

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

SANDPIPER CDN, LLC,
Patent Owner.

IPR2026-00174

Patent No. 9,762,692

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

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EXHIBIT LIST

Exhibit	Description
1001	U.S. Patent No. 9,762,692 (“Ex-1001”)
1002	File History of the ’692 patent
1003	Declaration of Mark R. Lanning
1004	Curriculum Vitae of Mark R. Lanning
1005	U.S. Patent App. Pub. No. 2006/0015574 (“Seed”)
1006	U.S. Patent App. Pub. No. 2004/0221019 (“Swildens”)
1007	David Gourley & Brian Totty, <i>HTTP The Definitive Guide</i> , O’Reilly (Sept. 2002)
1008	John Dilley, et al., <i>Globally Distributed Content Delivery</i> , IEEE Internet Computing, Vol. 6, Issue 5, 50 (Oct. 31, 2002)
1009	Rajkumar Buyya, et al., <i>Content Delivery Networks</i> , Springer (2008)
1010	U.S. Patent App. Pub. No. 2002/0065899 A1
1011	U.S. Patent No. 8,180,720 B1
1012	U.S. Patent No. 7,024,466 B2
1013	Jianliang Xu, et al., <i>Caching & Prefetching for Web Content Distribution</i> , IEEE Computing in Sci. & Eng’g, Vol. 6, Issue 4, 54 (Aug. 31, 2004)
1014	Opening Claim Construction Brief, <i>Sandpiper CDN, LLC v. Comcast Cable Commc’ns, LLC</i> , No. 2:24-cv-00886 (E.D. Tex. Nov. 14, 2025), ECF No. 88
1015	Responsive Claim Construction Brief, <i>Sandpiper CDN, LLC v. Comcast Cable Commc’ns, LLC</i> , No. 2:24-cv-00886 (E.D. Tex. Dec. 9, 2025), ECF No. 93
1016	Int’l Pub. No. WO 2007/021974 A2
1017	U.S. Patent No. 6,301,617 B1
1018	U.S. Patent App. Pub. 2004/0093419
1019	U.S. Patent No. 7,133,905 B2
1020	U.S. Patent App. Pub. 2010/0281063 A1
1021	U.S. Patent No. 6,330,561 B1
1022	Complaint, <i>Sandpiper CDN, LLC v. Microsoft Corporation</i> , No. 2:25-cv-00664-JRG-RSP (E.D. Tex. June 26, 2025), ECF No. 1
1023	Stipulation Letter, dated January 26, 2026
1024	Sandpiper CDN, LLC, Division of Corporations - Filing
1025	Assignment from Level 3 Communications to Sandpiper CDN, LLC

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1026	<i>Sandpiper CDN, LLC v. Google LLC</i> , No. 2:24-cv-03951, Dkt. 1 (C.D. Cal.)
1027	<i>Sandpiper CDN, LLC v. Google LLC</i> , No. 2:24-cv-03951, Dkt. 28 (C.D. Cal.)
1028	<i>Sandpiper CDN, LLC v. Google LLC</i> , No. 2:24-cv-03951, Dkt. 45-1 (C.D. Cal.)
1029	<i>Sandpiper CDN, LLC v. Google LLC</i> , No. 2:24-cv-03951, Dkt. 93 (C.D. Cal.)
1030	<i>Sandpiper CDN, LLC v. Comcast Cable Commc 'ns LLC</i> , No. 2:24-cv-00886, Dkt. 1 (E.D. Tex.)
1031	<i>Sandpiper CDN, LLC v. Comcast Cable Commc 'ns LLC</i> , No. 2:24-cv-00886, Dkt. 62 (E.D. Tex.)
1032	<i>Sandpiper CDN, LLC v. Microsoft Corp.</i> , No. 2:25-cv-00664, Dkt. 1 (E.D. Tex.)
1033	<i>Sandpiper CDN, LLC v. Microsoft Corp.</i> , No. 2:25-cv-00664, Dkt. 41 (E.D. Tex.)
1034	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00806, -00826, Paper 13 (Sep. 12, 2025) (referring petitions)
1035	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00860, -00969, -01010, Paper 14 (Oct. 10, 2025) (referring petitions)
1036	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00826, Paper 15 (Nov. 7, 2025) (Institution Decision)
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1038	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00860, Paper 15 (Nov. 25, 2025) (Institution Decision)
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1042	Docket Navigator, Sandpiper CDN, Cases Search
1043	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00826, Paper 9 (Aug. 14, 2025) (Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution)
1044	<i>Sandpiper CDN, LLC v. Microsoft Corp.</i> , No. 2:25-cv-00664, Dkt. 43 (E.D. Tex.)

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1045	<i>Sandpiper CDN, LLC v. Microsoft Corp.</i> , No. 2:25-cv-00664, Dkt. 57 (E.D. Tex.)
1046	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00969, Paper 17 (Dec. 5, 2025) (Director Review request)
1047	<i>Google LLC v. Sandpiper CDN, LLC</i> , IPR2025-00806, -00826, -00969, -01010, Paper 20 (Jan. 12, 2026) (denying Director Review)
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1049	<i>Sandpiper CDN, LLC v. Microsoft Corp.</i> , No. 2:25-cv-00664, Dkt. 32 (E.D. Tex.)
1050	Federal Court Management Statistics for the 12-Month Period Ending 12-31-2025

I. INTRODUCTION

The Office should reach the merits of this IPR challenging U.S. Patent No. 9,762,692 (“’692 patent,” EX1001). First, this IPR is an important use of Office resources because it will allow the Office to correct a material error in issuing the challenged claims, overriding any settled expectations Sandpiper CDN, LLC (“PO”) claims to have. Second, this IPR is an important use of Office resources both because the Office has instituted IPR of a grandchild of the ’692 patent and because the Office is best positioned to review the 8 PO patents on which either Google or Microsoft has requested IPR—also overriding PO’s alleged settled expectations. Third, the balance of the *Fintiv* factors weighs against denial.

II. BACKGROUND

A. Sandpiper CDN, LLC

PO is a Delaware entity incorporated in 2024 for the apparent purpose of acquiring the ’692 patent and other patents from Level 3 Communications, LLC. EX1024 (incorporation in March 2024); EX1025 (April 2024 assignment). PO alleges that a “predecessor” developed the content-delivery network technology described in the ’692 patent. Paper 7, 2 (“DD”). However, given that PO did not exist until 2024, it has no connection to the technology, apart from its recent purchase of patents including the ’692 patent years after it issued.

B. The Google, Comcast, and Microsoft Litigations

Shortly after acquiring the portfolio from Level 3, PO began a litigation

campaign. On May 10, 2024, PO sued Google in C.D. Cal. EX1026. In the Google litigation, PO currently alleges infringement of 5 patents.¹ The Google litigation is stayed pending instituted IPRs. EX1029. On Nov. 1, 2024, nearly 6 months after PO filed the Google litigation, PO sued Comcast in E.D. Tex. EX1030. PO alleges infringement of 4 patents, including the '692 patent.²

On June 26, 2025, nearly 8 months after filing the Comcast case and more than a year after filing the Google case, PO sued Microsoft in E.D. Tex. EX1032. Complicating the litigations further, PO alleges infringement of 6 patents, only 2 of which overlap with the earlier cases (U.S. 8,478,903 (“’903 patent”) asserted against Google/Comcast and the '692 patent asserted against Comcast). EX1032-33.

C. Google and Microsoft IPRs

Google has filed IPRs challenging all 5 patents currently asserted against it, all of which have been instituted³: IPR2025-00806 (U.S. 8,645,517 (“’517 patent”));

¹ PO’s complaint alleged infringement of 6 patents. EX1026. The district court determined 2 of those patents are invalid under §101. EX1027, 11, 15-16. PO amended its complaint to assert an additional patent. EX1028.

² PO asserted 5 patents and dropped 1 patent. EX1030-31.

³ The Office discretionarily denied IPRs as to the 2 previously-asserted patents determined invalid under §101. *Google LLC v. Sandpiper CDN, LLC*, IPR2025-

IPR2025-00826 (U.S. 9,021,112 (“’112 patent”)); IPR2025-00860 (U.S. 10,924,573 (“’573 patent”)); IPR2025-00969 (’903 patent); and IPR2025-01010 (U.S. 10,057,322 (“’322 patent”)). EX1034-40. Microsoft filed IPRs challenging 4 patents asserted against it in late 2025, including this IPR, IPR2026-00095 (’903 patent; requesting joinder with IPR2025-00969), IPR2026-00180 (U.S. 10,701,173 (“’173 patent”)), and IPR2026-00190 (U.S. 9,456,053 (“’053 patent”)). The Office declined PO’s request for discretionary denial in IPR2026-00095. IPR2026-00095, Paper 13. The institution decisions are due in May through July 2026.

III. THE OFFICE SHOULD REJECT PO’S DISCRETIONARY REQUEST

A. This IPR Will Allow the Office to Correct a Material Error During Prosecution

This IPR challenges, *inter alia*, independent claims 1 and 15, based on two grounds: (1) U.S. 2006/0015574 (“Seed”) and U.S. 2004/0221019 (“Swildens”); and (2) Swildens and Seed. Paper 1, 2-3. There is no dispute under *Advanced Bionics* prong 1 that these references were before the Examiner. However, under *Advanced Bionics* prong 2, the Office committed material error in allowing the challenged claims to issue for two reasons. First, the Board—applying the broadest reasonable interpretation (“BRI”)—determined during prosecution that claims 1 and 15 each encompass two alternative methods and that Seed taught the steps of the first method

00846, -00952, Paper 10 (Oct. 10, 2025).

of each claim. On remand, the Examiner's amendments addressed only the second method of each claim, leaving the Board's determinations that Seed taught the steps of the first method entirely unaddressed. Second, even if the claims require performance of all recited steps, the Examiner committed material error by overlooking the teachings of Seed and/or the combined teachings of Seed/Swildens (or Swildens/Seed). Thus, contrary to PO's argument (DD, 17-20), the Examiner committed material error.

Before addressing material error, it is necessary to explain the relevant events during prosecution.

1. '692 Patent Prosecution History

Issued claim 1 corresponds to claim 1 during prosecution, and issued claim 15 corresponds to claim 17 during prosecution. For ease of reference, Petitioner refers to claim 17 during prosecution as claim 15 in the discussion below.

During prosecution, the Examiner rejected claims 1 and 15 over Seed and U.S. 7,024,466 ("Outten"). EX1002, 240-56 (non-final office action), 2111-27 (final office action). The applicant appealed. *Id.*, 2156. Appealed claims 1 and 15 were materially similar to the issued claims. At the time of the appeal, the claims included all language below except for the underlined language, which was added after the appeal in an Examiner's amendment (discussed below). The claims reproduced below are identical to the issued claims.

1[pre] 1. (Currently Amended) A method of content delivery in a content delivery network comprising at least a first tier of servers, the method comprising: 1[a] at a first server in the first tier of servers, obtaining a request from a client for a resource, wherein the resource is available as part of a content provider's library; 1[b] if the resource is not available at the first server or at a peer of the first server, determining if the resource is popular; 1[c] if the resource is determined to be popular, then the first server obtaining the resource and the first server serving the resource to the client, otherwise, 1[d][i] if the resource is determined not to be popular, directing the client to a second server in a second tier of servers distinct from the first tier of servers, wherein the second server comprises a first portion of the content provider's library, the first portion comprising at least the resource, wherein at least one other server in the second tier comprises a second portion of the content provider's library, 1[d][ii] wherein the first portion of the content provider's library is distinct from the second portion, and wherein the second tier is any intermediate tier between the first tier and an origin server that stores resources associated with the content provider's library, and 1[d][iii] 1[d][iv] the second server serving the resource to the client.	15[pre] 17. (Currently Amended) A method of content delivery in a content delivery network comprising a plurality of tiers of servers, including at least a first tier of servers and a second tier of servers, the method comprising: 15[a] at a first server in one tier of the tiers of servers, obtaining a request from a client for a resource, wherein the resource is available as part of a content provider's library; 15[b] if the resource is not available at the first server or at a peer of the first server, then selectively redirecting the request from the client to a second tier server, the second tier server being in a tier distinct from the tier containing the first server, the redirecting being based, at least in part, on a current popularity value for the resource; 15[c] wherein the second tier server comprises a first portion of the content provider's library, the first portion comprising at least the resource, wherein at least one other second tier server comprises a second portion of the content provider's library distinct from the first portion, and wherein the second tier of servers is any intermediate tier between the first tier and an origin server that stores the content provider's library, and 15[d] wherein the step of selectively redirecting the request from the client to a second tier server comprises determining to which second tier server the request should be directed, the determining step using a hash function to identify a second tier server that stores the first portion of the content provider's library.
EX1002, 2363-64 (amended after appeal; color annotations added).	EX1002, 2366-67 (amended after appeal; color annotations added).

On appeal, under BRI (*id.*, 2328), the Board determined that both claims 1 and 15 recited mutually exclusive steps and encompassed at least two methods. *Id.*, 2330-32. Specifically, the Board determined that claim 1 recited two mutually exclusive methods depending on whether a “resource” was “popular” (and thus obtaining the resource at the first server in 1[c]) or not (and thus redirecting to a second server in 1[d][i]-[iv]).⁴ *Id.*, 2330-31. The Board also determined that claim 15 recited two mutually exclusive methods depending on whether the resource was

⁴ A district court construed claim 1 consistent with the Board’s interpretation. EX1041, 18. However, the court accepted the parties’ agreement that they “intend[] to prove each step [(i.e., both conditionals)] of claim 1...” *Id.*, 15-16.

“available” at a first server (15[a]) or not (and thus redirecting to a second server in 15[b]-[c]). *Id.*, 2331-32. In other words, the Board determined that claim 1 recites a first method (1[pre], 1[a], 1[b], and 1[c]) and a second method (1[pre], 1[a], 1[b], and 1[d][i]-[iv]). Similarly, the Board determined that claim 15 recites a first method (15[pre] and 15[a]) and a second method (15[pre], 15[a], 15[b], and 15[c]). The Board concluded that claims 1 and 15 “may be anticipated or rendered obvious by prior art that discloses or teaches or suggests either method.” *Id.*, 2331-32.

As to claim 1, the Board “agree[d] with the Examiner’s findings” that Seed teaches or suggests the first method’s limitations (1[pre]-1[c]). *Id.*, 2335-36. The Board did not explicitly state that Seed alone rendered claim 1 unpatentable, but the Board’s statements logically compel that result: the Board determined claim 1 encompasses two methods, agreed Seed teaches 1[pre]-1[c] (i.e., all limitations of the first method), and held that the claim “may be anticipated or rendered obvious by prior art that discloses or teaches or suggests either method.” *Id.*, 2331, 2335-36. Further, the Board affirmed the Examiner’s obviousness rejection as to the second method, in view of Seed and Outten, noting this would be overcome if the claim required “distinct portions” (like claim 15). *Id.*, 2338-39.

As to claim 15, the Board reversed the Examiner’s obviousness rejection over Seed and Outten because neither reference disclosed the “distinct portions” recited in 15[c] (part of the second method). *Id.*, 2342. However, the Board agreed with the

Examiner's findings that Seed taught the limitations of the first method (15[pre]-15[a]). *Id.*, 2339-40. Consistent with the Board's agreement, the Board entered a new rejection that claim 15 was anticipated and/or rendered obvious by Seed. *Id.*, 2344 ("Seed's disclosure is sufficient to render" claim 15 unpatentable).

On remand, the Examiner allowed the claims after entering Examiner amendments. The Examiner's amendments, however, only addressed limitations corresponding to the claims' second method. As to claim 1, the Examiner amended 1[d][ii] to include the underlined "distinct portions" requirement above. *Id.*, 2363-64. As to claim 15, the Examiner added 15[d], which includes a "hash function" and is part of claim 15's second method under the Board's decision. *Id.*, 2366-67.

The Examiner stated that the application was allowable for the reasons on "pages 11, 15, 17" of the Board's decision and identified pages 12-16 of the appellant's brief. *Id.*, 2368. The Examiner further stated that "the claimed invention requires 'separate' and 'distinct' portions of a content library." *Id.* The latter statement applied only to the second method of claims 1 and 15.

Shortly before the Examiner allowed the claims, the Examiner initialed Swildens in an IDS but never applied it in a rejection. *Id.*, 2373.

2. The Examiner's Material Error During Prosecution Overrides Any Settled Expectations PO Claims to Have

The prosecution history demonstrates the Office committed material error in allowing challenged claims 1 and 15 for three independent reasons. First, the

Examiner materially erred by allowing claims 1 and 15 despite the Board's determination under BRI that Seed taught these claims' first methods. As summarized above, the Examiner's amendments to claims 1 and 15 were directed only to these claims' second methods. As such, claims 1 and 15 should never have issued. *See Ex Parte Schulhauser*, Appeal 2013-007847, 2016 WL 6277792, *4-5 (Apr. 28, 2016) (precedential). Notably, the Examiner's error for claim 15 was directly contrary to 37 C.F.R. §41.50(b)(1), because the Board's new ground of rejection based on Seed teaching claim 15's first method was "binding" absent an amendment or new evidence to overcome the rejection, neither of which occurred. This error shows the Office should consider this IPR's merits because when an "examiner's conclusion directly contradicts the Board's determination [, that] raises concerns of material error such that review of the challenged patents is an appropriate use of Office resources." *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464-466, Paper 12, 3 (July 16, 2025) (informative).⁵

Second, even if the claims require performance of all recited steps, the Examiner still committed material error. As to claim 1, the Examiner overlooked

⁵ *Padagis* addressed a Board IPR determination in an IPR, but the same principle should apply with even more force when the Examiner contradicts a Board determination during prosecution.

Seed’s teachings regarding “distinct portions” of a content library, which is the feature the Examiner relied on as distinguishing the claim over the prior art. EX1002, 2368. As the Petition explains, Seed teaches that not every server has the same parts of a content library and must sometimes look elsewhere for requested parts, which at least suggests different servers have “distinct” portions of a library. Petition, 25. Further, as to both claims 1 and 15, the Examiner overlooked the teachings of Seed in view of Swildens. As to claim 1, even if “distinct portions” means there can be “no overlap”⁶ between the parts of a library stored on different servers, the Examiner’s failure to combine Seed with Swildens was a material error. *See* Petition, 25-28, 37. As to claim 15, the Examiner erred by overlooking the teachings of Seed in view of Swildens, because Swildens taught the use of the hash function the Examiner added in the amendment. *Id.*, 45 (citing 23-28, 34).

These material errors also support reaching the merits of this IPR. *See, e.g., Eunsung Glob. Corp. v. Hyrdafacial LLC*, IPR2025-00445 et al., Paper 14, 2-3 (July 10, 2025) (referring petition challenging patent that issued in 2017 where the “examiner identified a feature that was missing from the prior art[,]” but the

⁶ A district court determined that the claims require “no overlap.” EX1041, 10-13. Both parties have objected to this construction. *Sandpiper CDN, LLC v. Comcast Cable Commc’ns, LLC*, No. 2:24-cv-00886, Dkts. 120-21 (E.D. Tex.).

petitioner demonstrated that the examiner “overlooked certain teachings” in a cited reference “that appear to disclose the allowable features of the claims”); *Anthony Inc. v. Controltec LLC*, IPR2025-00559 et al., Paper 12, 2 (July 16, 2025) (referring petitions challenging patents in force 17 and 18 years based on material error).

B. The Office’s Institution of IPRs Regarding the Related ’573 Patent and Other PO Patents Makes the Office a More Efficient Forum to Address Unpatentability

The Office previously instituted IPR regarding the ’573 patent, which is the grandchild of the ’692 patent. EX1038; IPR2025-00860, EX1001, (63). This supports reaching this IPR’s merits. *Embody, Inc. v. Lifenet Health*, IPR2025-00248-249, Paper 13, 2-3 (June 26, 2025) (referring a petition challenging a second patent that was “a parent of” a first patent for which discretionary denial was inappropriate).

The large number of patents at issue in litigation further demonstrates that this IPR is an important use of Office resources. PO currently asserts 12 unique patents across the 3 litigations. *See* EX1028; EX1030-33; EX1042. Google and Microsoft have filed 9 IPRs (including this one) challenging 8 of those patents, and the Office has instituted all 5 Google IPRs regarding patents currently asserted against it. §II.C. The Office declined PO’s request for discretionary denial in Microsoft’s IPR2026-00095, which requests joinder with Google’s IPR2025-00969. *Id.* The discretionary denial decisions remain pending in the other 3 Microsoft IPRs (including this one), and institution decisions remain pending in all 4 Microsoft IPRs. The Board’s

investment demonstrates that it is in a better position than the district courts to address the unpatentability of this large number of patents consistently and efficiently. *See, e.g., Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217 et al., Paper 9, 2-3 (June 13, 2025) (informative); *Shenzen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00438 et al., Paper 10, 3 (July 17, 2025).

C. The Office Should Reject PO’s “Settled Expectations” Arguments

PO argues that it has settled expectations in the ’692 patent because (1) it has been in force over 8 years; and (2) Microsoft was allegedly aware of it because of (a) Microsoft’s business relationships with a prior owner and (b) the published ’692 application—but not the ’692 patent—has been cited in Microsoft patents. DD, 8-9. To start, any alleged PO “settled expectations” based on patent age or alleged prior knowledge are outweighed by material error during prosecution and the efficiencies gained by the Office considering the unpatentability of PO’s patents. *See* §§III.A-III.B. As to efficiency, the Office has thus far declined to discretionarily deny and instituted Google’s IPRs challenging 5 of PO’s patents, including the ’322 patent, which—like the ’692 patent—has been in force more than 6 years. EX1034-40; IPR2025-01010, EX1001 (showing that ’322 patent issued in 2018).

Even setting that aside, PO’s “settled expectations” arguments are weak. PO fails to acknowledge that it could not have developed “settled expectations” based on events alleged to have occurred before 2024 because PO did not exist before 2024

and has no relationship with the original “Sandpiper” or the prior owner, Level 3. In addition, PO’s allegation that Microsoft had knowledge of the ’692 patent based on Microsoft patents citing the ’692 application should be rejected. Indeed, in Google’s IPR as to the ’112 patent, PO similarly alleged that the ’112 application was cited during prosecution, and the Office referred the petition. *See* EX1043, 2 (Google explaining that PO relied on citation to “the patent application leading to the ’112 patent”); EX1034, 2-3 (referring petition). Finally, PO’s allegations regarding Microsoft’s prior knowledge based on business relationships also fail because they are based solely on PO’s complaint allegations—not evidence. The complaint allegations are also facially deficient because they do not identify facts demonstrating Microsoft was aware of the ’692 patent before PO’s 2025 complaint, let alone that PO (or prior owner Level 3) ever discussed the ’692 patent with Microsoft. EX1044, 3; EX1045, 2-4. PO also fails to acknowledge that, even if it could plausibly allege that Microsoft was aware of the ’692 patent before PO filed the Microsoft litigation (it cannot), Level 3 held the patent from its issuance in Sept. 2017 through the April 2024 assignment to PO and did not allege infringement despite alleged prior business relationships.

D. The *Fintiv* Factors Weigh Against Denial

1. The Office Should Reject PO’s Reliance on the Comcast Case

The Office should reject PO’s reliance on the July 2026 Comcast trial date

under factor 2. DD, 1, 10. PO mentions the Comcast litigation under factor 2 (trial date) and otherwise ignores it. PO's incomplete analysis is reason alone to reject PO's argument. Indeed, it would make no sense to deny an IPR on discretionary grounds under factor 2 alone based on speculation that (1) a trial involving a third party who Petitioner does not control may proceed; and (2) the third party may raise a prior art argument that may be resolved during that trial. The Office should also consider PO's delay in suing Microsoft until nearly 8 months after the Comcast case as a mitigating factor. Otherwise, this would incentivize PO gamesmanship, e.g., PO filing litigation against a defendant disinclined to file IPR and then waiting to file litigation against a second defendant until a point in time when an IPR could not be filed with the final written decision ("FWD") due before the first litigation's trial.

Even if the Office considers PO's argument, it should conclude that the Comcast trial does not support denial under factor 2 just as it did not in the Google '903 IPR, which also involved a patent at issue in the Comcast case. EX1046, 8 (Director Review request arguing the Comcast trial supports denial); EX1047, 2 (denying Director Review). The Office should also determine that material error overrides the Comcast earlier trial date. §III.A; *Padagis*, IPR2025-00464-466, Paper 12, 3 (informative) (referring petition where there was a material error even though trial would precede FWD).

Moreover, even if there are overlapping arguments in the Comcast case, the

overlap would be mitigated by the fact that the Court required PO to narrow to no more than 5 asserted claims in the Comcast case in advance of expert reports. EX1048, 1. Even if all 5 of PO's asserted claims overlap with the 16 claims challenged here and trial addresses an overlapping argument, this IPR would still address 11 claims that could not be resolved at trial. This would weigh against discretionary denial. *E.g., Palo Alto Networks, Inc. v. Centripetal Networks, Inc.*, IPR2021-01149, Paper 10, 10-11 (Feb. 22, 2022) (determining factor 4 weighs against denial in light of petitioner's *Sotera* stipulation and fact that multiple challenged claims "will not be addressed by the district court").

2. Factor 1: The Likelihood of a Stay is Neutral

Microsoft has not yet filed a motion to stay the parallel litigation, and the district court has not indicated whether a stay would be granted. Thus, this factor is neutral. *Sand Revolution II, LLC v. Cont'l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24, 7 (June 16, 2020) (informative). PO cites stay statistics (DD, 10), but those statistics are not "specific evidence" indicating this factor supports denial. *See Sand Revolution II*, IPR2019-01393, Paper 24, 7.

3. Factor 2: The Trial Date Is at Worst Neutral

The FWD in this IPR would be due by June 22, 2027.⁷ The scheduled trial in

⁷ This assumes the Office will issue an institution decision 3 months after the POPR,

the Microsoft litigation is in April 2027 (EX1049, 1), but statistics suggest trial will begin 24 months after the complaint, i.e., on June 26, 2027. EX1050, 35. This factor is at worst neutral. *See, e.g., Caption Health, Inc. v. Univ. of British Columbia*, IPR2025-01066, Paper 13, 2 (Oct. 10, 2025) (determining trial date “neither favor[ed] nor counsel[ed] against discretionary denial” where FWD was due in Dec. 2026 and statistics suggested trial could begin the same month or one month later). Even if the Office finds the trial date⁸ favors denial, material error during prosecution overrides the trial date. *See, e.g., Padagis*, IPR2025-00464-466, Paper 12, 3. PO argues this factor strongly favors denial (DD, 7-8), but PO ignores the material error and statistics suggesting the FWD will issue slightly before trial.

4. Factor 3: Investment in the Parallel Litigation Weighs Against Denial Because the Litigation Is in Its Early Stages

This factor weighs against denial. The parties have invested minimal resources in the parallel litigation. The *Markman* hearing is not scheduled until Oct. 2026, the deadlines for close of fact discovery/opening expert reports are not until Nov. 2026, and dispositive motions are not due until Dec. 2026. EX1049, 3-4; *see, e.g., All. Laundry Sys., LLC v. Payrange LLC*, PGR2025-00027, Paper 11, 2 (July 17, 2025) (referring petitions and noting “there has been relatively little

accounting for the fact that June 19, 2026 is a Federal holiday.

⁸ The Comcast trial date should not be considered. *See* §III.D.1.

investment”).

PO argues “significant work will have been done” by the time of the institution decision in June 2026. DD, 11. But PO only identifies exchange of infringement/invalidity contentions, unexplained “extensive fact discovery” (which is inconsistent with the actual schedule), and claim construction exchanges/the Joint Claim Construction Statement. *Id.* The fact is that most work will remain to be done.

5. Factor 4: The Lack of Overlap Between Issues Raised in the Petition and the Parallel Litigation Weighs Against Denial

This factor weighs against denial. Microsoft submitted a *Sotera* stipulation, agreeing to be “bound by the full scope of estoppel under 35 U.S.C. §315(e)(2).” EX1023. This covers the full breadth of statutory estoppel (*see* 35 U.S.C. §§311(b) and 315(e)(2)) and weighs strongly against denial. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 19 (Dec. 1, 2020) (precedential as to §II.A); *see also, e.g., Apple Inc. v. Vampire Labs, LLC*, IPR2025-01215, Paper 8, 8-9 (Oct. 17, 2025) (referencing *Sotera* stipulation), Paper 9, 2 (Nov. 20, 2025) (referring for merits review); *Google LLC v. Sandpiper CDN, LLC*, IPR2025-00969, Paper 8, 2 (Sept. 18, 2025) (referencing *Sotera* stipulation), Paper 13, 2 (Oct. 10, 2025) (referring for merits review), Paper 19, 2 (Jan. 12, 2026) (denying Director review).

PO incorrectly argues this factor favors denial. DD, 11-13. First, PO contends that Microsoft’s invalidity contentions “completely overlap with its IPR challenges.” *Id.*, 11-12. This ignores that Microsoft’s *Sotera* stipulation removes the alleged

“overlap” if IPR is instituted. Second, PO contends Microsoft’s stipulation does not preclude combining Petition art with system art. *Id.*, 12. In support, PO cites *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, 3-4 (Mar. 28, 2025). However, the relevant facts in *Motorola* were completely different. There, the Acting Director determined that “although Petitioner’s *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5, which the Board found weighed in favor of denial.” *Id.*, 4. As to “substantial investment,” the parties had “served opening and rebuttal expert reports, filed claim construction briefs, and conducted several depositions” by the time of the POPR. *Id.*, 3. “The court also had held a claim construction hearing and construed the disputed claim terms.” *Id.* Here, there has been no such “substantial investment,” and factors 1, 2, and 5 are at worst neutral. Thus, the reasoning in *Motorola* does not apply. Third, PO contends this factor supports denial because Microsoft’s stipulation does not prevent §§101/112 arguments. *Id.*, 12-13. PO cites no authority for the proposition that a petitioner must forgo invalidity arguments that cannot be raised in IPR.

6. Factor 5: The Parties Factor Is at Worst Neutral

The FWD is projected by June 22, 2027, trial is scheduled in April 2027, and

trial is projected to begin around June 26, 2027.⁹ This factor is at worst neutral. *E.g.*, *Shenzhen Root Tech. Co. v. Chiaro Tech. Ltd.*, IPR2024-01296, Paper 9, 14, 19-20 (Feb. 25, 2025) (factor neutral even though patent owner speculated that trial in litigation involving the petitioner would occur 2 months before the FWD).

7. Factor 6: Other Circumstances Weigh Heavily Against Denial

As explained in §§III.A-III.D.6, there are compelling reasons for the Office to decline to discretionarily deny this IPR. This factor thus strongly weighs against denial. PO contends this factor favors denial because the “Petition fails to establish that the challenged claims are invalid over the asserted Grounds.” DD, 13. Aside from pointing to its forthcoming POPR without explanation, PO argues the Petition relies on expert gap filling. DD, 13. Not so. As to 1[c], PO argues Petitioner relies on its expert to conclude that “a POSITA would have understood that Seed suggests having edge servers fetch and then serve popular objects.” DD, 16. That is wrong. The Petition cites numerous passages from Seed itself—as well as extrinsic support—to explain why a POSITA would have read Seed this way. Petition, 20 (citing Seed, [0013], [0046], [0059]). PO also argues gap filling as to 1[d][ii] (DD,

⁹ If the Office considers the Comcast litigation, this factor weighs against denial because it involves an unrelated defendant. *E.g.*, *Multi-Color Corp. v. Brook & Whittle Ltd.*, PGR2025-00025, Paper 10, 2 (July 16, 2025).

17), but PO again mischaracterizes the Petition. Petitioner’s expert identifies an express teaching from the prior art of a “hash function” and provides a detailed explanation as to why a “hash function” would be understood to produce “distinct portions.” EX1003, ¶¶132-35. That is not expert gap filling. *Embody*, IPR2025-00249, Paper 13, 26 (Aug. 5, 2025) (finding it is not impermissible gap filling for an expert to explain a property of a feature disclosed in the prior art). Moreover, the ’692 patent describes the use of a hash function to distribute libraries across servers. EX1001, 12:41-63. In sum, PO only identifies instances where Petitioner’s expert offered opinions as to “what [a prior art]’s teachings would indicate to a skilled artisan”—which is entirely proper. *Yealink (USA) Network Tech. Co. v. Barco N.V.*, IPR2025-00491, Paper 20, 28 (July 29, 2025).

E. Microsoft Sufficiently Explained Its Claim Construction Position Regarding Dependent Claim 18

PO argues that because Microsoft has asserted that claim 18 may be indefinite in both the Petition and district court, Microsoft has somehow taken inconsistent claim construction positions. DD, 13-16. That is wrong. In the district court, Microsoft identified claim 18 as being indefinite. *See* EX2006, 251. Meanwhile, the Petition explained that “[d]ependent claim 18...appears contradictory when read with [15[b]].” Petition, 41. The Petition further explained that claim 18’s plain words can be read in three possible ways, each of which is taught by the prior art. *Id.*, 42-43. Thus, Microsoft did not “leave[] it to the Board to sort out” (DD, 15) which

interpretation is correct. Instead, Microsoft argued that indefiniteness issues are irrelevant here because a POSITA would have understood that the prior art teaches any possible interpretation. The Petition thus sufficiently explained Microsoft's positions in the two forums, which are consistent. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18, 3-4 (Nov. 5, 2025) (informative) (stating that a petitioner's explanation may be sufficient if, notwithstanding alleged indefiniteness, a POSITA "would understand the asserted art satisfies the claim limitation"); *see also Intel Corp. v. Qualcomm Inc.*, 21 F.4th 801, 813 (Fed. Cir. 2021). And even if PO could show an inconsistency, an alleged claim construction inconsistency affecting a single dependent claim does not justify denying the petition. *See Infineon Techs. Americas Corp. v. Mosaid Techs. Inc.*, IPR2025-01487, Paper 27, 2-3 (Mar. 17, 2026) (granting institution and noting that alleged claim construction inconsistency "only affects three dependent claims out of twenty-one challenged claims").

IV. CONCLUSION

There are persuasive reasons to reach the merits of this IPR, and PO's request for discretionary denial should be denied.

IPR2026-00174

U.S. Patent No. 9,762,692

Dated: March 19, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that true copies of Petitioner's Opposition to Patent Owner's Request for Discretionary Denial and EXHIBITS 1024 – 1050 were served upon the below listed counsel by electronic mail:

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