the '367 patent in May 2022, it delayed another 18 months before bringing suit. Moreover, its delay was preceded by 10 additional years during which prior owners never suggested that Microsoft infringed the patent, despite interactions with Microsoft and knowledge of Microsoft's offerings. *Infra* Sections III.B-C. Notably, Patent Owner does not allege that it or any of its predecessors accused Cortana (or any other Microsoft product) of infringing the '367 patent prior to its December 2024 Complaint.

Patent Owner's delay prejudiced Microsoft, which reasonably did not expect any assertion of infringement. That prejudice extended to other accused products, such as Copilot. Had Patent Owner timely raised its infringement allegations regarding Cortana, Microsoft could have accounted for and dealt with those allegations prior to developing and deploying any follow-on Azure and Copilot technologies.

B. Original Assignee VoiceBox Never Alleged Infringement, Despite Supposedly “Extensive Discussion” With Microsoft

Patent Owner's predecessor and original assignee VoiceBox never suggested any infringement by Microsoft, despite allegations that it identified that patent (and

many others) to Microsoft in 2012 and continued acquisition discussions with Microsoft for years. Patent Owner alleges that, in April 2012, as part of discussions about a possible acquisition, VoiceBox sent a “Patent Status Chart” listing “VoiceBox’s patents and patent applications,” including the ’367 patent. EX1009, ¶¶100-101. Patent Owner further alleges “extensive discussion between VoiceBox and Microsoft during this time” (*id.*, ¶103) and interactions up through 2018, after VoiceBox assigned the patent away (*id.*, ¶¶105-109). Notably, Patent Owner makes no allegations that VoiceBox ever alleged infringement of the ’367 patent by Cortana (or any other product), even though key VoiceBox employees knew of Cortana (*e.g.*, EX1030 (article on Cortana and other voice assistants, quoting VoiceBox CEO); EX1031 (article on VoiceBox partnership to help Samsung “keep up with” Cortana).

Given that VoiceBox never alleged infringement of the ’367 patent during prolonged efforts to forge a partnership with Microsoft, there was no reason for Microsoft to think any of its products infringed that patent. If it had thought this patent was in any way relevant to Microsoft’s technologies, then surely VoiceBox would have held onto it instead of assigning it away.

C. Former Owner Nuance Never Alleged Infringement, Despite Deep Familiarity With The Accused Azure AI System

In January 2015, VoiceBox assigned the ’367 patent and other patents to Nuance, which owned them until January 2021. According to Patent Owner, Nuance

also had a “long history of interactions” with Microsoft. EX1009, ¶96. Indeed, by at least 2019 Nuance had deployed its products using Microsoft’s Azure AI. *E.g.*, EX1032 (explaining Nuance migration of its products to Microsoft Azure to “apply the power of Azure and Azure AI” to the challenge of healthcare); EX1033 (Nuance “offerings built on Microsoft Azure”). Despite apparently deep knowledge of Microsoft Azure AI, Nuance never suggested infringement of the ’367 by Microsoft.

As explained below (*infra* Section IV.A), well before being acquired by Microsoft, Nuance itself assigned the VoiceBox patents away in January 2021. That decision—just prior to being acquired by Microsoft—shows that Nuance too did not think the ’367 patent was relevant to Microsoft’s technologies. This further confirms that Microsoft should not have expected any allegations of infringement.

**D. Other Factors Undermine
Patent Owner’s Settled Expectations**

In addition to the decade-plus delay that preceded assertion of the ’367 patent against a discontinued product (*supra* Section III.A), various other factors undermine Patent Owner’s settled expectations.

There is no evidence that the ’367 patent was ever commercialized or marked or asserted until recently. *See Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3 (Director June 26, 2025) (“There may be persuasive reasons why the Board should review challenged claims several years after their issuance date.... As another

example, a patent may have been in force for years but may not have been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space, if at all.”).

Concerning commercialization, there is no evidence that Patent Owner itself creates, sells, or commercializes any products whatsoever. Patent Owner was not formed as a business entity until April 5, 2022. EX1034. There is no evidence that any prior owner commercialized any product embodying the claims of the '367 patent. This is confirmed by an apparent lack of marking, with no evidence that any product was ever marked as practicing the claims of the '367 patent.¹ Aside from the parallel district court litigation against Microsoft, the '367 patent has only been asserted once, in 2023, further undermining settled expectations in the '367 patent.

Though not strictly a change in law, recent changes to USPTO practice further weaken Patent Owner's settled expectations. In particular, older patents did not have the benefit of examination using modern examination tools, including Patents End-to-End (PE2E) and AI-enhanced prior art search introduced in 2021. EX1035, 10. Prosecution of such older patents, including the '367 patent, was less likely to

¹ While the Challenged Claims (claims 11-12, 15, and 17-18) are all method claims that would not require marking, the '367 patent also includes corresponding system claims with substantially similar limitations to the Challenged Claims.

uncover the most pertinent prior art or the most relevant disclosures within that prior art, such as the disclosures of Belfiore and Kennewick that were not appreciated by the Examiner in prosecution. Therefore, the '367 patent's age should subject its claims to more, not less, scrutiny of their settled validity.

IV. MICROSOFT NEITHER OWNED NOR BENEFITED FROM THE '367 PATENT, AND ONLY ACQUIRED NUANCE AFTER NUANCE ASSIGNED THE PATENT AWAY

Patent Owner alleges “unfair dealings” and that, before challenging the '367 patent, Microsoft benefited from it because “[f]rom 2015 to 2021, the '367 patent was owned by Petitioner’s wholly owned subsidiary, Nuance.” Request, 2. But Microsoft acquired Nuance in March of 2022, more than 14 months after Nuance sold the patent. Microsoft had no ownership interest in Nuance when Nuance owned the patent (2015–2021) and Nuance had no ownership interest in the patent when Microsoft acquired it. Thus, Microsoft never benefited from the '367 patent.

While Director decisions have based discretionary denial on prior ownership and later unfair dealings by a Petitioner, as discussed more fully below (*infra* Section IV.B), those cases involved either (1) named inventors who assigned patent rights and then defected to a company that challenged the patent, (2) a company that controlled prosecution of a patent and licensed it for years before being acquired and then challenging the patent, or (3) a company that claimed a license from a former owner of a patent that was the real party in interest to an IPR challenge of the patent

after being sued for infringement. Here, by contrast, Microsoft never owned the '367 patent and developed technology accused of infringement prior to its acquisition of Nuance and independent thereof.

A. Microsoft Never Owned The '367 Patent And Developed The Accused Technology Independently of Nuance

As Patent Owner notes, Nuance acquired the '367 patent from VoiceBox Technologies Corporation in January 2015 (EX2002) and sold it to Voice Inventions, LLC, in January 2021 (EX2003). However, during that six-year period, Nuance was a wholly independent corporate entity with no corporate relationship to Microsoft. Microsoft did not announce its intent to acquire Nuance until April 2021 (EX1033) and the acquisition was not completed until March 2022 (EX1038), over a full year after Nuance had assigned the '367 patent. As such, Microsoft never owned or controlled prosecution or enforcement of the '367 patent and no owner of the '367 patent had a corporate relationship with Microsoft while they held ownership of the '367 patent.

Nor did Microsoft benefit from Nuance's prior ownership of the patent. In the parallel district court litigation, Patent Owner accuses of infringement the following Microsoft products: (1) Cortana virtual assistant, (2) Copilot virtual assistant, (3) Azure AI services, and (4) Azure OpenAI services. *See* EX1009, ¶7. However, Patent Owner itself recognizes that nearly all of these products were developed prior

to Microsoft’s acquisition of Nuance in 2022. *See id.*, ¶116 (deployment of Cortana virtual assistant between 2014 and 2015); ¶121 (launch of Azure AI services and Azure Open AI services in 2016 and 2021, respectively). And while Copilot virtual assistant launched in 2023, that product was not jointly developed with Nuance or based on Nuance technology. Because Microsoft never owned or controlled the ’367 patent and derived no benefit from Nuance’s prior ownership, there is no inequity in Microsoft challenging the validity of the patent.

B. Prior Cases Do Not Justify A Finding Of Unfair Dealings

The facts here differ from other cases in which the Director has found it not an appropriate use of Office resources for a party to advocate for a patent’s unpatentability based on the patent’s former ownership. For example, in *Analog Devices, Inc., v. Number 14 B.V.*, IPR2025-00550, Paper 10 at 2 (Director July 16, 2025), the Director found an IPR challenge to be not appropriate where the petitioner’s real party in interest had both controlled the prosecution of the patent and licensed the patent. Notably, the Director noted that the real party in interest was “now [a] wholly owned subsidiary” of the petitioner but did not—as Patent Owner advocates for here—base her decision on that distinction. *Id.* Instead, her decision found not appropriate for a real party in interest with prior control of a patent to challenge such patent. *Id.* Here, unlike the petitioner in *Analog Devices*, Microsoft

did not file the Petition on behalf of a subsidiary that owned the patent but rather is acting solely in Microsoft's own interest to challenge patents asserted against it.

As another example, in *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 at 2 (Director June 12, 2025), the Director found “unfair dealings” where inventors applied for and were issued a patent and then advocated for its unpatentability after being hired by the petitioner. But as explained above, Microsoft never owned, prosecuted, or maintained the '367 patent and there is therefore no unfair dealing in its current challenge of the patent.

Patent Owner also relies on previous Microsoft petitions against related patents. Request, 1-2 (citing *Microsoft Corp. v. Dialect, LLC*, IPR2025-00655, Paper 12 at 2-3 (Director Aug. 14, 2025) (also listing IPR2025-0657) (EX2001)). But the current case is also distinguishable from those earlier petitions. The earlier petitions were filed with Bank of America, N.A. (“BANA”), as a real party in interest and BANA asserted that it received a license to the challenged patent from Nuance.² Thus, in those prior petitions Microsoft had challenged patents that were previously owned by Nuance being asserted against an alleged licensee of those patents. This case is different because, as explained, Microsoft does not allege that it licensed the

² See generally *Dialect LLC v. Bank of Am., N.A.*, No. 2:24-cv-00207 (E.D. Tex. June 26, 2025) ECF Nos. 76-1, 87-1 (demonstrating BANA's license assertions).

challenged patent, developed its accused technology independently of Nuance, and has not otherwise benefited from the challenged patent.

V. OTHER FACTORS WEIGH AGAINST DISCRETIONARY DENIAL OR ARE NEUTRAL

A. Anticipated Trial Date

The Federal Courts' time-to-trial statistics show uncertainty as to whether the parallel district court trial will occur before the Board's FWD. The most recent time-to-trial statistics show an average 25.1 month period from filing to trial. EX2006, 5. Given the December 20, 2024, date of the Complaint's filing in the district court, this would put the trial date around January 25, 2027. Given the August 1, 2025, Notice of Filing Date Accorded (Paper 3), a FWD is estimated to be issued in this IPR no later than February 1, 2027. Therefore, there is little time between the estimated trial date based on the Federal Courts' statistics and the anticipated FWD. Moreover, the statistics show a trend of increasing times-to-trial over recent years, casting further doubt on the district court's trial occurring before a FWD. *See* EX1036, 35 (16.7 months in June 2023; 21.6 months in June 2024; 25.1 months in June 2025). Therefore, this factor is at most neutral and is outweighed by Office's interest in reviewing the material error in prosecution described above. *See Partec*, IPR2025-00318, Paper 9 at 3; *supra* Section II.A.

B. Petitioner’s Broad Stipulation Reduces Potential Overlap

Petitioner has broadly stipulated that, should IPR be instituted, Defendant will not pursue any of “(i) the specific grounds raised in IPR2025-01193, (ii) any other grounds that could have reasonably been raised before the PTAB in that instituted proceeding (i.e., any ground that could have reasonably been raised under §§ 102 or 103 on the basis of prior art patents or printed publications), or (iii) any ground asserting a combination of system prior art with any reference asserted as part of a ground raised in IPR2025-01193.” EX1024. The Director has found similarly broad stipulations to “reduce[] the concern of inconsistent outcomes or significant duplication of efforts,” and thereby weigh against discretionary denial. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2 (Director June 13, 2025); *Samsung Elecs. Co. v. Wilus Inst. of Standards and Tech. Inc.*, IPR2025-00933, Paper 11 at 3 (Director Oct. 10, 2025).

VI. DISCRETIONARY DENIAL IS INAPPROPRIATE FOR CONSTITUTIONAL AND OTHER REASONS

Depending on the Director’s rationale, discretionary denial would also be unconstitutional, a violation of the APA, and inconsistent with Federal Circuit precedent. Applying extra-statutory institution criteria such as “settled expectations” and heightened estoppel exceeds the power Congress gave the Patent Office, violating the Constitution’s separation of powers and the APA. *See, e.g., In re*

Sandisk Techs., Inc., No. 25-152 (Fed. Cir. Sept. 18, 2025), ECF No. 2-1 (extra-statutory criteria); *In re SAP Am., Inc.*, No. 25-132 (Fed. Cir. June 16, 2025), ECF No. 2 (heightened estoppel).

Applying extra-statutory institution criteria retroactively, or without notice-and-comment rulemaking, to this petition would violate due process and the APA. *See, e.g., Sandisk*, No. 25-152, ECF No. 2-1. And applying assignor estoppel, even when called “unfair dealings,” is inconsistent with Federal Circuit precedent. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018)(explaining that the IPR statute “unambiguously dictates that assignor estoppel has no place in IPR proceedings”).

Respectfully submitted,

Dated: November 3, 2025

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CERTIFICATE OF SERVICE
IN COMPLIANCE WITH 37 C.F.R. § 42.6(e)(4)

The undersigned certifies that on November 3, 2025, a complete copy of the **PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and **EXHIBITS 1025 – 1039** were served on counsel for the Patent Owner via electronic mail as follows:

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