

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.

SANDPIPER CDN, LLC,
Patent Owner.

IPR2026-00180
Patent 10,701,173 B2

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual
Property and Director of the United States Patent and Trademark Office.*

DECISION
Denying Patent Owner's Request for Discretionary Denial

Sandpiper CDN, LLC (“Patent Owner”) filed a request for discretionary denial (Paper 8, “DD Req.”) in the above-captioned case, and Microsoft Corporation (“Petitioner”) filed an opposition (Paper 10, “DD Opp.”). With authorization, Patent Owner filed a Reply (Paper 11, “PO Reply”) and Petitioner filed a Sur-reply (Paper 13, “Pet. Sur-reply”). On April 28, 2026, after considering the parties’ arguments and the record, and in view of all relevant considerations, I issued a Notice indicating that the Petition is referred for consideration of the merits and non-discretionary considerations in the above-captioned case. Paper 14.

Patent Owner argues in its discretionary denial request that the challenged patent has been in “force for over five years.” DD Req. 12. Patent Owner argues that, over that time period, it developed settled expectations that the patent is valid and enforceable. *See Dabico Airport Sols. Inc. v. Axa Power Aps*, IPR2025-00408, Paper 21 at 2–3 (Director June 18, 2025). Patent Owner also argues that Petitioner’s challenges “rely on *the same art and analysis* that the Office previously considered.” DD Req. 13 (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7–8 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”). Specifically, Patent Owner argues that the Office previously considered O’Rourke,¹ and Petitioner has not identified an error in the Office’s prior consideration. *See id.* at 17.

O’Rourke, however, only forms the basis for half of Petitioner’s challenges in the Petition. *See* Paper 1 (“Pet.”), 2. Petitioner’s remaining challenges are based on Middleton,² which the Office did not consider. *See*

¹ US 7,912,921 B2, issued Mar. 22, 2011 (Ex. 1005).

² US 2011/0060812 A1, published Mar. 10, 2011 (Ex. 1006).

id.; DD Opp. 6. Patent Owner does not argue that the Middleton-based challenges are cumulative to art or arguments the Office previously considered. *See* DD Opp. 13–18. Accordingly, it appears that Petitioner’s Middleton-based challenges do not rely on the same or substantially the same prior art or arguments previously presented to the Office under 35 U.S.C. § 325(d).

Petitioner further identifies that Middleton was commonly assigned to Patent Owner before the challenged patent was filed. DD Opp. 10. Both the challenged patent and Middleton were assigned to Level 3 Communications, LLC, and Middleton was published in 2011, prior to the filing of the challenged patent in 2017. *Id.*; *see also* Pet. 7 (citing Ex. 1001, codes (22), (73); Ex. 1006, codes (43), (73)). Petitioner asserts that Middleton’s absence from the challenged patent’s prosecution history is a material error that occurred during prosecution.

Patent Owner’s failure to cite a commonly assigned reference to the Office is relevant to the holistic analysis for considering discretionary denial. The Office has a commitment to issuing reliable and durable patent rights resulting from high-quality examination. A patent applicant’s failure to provide prior art that it owns cuts against its settled expectations and weighs against discretionary denial.

While certain arguments are highlighted above, the determination to not exercise discretion to deny institution is based on the complete record and a holistic assessment of all of the evidence in light of the arguments presented.

Accordingly, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until a Notice of Decision on Institution including this case issues.

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