

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MICROSOFT CORPORATION,  
Petitioner,

v.

DIALECT, LLC,  
Patent Owner.

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Case IPR2025-01193  
Patent 7,917,367

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**PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

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**PATENT OWNER’S EXHIBIT LIST**

Exhibit No.	Description
2001	Decision Denying Institution of <i>Inter Partes</i> Review, <i>Microsoft Corporation v. Dialect, LLC</i> , IPR2025-00655, Paper 12 (PTAB Aug. 14, 2025)
2002	Assignment from Voicebox Tech. Corp. to Nuance Comm., Inc. (Reel 034703/Frame 0429)
2003	Assignment from Nuance Comm., Inc. to Voice Inventions, LLC (Reel 056185/Frame 0742)
2004	Defendant’s Invalidation Contentions, <i>Dialect, LLC v. Microsoft Corp.</i> , Civ. No. 2:24-cv-1067 (E.D. Tex. August 20, 2025)
2005	Third Amended Docket Control Order, <i>Dialect, LLC v. Microsoft Corp.</i> , Civ. No. 2:24-cv-1067 (E.D. Tex. August 6, 2025)
2006	Comparison of Districts Within the Fifth Circuit — 12-Month Period Ending June 30, 2025 (available at <a href="https://www.uscourts.gov/sites/default/files/document/fcms_na_distcomparison0630.2025.pdf">https://www.uscourts.gov/sites/default/files/document/fcms_na_distcomparison0630.2025.pdf</a> )

## IPR2025-01193 Patent Owner's Request for Discretionary Denial

Pursuant to the Director's Memorandum issued on March 26, 2025, Patent Owner Dialect, LLC ("Dialect" or "Patent Owner") files this request and brief on discretionary denial, setting forth reasons why the Director should exercise discretion to deny the Petition for *inter partes* review ("IPR") of claims 11, 12, 15, 17, and 18 of U.S. Patent No. 7,917,367 (the "'367 Patent"), as requested by Microsoft Corporation ("Petitioner").

### I. INTRODUCTION

The '367 patent is part of a portfolio of voice-processing patents previously owned by Petitioner's own subsidiary, and now asserted against Microsoft. The '367 patent has a priority date of August 5, 2005, and zero days of patent term adjustment, which means that the '367 patent is now expired. There is no reason for the Board to dedicate over a year's worth of Office resources to review the validity of a patent that has already expired. This logic and policy is magnified here, where the '367 patent is related to applications involved in prior failed *inter partes* review proceedings filed by the same Petitioner.

As acknowledged in the Petition, the '367 patent is related to applications involved in IPR2025-00655 and IPR2025-00657 also filed by Petitioner. Pet, vii. The Office discretionarily denied those petitions under 35 U.S.C. § 314(a), following a holistic assessment including the Director's view that it would not be an appropriate use of Office resources to review a patent previously owned by

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Petitioner's subsidiary, the "strong settled expectations" based on the age of the related patents, and a prior trial date. *Microsoft Corporation v. Dialect, LLC*, IPR2025-00655, Paper 12, 2-3 (PTAB Aug. 14, 2025) (also listing IPR2025-0657) (Ex2001).

Further, the assignment records of the USPTO show that the '367 patent has the same history of ownership transfer as the patents that were subject to Microsoft's earlier denied petitions. Ex2002; Ex2003. From 2015 to 2021, the '367 patent was owned by Petitioner's wholly owned subsidiary, Nuance Communications, Inc. ("Nuance"). *Id.* During this ownership period, Microsoft's subsidiary did nothing to suggest that the patent was invalid. Thus, for six years, Microsoft's subsidiary not only owned the patent, but also actively maintained its enforceability. Having benefited from the patent in tangible and intangible ways, Microsoft's attempt to invalidate the same patent here upends settled expectations and illuminates Microsoft's unfair dealings. This is not a patent that the PTAB should reevaluate on Microsoft's behalf. *See Tesell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14, 2 (PTAB June 12, 2025) ("It is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but ... now advocate for its unpatentability.").

Confirming that denial is the proper approach here, the Director denied the prior petitions as well, noting that "it is not an appropriate use of Office resources

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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." Ex2001, 2-3. The '367 patent is also "not an appropriate use of Office resources" (*id.*), as it was also previously owned by Microsoft's subsidiary and subject to the same assignment as the patents in Microsoft's prior petitions. Ex2002; Ex2003; Ex. 2001. Just as in Microsoft's earlier denied petitions, this Petition should be denied since Microsoft's wholly owned subsidiary owned, maintained, sold, and retained a license for the '367 patent, but Microsoft now advocates for this patent's invalidity.

There is no reason to depart from the outcome of Microsoft's prior petitions involving related patents. The factors that favored denial of the earlier Microsoft Petitions remain in place and favor denial here as well.

## **II. OUTCOME OF MICROSOFT'S PRIOR IPR PETITIONS**

Microsoft filed five petitions challenging patents in Patent Owner's intellectual property portfolio, including as noted above, patents that Petitioner admits are related to the '367 patent. Pet., vii. Following briefing on discretionary denial, on August 14, 2025, the Office issued its decisions discretionarily denying the petitions. *Microsoft Corporation v. Dialect, LLC*, IPR2025-00656, Paper 12 (PTAB Aug. 14, 2025).

The decisions were based on a holistic assessment of all of the evidence and arguments presented, and highlighted a number of points. Ex2001, 3. The Office noted concerns with Petitioner's subsidiary previously owning the patents and retaining a license to them (Ex2001, 2), the "strong settled expectations" due to the age of the patents (the '367 patent—at 14 years old—is even older) (Ex2001, 2), and that a parallel district court trial involving a real-party-in-interest would occur before issuance of a final written decision (Ex2001, 3).

### **III. ARGUMENT**

There is no reason to treat Microsoft's later petition any differently than Microsoft's five earlier denied petitions. Indeed, it is true that discretionary denial is even more appropriate here based on the prior ownership of the '367 patent by Microsoft's subsidiary, the strong settled expectations of validity, and the advanced state of Microsoft's district court litigation with Patent Owner.

#### **A. Microsoft's Subsidiary Owned and Transferred the '367 Patent**

The USPTO's assignment records confirm that the '367 patent has the same history of ownership transfer as the patents that were the subjects of Microsoft's earlier denied petitions. Ex2002; Ex2003. Specifically, Microsoft's subsidiary owned the '367 patent for six years. In denying the earlier Microsoft Petitions, the Board commented that "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.” Ex2001, 2-3. The ’367 patent is also “not an appropriate use of Office resources” (*id.*), as it was also previously owned by Microsoft’s subsidiary. Ex2002; Ex2003. Just as in Microsoft’s earlier denied petitions, this Petition should be denied since Microsoft’s wholly owned subsidiary owned, maintained, sold, and retained a license for the ’367 patent, but Microsoft now advocates for this patent’s invalidity.

**B. Strong Settled Expectations Favor Denial**

As noted above, many of the same factors highlighted in the earlier decisions remain present in this case. The “strong settled expectations” for this fourteen (14) year old patent weighs even more heavily in favor of discretionary denial since the ’367 patent has now expired. The ’367 patent issued on March 29, 2011, and each of the three required maintenance fees to keep the patent in force for the full lifetime of the ’367 patent were paid—including by Nuance. Accordingly, the ’367 patent was in force for over 14 years before Petitioner filed its Petition.

Moreover, the ’367 patent expired on August 5, 2025. Under current USPTO policy, the ’367 patent is not a patent that warrants Board review. *See iRhythm Technologies, Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 (PTAB, June 6, 2025) (Director’s Decision Granting Discretionary Denial).<sup>1</sup>

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<sup>1</sup> IPR2025-00363 is the lead case of five to which this Director’s Decision applies.

**C. District Court Activities Still Weigh in Favor of Denial**

Petitioner's challenges are based on Kennewick,<sup>2</sup> Belfiore,<sup>3</sup> and Ross<sup>4</sup> references. Once again, Petitioner has presented overlapping validity contentions in a district court proceeding, *see* Ex2004, 14 (citing Kennewick, Belfiore, and Ross), much like the overlapping invalidity contentions in the parallel *Bank of America* case underlying the Microsoft denial decision.

Further, trial in the parallel case *Microsoft* case is scheduled to occur months before a final written decision in this case could be expected (around February 1, 2027). Ex2005 (trial date set for November 2, 2026); Ex2006, 5 (statistics showing a 25.1 month time to trial period). Accordingly, the District Court outcome is scheduled to occur before a final decision would be reached in this IPR. And even if the trial date is modified slightly, the parties will have invested considerable resources into claim construction and validity challenges by the time a final written decision issues in this proceeding. This factor also weighs heavily in favor of denial.

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<sup>2</sup> Ex1005, U.S. Patent Application Publication 2004/0044516 (“Kennewick”).

<sup>3</sup> Ex1004, U.S. Patent Application Publication 2002/0059425 (“Belfiore”).

<sup>4</sup> Ex1007, U.S. Patent Application Publication 2002/0133354 (“Ross”).

#### IV. CONCLUSION

When considered individually, the expired status of the '367 patent, its prior ownership by Petitioner's wholly owned subsidiary, the strong settled expectations based on the age of the patent, and the advanced stage of the co-pending litigation each weigh strongly in favor of discretionary denial and would be sufficient to warrant denial. However, when these factors are evaluated together, discretionary denial is extremely compelling and should be granted.

For the reasons presented above, Patent Owner respectfully asks that the Director exercise discretion to deny the Petition. No *inter partes* review should be instituted.

Dated: October 1, 2025

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**CERTIFICATE OF SERVICE**

I hereby certify that on October 1, 2025, a true and correct copy of the foregoing document was served via email, by consent, to Petitioner by serving the correspondence email addresses of record as follows:

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