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Paper 10
Date: July 31, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASIMO CORPORATION,
Petitioner,

v.

APPLE INC.,
Patent Owner.

IPR2023-00634 (Patent 10,627,783 B2)
IPR2023-00635 (Patent 10,987,054 B2)[1]

Before KEN B. BARRETT, JOSIAH C. COCKS, and ROBERT L. KINDER, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

[1] This Order addresses issues that are same in each of the above captioned proceedings and we exercise our discretion to issue one Order to be filed in each proceeding. The proceedings have not been consolidated, and the parties are not authorized to use this style heading in any subsequent papers.

I. INTRODUCTION

On July 19, 2023, the Board conducted a telephone conference with the parties to discuss Petitioner's request for authorization to file a reply to Patent Owner's Preliminary Response in both of the above-captioned proceedings. Judges Barrett and Kinder participated on behalf of the Board. Ted Cannon, Philip Nelson, Jarom Kesler, and Paul Spiel appeared on behalf of Petitioner, and Karan Jhurani, Roberto J. Devoto, Rick Bisenius[2], and Craig A. Deutsch appeared on behalf of Patent Owner. A court reporter was retained and a transcript of the conference call is included in the record. IPR2023-00634, Ex. 1051; IPR2023-00635, Ex. 1051 ("Tr.").[3]

"A petitioner may seek leave to file a reply to the preliminary response" and "[a]ny such request must make a showing of good cause." 37 C.F.R. § 42.108(c).

Petitioner's requests in both cases pertain to arguments in Patent Owner's Preliminary Response that we should exercise discretion under 35 U.S.C. § 325(d) to deny institution of the Petitions. Section 325(d) provides that a petition may be rejected if "the same or substantially the same prior art or arguments previously were presented to the Office." The Board analyzes this issue under a two-part framework:

> (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of [the] first part of the framework is

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[2] Mr. Bisenius presented arguments regarding IPR2023-00635, but Patent Owner's Mandatory Notices (Paper 4) do not identify him as a designated counsel in that case. Patent Owner shall update its Notices in accordance with 37 C.F.R. § 42.8(a)(3).

[3] Judge Cocks was not present on the conference call but has reviewed the transcript.

> satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) ("*Advanced Bionics*") (applying the factors set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) ("*Becton, Dickinson*")).

II. DISCUSSION

A. IPR2023-00634

In the Preliminary Response in IPR2023-00634, Patent Owner, argues that, under the first prong of *Advanced Bionics*, the Petition advances prior art references and arguments that are substantially the same as those presented to and considered by the Examiner during prosecution, and that, under the second prong, Petitioner has failed to demonstrate error by the Examiner. IPR2023-00634, Paper 8 (Preliminary Response), 25. Petitioner contends that the issues raised by Patent Owner's arguments for discretionary denial under § 325(d) were not foreseeable and, therefore, good cause exists for authorization of a reply to the Preliminary Response. Tr. 7:20–12:8, 26:20–29:11. Petitioner asserts, *inter alia*, that the prior art references in the Petition were not before the Examiner, further asserts that over 600 references were identified during prosecution, and contends that it was unforeseeable that Patent Owner would argue that particular identified references are substantially the same as the references in the Petition. Tr. 8:2–14.

Patent Owner disagrees. *Id.* at 12:12–26:18, 29:14–31:20. Patent Owner asserts that *Advanced Bionics* "states that the Petitioner bears the

burden to explain why the art in the Petition is not the same or substantially the same as the previously presented art of their office," and, if so, explain how the Office erred. *Id.* at 13:17–14:5; *but see id.* at 27:5–10 (Petitioner stating: "We don't see anywhere in the *Advanced Bionics* case that shows that it's the Petitioner's burden to disprove cumulativeness. . . . [I]f Apple has a citation for that proposition, we'd like to see that at some point."). We understand Patent Owner to argue that it was foreseeable that Petitioner, in order to satisfy those burdens, would have to "scrutinize the prosecution record" to determine which claim features led to allowance and then, in the Petition and prior to Patent Owner raising any § 325(d) argument, explain why the Petition references are not cumulative of the prosecution references pertaining to those features and explain why the Examiner erred regarding any cumulative references. *See id.* at 14:6–18, 16:5–12, 18:15–19:3.

We observe that the number of references before the Examiner during prosecution is substantial. *See, e.g.*, IPR2023-00634, Ex. 1001, code (56) (the "References Cited" section of the challenged patent spanning six pages). We determine, based on the specific facts of this case, that it is not reasonable to expect Petitioner to review the substantial amount of evidence and predict the arguments that might be made by Patent Owner and preemptively address those arguments in the Petition.

Patent Owner also argues that allowing Petitioner a Reply to the Preliminary Response is a burden shift to Patent Owner that is "highly prejudicial" because "Petitioner has the ultimate burden of proof" and, "to the detriment of Patent Owner," could allow Petitioner to use the Preliminary Response "as a road map to rectify and bolster an otherwise deficient 325(d) record." Tr. 19:18–21:1. Patent Owner's road mapping

argument is incorrectly premised on the implicit assertion that the specific arguments in the Preliminary Response were foreseeable. Here, rather than seeking an opportunity to patch holes in the Petition, Petitioner is requesting a reply to specific arguments that were not reasonably foreseeable. Additionally, Patent Owner's basis for the allegation of an improper burden shift is unclear. *Advanced Bionics* addresses the analysis done by the Board at the time of evaluating the parties' arguments and evidence and determining whether to exercise discretion to deny a petition. *Advanced Bionics*, Paper 6 at 8 ("[U]nder § 325(d), the Board uses the following two-part framework: . . . ."). We have not reached that point, yet. In this case, burdens related to the § 325(d) analysis will be applied at the time of conducting any such analysis. At this point in the proceeding, the issue before us—and the accompanying burden—is whether Petitioner has shown good cause to file a reply to the § 325(d) arguments made in the Preliminary Response. *See* 37 C.F.R. § 42.108(c).

We determine that Petitioner has shown good cause, and we authorize Petitioner to file a Reply to the Preliminary Response limited to addressing the § 325(d) issue. Patent Owner is authorized to file a Sur-reply.

B. IPR2023-00635

In IPR2023-00635, Petitioner seeks authorization to file a preliminary reply regarding two issues, discretionary denial under § 325(d) and a claim construction issue.

1. Discretionary Denial under § 325(d)

The Petition states that, "[w]ith respect to 35 U.S.C. § 325(d), . . . none of the references the Petition relies on were considered during examination" and "the references presented herein are materially better than

the references considered during examination." IPR2023-00635, Paper 1 ("Petitioner" or "Pet."), 90. The Petition relies on the Rothkopf reference in its anticipation ground (Ground 1) and as the primary reference in all other grounds (Grounds 1A through 3C). *See id.*, Grounds Listing. The Petition also relies, *inter alia*, on Jung and Paulke, each as secondary references in certain obviousness grounds. *Id.*

Patent Owner argues that discretionary denial under § 325(d) is appropriate because the same Rothkopf reference was cited and applied by the Examiner during prosecution and because Jung and Paulke are substantially the same as art considered by the Examiner, and because Petitioner has not demonstrated or even alleged error by the Examiner. IPR2023-00635, Paper 8 (Preliminary Response), 5–11; *see also* Tr. 39:13–22 (Patent Owner arguing that the issue was foreseeable at least because Rothkopf is cited on the face of the challenged patent).

Petitioner concedes that it overlooked that the Examiner applied Rothkopf during prosecution. Tr. 32:14–18, 45:20–46:7. On the call, Petitioner argued that Rothkopf was only applied by the Examiner to a dependent claim and was not considered for key limitations. *See id.* at 35:6–37:8. Even if correct, that does not show why a § 325(d) issue was unforeseeable. We determine that it was reasonably foreseeable that Patent Owner would argue that the Petition should be denied under § 325(d) because the reference forming the basis of every ground in the Petition was considered by the Examiner (the first prong of *Advanced Bionics*). By extension, it was reasonably foreseeable that the Petition should have addressed the second prong of *Advanced Bionics*, namely "whether the petitioner has demonstrated that the Office erred in a manner material to the

patentability of challenged claims." *Advanced Bionics*, Paper 6 at 8; *see id.* ("[I]f either condition of [the] first part of the framework is satisfied," e.g., if the same/substantially the same art *or* arguments were presented to the Office, then the analysis proceeds to the second prong).

Petitioner also argues that "[t]he second reason for good cause is that additional briefing would help the Board address a novel legal question under a precedential 325(d) decision." Tr. 37:7–12. Petitioner frames the issue, which it proposes to brief for the first time in the requested reply, is "when does the examiner's use of a reference as a secondary reference against one limitation of the claim and for one teaching foreclose the use of that reference as a primary reference against all or most of the limitations of the independent claims." *Id.* at 37:18–38:2.

Although Petitioner describes what might (or might not) be a novel fact-pattern, we are not persuaded that the analysis would involve anything more than the routine application of existing precedent, including *Advanced Bionics* and *Becton, Dickinson*, to a very specific set of facts and arguments. To the extent that Petitioner equates a discretionary denial of institution with "foreclose[ing] the use of [a prosecution] reference," the *Advanced Bionics* analysis includes the evaluation of whether Petitioner has shown material error, which turns on the specific facts of and arguments made in a given case. And, again, it was reasonably foreseeable that Patent Owner would present § 325(d) arguments regarding the Petition's discussion (or lack thereof) of any alleged error in the Examiner's consideration of Rothkopf. Thus, the purported novel issue also was foreseeable and could have been fully briefed in the Petition.

Petitioner has not shown good cause to further brief the § 325(d) issue with respect to Rothkopf.

As to the secondary references Jung and Paulke, Petitioner contends that it was unforeseeable that Patent Owner would argue that those references are substantially similar to prior art before the Examiner. Tr. 33:3–6. Petitioner, however, also argues that "[t]he Petition specifically shows that Jung and Paulke are stronger references than Rothkopf for the key limitation," citing several pages of the Petition. *Id.* at 33:8–35:5 (citing Pet. 41–46, 75–76); *see id.* at 35:1–5 ("And so it's very clear that we were arguing them as a stronger reference for that limitation and Apple has not done any comparison to rebut that analysis in the Petition."). Thus, Petitioner undercuts its argument of unforeseeability by indicating that the Petition addressed, at least to some degree, Patent Owner's substantial similarity arguments and that the Petition purportedly has shown why those arguments are incorrect. On the present record, we determine that we are capable of analyzing the parties' arguments without further briefing and that Petitioner has not shown good cause to further brief the § 325(d) issue with respect to Jung and Paulke.

2. Claim Construction

In asserting that good cause exists for Petitioner to file a reply brief regarding the claim construction issue, Petitioner argues that "[Patent Owner] Apple unforeseeably argued that [Petitioner] Masimo asserted that carrier member is a means-plus-function limitation but that Masimo did not identify the function or corresponding structure." Tr. 48:2–6. Petitioner, however, concedes that it did argue in the Petition that "carrier member" could be construed as a means-plus-function limitation and that, according to Petitioner, the Petition "say[s] that the specification does not use the specific

claimed phrase 'carrier member' or associate that specific phrase with any structure." Tr. 48:21–49:15; *see id.* at 52:2–6. Petitioner further asserted that its arguments regarding that term are set out adequately in the Petition, including an identification of function and structure and a proposed construction offered in the alternative to the means-plus-function construction. *See id.* at 48:7–50:11, 52:4–22; *see id.* at 48:8–12 ("[Petitioner] Masimo spent a lot of analysis on the carrier member limitation and actually provided enough analysis whether it's a means-plus-function limitation or not."), *id.* at 49:1–2 ("[W]e sufficiently identified function and structure."). We are not persuaded that it was unforeseeable that Patent Owner would restate the means-plus-function arguments made in the Petition when responding to those arguments. Additionally, because Petitioner asserts that the Petition adequately set out Petitioner's position on claim construction, we determine that we are capable of analyzing the issue without further briefing and determine that Petitioner has not shown good cause for a preliminary reply.

III. ORDER

For the foregoing reasons, it is

ORDERED that Petitioner may file a preliminary reply in IPR2023-00634 within one week of the entry of this Order, limited to no more than seven (7) pages in length, and addressing only discretionary denial under 35 U.S.C. § 325(d);

FURTHER ORDERED that Patent Owner may file a preliminary sur-reply in IPR2023-00634 within one week of the filing of the preliminary reply, limited to no more than seven (7) pages in length, and addressing only the issues raised in the preliminary reply; and

FURTHER ORDERED that Petitioner's request to file a reply to the Preliminary Response in IPR2023-00635 is *denied*.

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