

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

MICROSOFT CORPORATION,
Petitioner,

v.

DIALECT, LLC,
Patent Owner.

IPR2025-00655 (US 7,640,160 B2)
IPR2025-00656 (US 8,447,607 B2)
IPR2025-00657 (US 9,263,039 B2)
IPR2025-00658 (US 8,195,468 B2)
IPR2025-00659 (US 9,495,957 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION
Denying Institution of *Inter Partes* Review

IPR2025-00655 (US 7,640,160 B2)
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Dialect, LLC (“Patent Owner”) filed a request for discretionary denial (Paper 6, “DD Req.”) in the above-captioned cases, and Microsoft Corporation (“Petitioner”) filed an opposition (Paper 9, “DD Opp.”).¹ With authorization, Patent Owner filed a Reply (Paper 10), and Petitioner filed a Sur-reply (Paper 11).

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, the parties agree that Nuance Communications Inc., a wholly owned subsidiary of Petitioner, owned and maintained the challenged patents from 2015 until 2021. DD Opp. 4, 6; Ex. 1034; Paper 10, 1. Nuance further retained a license upon selling the patent that extended to its customers. DD Opp. 4, 6. Absent exceptional circumstances, it is not an appropriate use of Office resources where a party’s wholly owned subsidiary owned, maintained, sold, and retained a license for a patent, but, as is the case here, the party now advocates for its unpatentability. *See Analog Devices, Inc. v. Number 14 B.V.*, IPR2025-00550, Paper 10 at 2 (Director July 16, 2025). Additionally, the challenged patents have been in force for more than fifteen, twelve, nine, thirteen, and eight years, respectively, creating strong settled expectations for Patent Owner, and Petitioner does not provide any persuasive reasoning why an *inter partes* review is an

¹ Citations are to papers in IPR2025-00655. The parties filed similar papers in IPR2025-00656, IPR2025-00657, IPR2025-00658, and IPR2025-00659.

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appropriate use of Board resources. *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 2–3 (Director June 18, 2025).

Furthermore, one of Petitioner’s real-parties-in-interest, Bank of America, N.A., is a party to a parallel district court proceeding that involves the same challenged patents, the same challenged claims, and significantly overlapping invalidity contentions as these IPR proceedings. DD. Req. 15–16; *see* Ex. 2003, 3, 60–76. The projected final written decision due date in these Board proceedings is in October 2026. DD Req. 6. The district court’s scheduled trial date is May 4, 2026. DD Opp. 15–16. As such, it is unlikely that a final written decision in these proceedings will issue before district court trial occurs, resulting in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions. This additionally weighs in favor of discretionary denial.

Although certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions are denied under 35 U.S.C. § 314(a).

In consideration of the foregoing, it is:

ORDERED that Patent Owner’s request for discretionary denial is *granted*; and

FURTHER ORDERED that the Petitions are *denied*, and no trial is instituted.

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FOR PETITIONER:

Scott Border
Tathagata Goswami
WINSTON & STRAWN LLP
sborder@winston.com
tdgoswami@winston.com

FOR PATENT OWNER:

Wayne Helge
James Wilson
BUNSOW DE MORY LLP
whelge@bdiplaw.com
jwilson@bdiplaw.com