

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

TOUTVIRTUAL, INC.,
Patent Owner

Case IPR2026-00296
Patent 10,810,050

PETITIONER'S PRELIMINARY REPLY

EXHIBITS

MS-1001	U.S. Patent No. 10,810,050 to Pabari (“the ’050 Patent”)
MS-1002	Prosecution History of the ’050 patent (“the Prosecution History”)
MS-1003	Declaration and Curriculum Vitae of Dr. Michael Mitzenmacher
MS-1004	U.S. Pat. No. 7,577,722 (“Khandaker”)
MS-1005	U.S. Pat. App. No. 2005/0044301 (“Vasilevsky”)
MS-1006	U.S. Pat. No. 6,880,002 (“Hirschfeld”)
MS-1007	U.S. Pat. App. No. 2002/0049803 (“Bandhole”)
MS-1008	U.S. Pat. No. 7,457,925 (“Fujino”)
MS-1009	Int. Pat. Pub. No. WO 02/03220 (“Tremain”)
MS-1010	Smith, James E. & Ravi Nair, “Virtual Machines: Versatile Platforms for Systems and Processes,” Morgan Kaufmann, 2005, ScienceDirect (“Smith”)
MS-1011	Declaration of June Munford
MS-1012	U.S. Pat. App. Pub. No. 2014/0344462 (“Pabari”)
MS-1013	U.S. Pat. App. Pub. No. 2015/0347167 (“Bonazzola”)
MS-1014	U.S. Provisional App. No. 60/708,473 (“Pabari-Provisional”)
MS-1015	U.S. Pat. App. No. 15/201,087 (“Pabari-Utility-Application”)
MS-1016- MS-1049	RESERVED

MS-1050	Complaint, <i>ToutVirtual, Inc. v. Microsoft Corporation</i> , 2-25-cv-00943, EDTX (filed Sep. 8, 2025)
MS-1051	Docket Control Order, <i>ToutVirtual, Inc. v. Microsoft Corporation</i> , 2-25-cv-00943, EDTX (issued Feb. 19, 2026)
MS-1052	Appendix C, INFRINGEMENT CHART U.S. Patent No. 10,810,050, <i>ToutVirtual, Inc. v. Microsoft Corporation</i> , 2-25cv-00943, EDTX
MS-1053	Petitioner's Stipulation
MS-1054	Excerpts of the Prosecution History of the U.S. Pat. No. 8,799,431 ("431 Prosecution History")
MS-1055	Nielson et al., "Microsoft FY25 Fourth Quarter Earnings Conference Call," July 30, 2025, https://www.microsoft.com/en-us/investor/events/fy-2025/earnings-fy-2025-q4
MS-1056	"What is Azure Government," Last updated May 18, 2026, https://learn.microsoft.com/en-us/azure/azure-government/documentation-government-welcome
MS-1057	"Datacenter Investments Drive Economic Growth in Central Washington," Microsoft Local, Microsoft, https://local.microsoft.com/blog/datacenter-investments-drive-economic-growth-in-central-washington/
MS-1058	"CVE-2009-4849 Detail," National Vulnerability Database, National Institute of Standards and Technology, 7 May 2010, https://nvd.nist.gov/vuln/detail/CVE-2009-4849
MS-1059	"Toutvirtual Virtualiq 3.2 Security Vulnerabilities, CVEs." CVE Details, SecurityScorecard, https://www.cvedetails.com/vulnerability-list/vendor_id-10821/product_id-19348/version_id-451232/Toutvirtual-Virtualiq-3.2.html

- MS-1060 “What is Azure Government,” Last updated May 18, 2026, <https://learn.microsoft.com/en-us/azure/azuregovernment/documentation-government-welcome>
- MS-1061 “Datacenter Investments Drive Economic Growth in Central Washington,” Microsoft Local, Microsoft, <https://local.microsoft.com/blog/datacenter-investments-driveeconomic-growth-in-central-washington/>
- MS-1062 “CVE-2009-4849 Detail,” National Vulnerability Database, National Institute of Standards and Technology, 7 May 2010, <https://nvd.nist.gov/vuln/detail/CVE-2009-4849>
- MS-1063 “Touvirtual Virtualiq 3.2 Security Vulnerabilities, CVEs.” CVE Details, SecurityScorecard, https://www.cve-details.com/vulnerability-list/vendor_id10821/product_id-19348/version_id-451232/TouvirtualVirtualiq-3.2.html
- MS-1064 DocketNavigator Statistics, Courts: Texas Eastern District; Judges: Robert W. Schroeder, III; Case Filing Date: On or After Jan. 1st, 2023
- MS-1065 DocketNavigator Statistics, Courts: Texas Eastern District; Case Filing Date: On or After Jan. 1st, 2023
- MS-1066 Petitioner’s Email to Patent Owner Regarding Unconditional Withdrawal of Preliminary Indefiniteness Contentions

TABLE OF CONTENTS

I.	Petitioner Is Not Taking Inconsistent Claim Construction Positions ...	1
II.	Petitioner Has Withdrawn the Preliminary Indefiniteness Contentions in the District Court.....	2
III.	Other Discretionary Denial Factors including Material Examiner Error Outweigh Any Alleged Inconsistent Constructions.....	3
IV.	Patent Owner Cannot Rely on Intentionality to Construe Claim 9.....	5
V.	Conclusion.....	5

Patent Owner's argument that Petitioner is taking inconsistent claim construction positions is not only incorrect, but is also moot in view of the latest developments in the District Court proceeding (hereinafter "the Litigation"). As an initial matter, Petitioner is not taking inconsistent positions in this IPR proceeding and in the Litigation, and has provided an express unconditional statement to Patent Owner's District Court litigation counsel indicating the same. MS-1066. Second, to the extent Petitioner's preliminary invalidity contentions were understood to advance a different construction, Petitioner provides an explanation below for the positions taken by Petitioner in the Litigation and in the IPR petition. Third, other discretionary denial factors, such as Examiner material error, favor institution and weigh more than weight attributed to the alleged inconsistent constructions.

I. Petitioner Is Not Taking Inconsistent Claim Construction Positions

After the IPR petition was filed, Petitioner submitted *preliminary* invalidity contentions in the Litigation identifying certain claim phrases as being indefinite. Petitioner's understanding of these phrases was that that the prior art satisfied the plain and ordinary meaning but that the outer bounds of these phrases were unclear for purposes of addressing Patent Owner's infringement assertions. For example, with reference to feature [1.5], the Petitioner explains how Khandekar's system automatically provisions a Virtual Machine in view of matching parameters specified in a virtual asset provisioning request (e.g., desired amount of memory). Paper 2

(Petition), 15-18. While Petitioner believes such a prior art mapping satisfies feature [1.5], it was unclear what range of parameter matching (e.g., 60% or 100% matching) is required to establish infringement. Other terms identified in Petitioner's contentions have similar issues and were therefore preliminarily included.

As the Director recognized in *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18, 3-4, (Nov. 5, 2025), there are instances in which “notwithstanding the alleged indefiniteness of the claim term, an ordinarily skilled artisan would understand that the asserted art satisfies the claim limitation (such as if the limitation prescribed a range and only the outer bounds of the range were unclear).” Here, similarly, Petitioner believes that the asserted art satisfies the noted claim terms, while the outer bounds of were unclear. Thus, there was no inconsistency in Petitioner's construction positions. That *Patent Owner cited to the invalidity contentions in its Discretionary Denial brief* (see Paper 9, iv and EX2007) *yet did not argue any inconsistency in its Discretionary Denial brief* validated Petitioner's belief.

II. Petitioner Has Withdrawn the Preliminary Indefiniteness Contentions in the District Court

Belatedly, Patent Owner raised the alleged inconsistent construction arguments in its Patent Owner Preliminary Response (POPR). Paper 12, 16-18. While Petitioner does not concur with Patent Owner's assertion, to avoid any doubt of inconsistency, Petitioner's Litigation Counsel subsequently sent an email to Patent

Owner's litigation counsel explicitly stating that "Microsoft is withdrawing its preliminary indefiniteness contentions and will not pursue them in this case." MS-1066. To reinforce and avoid any lack of clarity regarding Petitioner's intentions, Petitioner stipulates to using the same constructions according to the plain and ordinary meaning standard in this IPR proceeding and the Litigation. Importantly, Petitioner's withdrawal of preliminary indefiniteness contentions and the above stipulation is ***not*** conditional upon institution, and is already being implemented. In this manner, Petitioner's actions are in furtherance of the Office's goals of increasing efficiency and minimizing potential for inconsistent outcomes.

Petitioner's actions are similar to actions in other cases in which the Director has not found an initial alleged inconsistent claim construction position sufficient to deny institution. For example, in *Caption Health, Inc. v. The University of British Columbia*, IPR2025-01422, Paper 15, 3 (P.T.A.B. Dec. 18, 2025), the Director noted that Petitioner's stipulation to use the same constructions in the district court and IPR proceedings, "resolves any potential inconsistency in claim construction positions between forums and does not require further explanation under *Revvo*." See also IPR2025-00988, Paper 14, 4-5 (P.T.A.B. Jan. 5, 2026).

III. Other Discretionary Denial Factors including Material Examiner Error Outweigh Any Alleged Inconsistent Constructions

In *Wybotics, Co. Ltd. v. Zodiac Pool Systems LLC*, IPR2026-00158, Paper 12, 2 (P.T.A.B. May 6, 2026), despite concerns regarding constructions and a narrower

stipulation than present in this case, the Director found that “it is an appropriate use of Office resources to review the potential [Examiner] error.” And in *Tesla, Inc. v. Bulletproof Property Management, LLC*, IPR2026-00204, Paper 14, 2-5 (P.T.A.B. Jun. 15, 2026), the Director reemphasized that discretionary denial decisions involve a multi-factor analysis, and that a persuasive showing of material Examiner error and a lack of settled expectations do not favor discretionary denial of a petition.

Here, to the extent the Director finds that the Petitioner also advanced inconsistent constructions, Petitioner submits that other discretionary denial factors weigh heavily against discretionary denial and merit referral of this IPR. For example, as described in Petitioner’s Opposition (Paper 11), the examination record of the ’050 patent reflects at least two material Examiner errors including: (1) failure to properly consider and apply prior art (Khandekar, Vasilevsky) available before the Office during prosecution, and (2) failure to check compliance of statutory requirements under 35 U.S.C. § 112 and to identify a substantive error in applicant’s amendments due to a lack of written description support. Paper 11, 5-10.

ToutVirtual also lacks settled expectations at least because the ’050 patent issued less than six years before the filing of Microsoft’s petition. Paper 11, 14-20. Microsoft’s accused Azure cloud computing products contributed to **billions** of dollars of investments in the US economy and American manufacturing operations, whereas ToutVirtual’s product, allegedly associated with the ’050 patent, faltered

with publicly-known security vulnerabilities. Paper 11, 3-5, 19.

Accordingly, even if Petitioner’s preliminary indefiniteness contentions were understood to be inconsistent with Petitioner’s IPR construction positions, Petitioner has taken steps to explain, clarify, and ensure that no alleged inconsistencies remain, rendering Patent Owner’s argument moot.

IV. Patent Owner Cannot Rely on Intentionality to Construe Claim 9

Patent Owner relies on the purported intent of the applicant to construe/revise claim 9 to argue that the “processor” recited in claim 9 is part of the “control center computer” and not the “computer device.” POPR, 18-23. Yet, interpreting the claim in this manner would require contradicting the claim language itself, which makes clear that the processor is not part of the control center computer—“a virtualization environment having a *computer device with a processor* and memory and *a control center computer coupled to the computer device.*” Indeed, in amending the claim, the applicant explicitly deleted the “processor” that was part of the control center computer, when it could have been retained. MSC-1002, 164; POPR, 20. More, none of the case law cited by Patent Owner holds that an alleged applicant intent in amending claims supercedes the actual claim language to interpret the claims.

V. Conclusion

For the foregoing reasons, ToutVirtual’s Request for Discretionary Denial should be denied.

Respectfully submitted,

Dated: July 14, 2026

/Usman Khan/
W. Karl Renner, Reg. No. 41,265
Usman A. Khan, Reg. No. 70,439
Ryan Chowdhury, Reg. No. 74,466
David Holt, Reg. No. 65,161
Fish & Richardson P.C.
60 South Sixth Street
Minneapolis, MN 55402
T: 202-783-5070
F: 877-769-7945

Attorneys for Petitioner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e)(4)(i) *et seq.* and 42.105(b), the undersigned certifies that the captioned PETITIONER'S PRELIMINARY REPLY, and all supporting exhibits were provided electronically via e-mail, on July 14, 2026, to the Patent Owner by serving the correspondence addresses of record as follows:

James Hannah
Kristopher Kastens
Jeffrey H. Price
Jenna Fuller
Jeffrey Eng
Elisa Santos

HERBERT SMITH FREEHILLS KRAMER (US) LLP

Email: james.hannah@hsfkramer.com
kris.kastens@hsfkramer.com
jeffrey.price@hsfkramer.com
jenna.fuller@hsfkramer.com
jeffrey.eng@hsfkramer.com
elisa.santos@hsfkramer.com
svdocketingus@hsfkramer.com

Attorneys for Patent Owner

Esther Goldschlager/
Esther Goldschlager
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
goldschlager@fr.com