

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASIMO CORPORATION
Petitioner,

v.

APPLE INC.,
Patent Owner

Case IPR2024-00071
U.S. Patent 10,076,257

PATENT OWNER'S PRELIMINARY RESPONSE

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APPLE-2001	Communication between Apple's litigation counsel and Masimo's litigation counsel re narrowing of asserted claims
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I. INTRODUCTION

This serial Petition challenging claims of U.S. Patent No. 10,076,257 (the '257 patent) is the second petition filed by Masimo (and third petition overall) challenging claims of the '257 patent.¹ Rather than include the arguments raised in the present Petition in its earlier filed Petition, Masimo waited nearly seven months to file this serial Petition—after Apple filed its Preliminary Response and the Board issued its Institution Decision in the earlier filed First Masimo IPR. As demonstrated below, both the *General Plastic* factors and the guidance found in the PTAB's Consolidated Trial Practice Guide ("Trial Practice Guide"; "CTPG")² regarding multiple petitions challenging the same patent filed by the same petitioner favor discretionary denial of this serial Petition.

First, institution should be denied under 35 U.S.C. § 314(a) because this serially filed Petition raises the exact same issues addressed in the Board's Precedential *General Plastic* decision. As recognized by the *General Plastic*

¹ See, generally, *Masimo Corporation v. Apple Inc.*, IPR2023-00745, Paper 4 (Petition) (PTAB Mar. 22, 2023) ("First Masimo Petition"); *AliveCor, Inc. v. Apple Inc.*, IPR2023-00950, Paper 2 (Petition) (PTAB June 7, 2023) ("AliveCor IPR") (relying on the same Markel reference at issue in both Masimo IPRs).

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>

panel, such staggered petitions challenging the same patent “raise the potential for abuse” such that, if instituted, the Petitioner could use filings and decisions in earlier petitions “as a roadmap,” making such serial petitions “unfair to patent owners and ... an inefficient use of the *inter partes* review process.” *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357 Pap. 19 at 17-18 (PTAB Sep. 6, 2017) (precedential) (“*General Plastic*”).

Second, institution should be denied under 35 U.S.C. §§ 314(a) and 316(b) based on the Consolidated Trial Practice Guide’s guidance regarding multiple petitions filed by the same petitioner challenging the same patent. As articulated in the Trial Practice Guide, “multiple petitions by a petitioner are not necessary in the vast majority of cases” because such multiple petitions “may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns.” CTPG, 59. Such concerns are heightened where, as here, the two Petitions are not filed at or about the same time, but rather seven months apart.

The Board has otherwise also noted concerns over unfairness, inefficiency, and potential for abuse and inconsistency when denying institution to similarly problematic petitions under §§ 325(d) and 315(d) involving situations where (as here) multiple parties have previously filed petitions challenging the same patent based on the same prior art (the Markel reference relied upon for Ground 2).

Google LLC v. Uniloc Luxembourg S.A., IPR2017-02067 Pap. 10 at 8-11 (PTAB Mar. 29, 2018) (denying institution of a follow-on petition under § 325(d) in part because a subsequent petitioner’s reliance on a primary reference earlier mapped by a different petitioner would unfairly advantage the subsequent petitioner, and in part because of efficiency concerns implicated by reconciling arguments, issues, and evidence across multiple independent trials); *see also Samsung Elec. Am. v. Uniloc 2017*, IPR2018-01756, Paper 7 (March 11, 2019).

Indeed, institution of Masimo’s petition would result in inefficiencies for the Board and unfairness for Apple across both Masimo IPR proceedings (and the instituted AliveCor IPR proceeding), as papers and exhibits filed within the staggered proceedings will provide the petitioners with an opportunity to continually adjust strategies and arguments pertaining to application of the same primary reference in each other’s proceedings.

For at least these reasons, and as addressed at length below with respect to the *General Plastic* framework and the Trial Practice Guide, the Board should exercise its discretion to deny institution under 35 U.S.C. §§ 314(a).

II. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION UNDER 35 U.S.C. §§ 314(a)

A. The *General Plastic* Factors Heavily Favor Denial Under § 314(a)

Masimo’s seven-month delay in filing this serial Petition after the filing of its first Petition presents the precise “potential for abuse” with which the

precedential *General Plastic* decision was concerned. *General Plastic*, 17.

Institution of this Petition would reward the exact “opportunity to strategically stage their prior art and arguments in multiple petitions” at issue in *General Plastic* by allowing Masimo to use the Board’s decisions and Apple’s submissions in the First Masimo IPR (as well as future submissions from Apple in the earlier case) “as a roadmap.” *Id.*, 17-18. Institution in of this serial petition would thus be “unfair to patent owner[]” and “an inefficient use of the *inter partes* review process.” *Id.*

Although Masimo asserts that claims 6 and 7 “were not challenged in Petitioner’s earlier-filed petition” (Pet., 80), this assertion ignores the fact that claims 6 and 7 depend from claims 1 and 4 which were challenged in the First Masimo Petition. *See* First Masimo Petition, 13, 40-54, 57. Furthermore, Ground 2 of Masimo’s serial Petition relies on the same Markel-Mills combination with respect to the elements of claims 1 and 4 as the First Masimo Petition while adding to Masimo’s analysis of these claims, including an entirely new mapping, as an apparent response to arguments made by Apple in the Preliminary Response in the First Masimo IPR. *See* Pet., 17, 48-68; First Masimo Petition, 13; 40-54, 57; *Masimo Corporation v. Apple Inc.*, IPR2023-00745, Paper 7 at 10-19 (Patent Owner’s Preliminary Response) (PTAB July 18, 2023) (“First Apple POPR”).

Such efforts on the part of Masimo to bolster its serial Petition arguments based on arguments raised by Apple in the First Apple POPR is the precise type of gamesmanship that the *General Plastic* framework is intended to prevent.

With respect to 35 U.S.C. § 314(a), *General Plastic* establishes a non-exhaustive list of seven factors informing the Board’s considerations in evaluating follow-on petitions with respect to 35 U.S.C. § 314(a). *General Plastic* at 16. As explained in more detail below, ***all seven General Plastic factors weigh against institution of Masimo’s serial petition***, which would, as a consequence of Masimo’s choices to file this serial Petition seven months after the petition in the First Masimo IPR, create serious unfairness, inefficiencies, and potential for abuse of a process leading to inconsistent outcomes.

1. Factor 1: Masimo’s petition analyzes the elements of claims 1 and 4 based on the same Markel-Mills combination presented against those claims in the First Masimo IPR.

There is no dispute that Masimo is “the same petitioner” that previously filed a petition directed toward the ’257 patent in the First Masimo IPR. Furthermore, Masimo’s assertion that General Plastic factors 1 and 5 are inapplicable because this serial Petition “is not ‘directed to the ***same claims*** of the same patent” (POR, 80 (emphasis original)) is simply not true, as demonstrated by previous Board decisions. As the Board has previously found, “the *General Plastic* framework is applicable to this situation” where “a second petition

challeng[es] different claims of the same patent.” *Bytedance LTD. et al. v. Triller, Inc.*, IPR2021-00774, Paper 6 at 9 (PTAB Oct. 12, 2021). This is particularly true when the second “Petition was filed over *five months* after the earlier petition, and there are significant overlaps in claimed subject matter.” *Id.* The instant case presents an even longer *seven-month* delay between Petitions and the same significant overlap in claimed subject matter and issues addressed as was present in *Bytedance*.

Claims 6 and 7, the only challenged claims in Masimo’s second Petition, depend from claims 1 and 4, which were challenged in the first Masimo Petition. First Masimo Petition, 40-54, 57. Furthermore, Masimo’s second Petition presents arguments based on the same combination of Markel with Mills with respect to the elements of claims 1 and 4 as relied upon in the First Masimo Petition, including new arguments that appear directly responsive to weaknesses in that combination identified in the First Apple POPR. *See* Pet., 48-68; First Masimo Petition, 40-54, 57. The two Petitions therefore address the exact same claimed subject matter with respect to both claims 1 and 4. Thus, as previously recognized by the Board, “although different claims are involved, many of the issues addressed in the [First Masimo] IPR would be present in the instant proceeding, most particularly claim construction issues.” *Fujifilm Corp. v. Sony Corp.*, IPR2018-00060, Paper 8 at 8-9 (PTAB Apr. 19, 2018); *see also Longi Green Energy Tech. Co. et. al. v. Hanwha*

Solutions Corp., IPR2020-00047, Paper 18 at 8-15 (PTAB Apr. 27, 2020)

(applying discretionary denial based on *General Plastic* to a second Petition filed only six weeks after the first petition with ***no overlapping claims***).

In both proceedings, Masimo has presented constructions for the terms “embedded,” “lead,” and “pad,” all of which are recited by claim 1, which is at issue in both proceedings. *See* Pet., 9-15; First Masimo Petition, 7-12.

Furthermore, Apple has raised dispositive arguments regarding construction of the term “embedded in” in its Patent Owner’s Response in the First Masimo IPR proceeding. *Masimo Corporation v. Apple Inc.*, IPR2023-00745, Paper 15 at 5-13, 36-38, 39-44, 55-57 (Patent Owner’s Response) (PTAB Jan. 22, 2024) (“First Apple POR”). Therefore, if Masimo’s second Petition were instituted, there would be substantial overlap in the issues and arguments in the two proceedings even though, as addressed below with respect to Factors 6 and 7, the two proceedings would be conducted on significantly different schedules.

In assessing Factor 1, the Board has previously found that overlap of only a single claim challenged in two serial petitions “weights in favor of invoking our discretion to deny institution of a second petition.” *Club Champion LLC v. True Spec Golf LLC*, IPR2019-01569, Paper 9 at 9, 6 (PTAB Mar. 17, 2020); *see also Metall Zug Ag et al. v. Carl Zeiss Meditec AG*, IPR2020-01074, Paper 8 at 5-6 (PTAB Jan. 5, 2021) (applying discretionary denial to serial petitions with only a

“relatively minimal degree of overlap”). Here, although the second Petition ostensibly only challenges claims 6 and 7, their dependence from claims 1 and 4 along with Masimo’s reliance on the same Markel-Mills combination with respect to these claims in the two Petitions presents the exact scenario that *General Plastic* was concerned with. Even though claims 1 and 4 are technically not challenged in the second Petition, the reasoning in *Club Champion* that even one overlapping claim causes Factor 1 to favor discretionary denial is instructive here due to the overlap in the issues presented in the two Petitions regarding claims 1 and 4.

For at least these reasons, Factor 1 weighs against institution.

2. Factor 2: Masimo knew of Markel and Mills when it filed its first Petition and should have been able to readily identify the additional references

There is no doubt that Masimo know of the Markel and Mills references relied upon in Ground 2 of its second Petition at the time of filing its first Petition, which presents grounds based on these same two references. *See* First Masimo Petition, 13.

Furthermore, as the Board notes in *General Plastic*, the relevant issue under factor 2 “is whether the prior art references relied on in the follow-on petitions...could have been found with reasonable diligence.” *General Plastic* at 20. The *General Plastic* decision further noted when weighing factor 2 against institution that the petitioner left the record “devoid of any explanation why

Petitioner could not have found the newly asserted prior art in any earlier search(es) through the exercise of reasonable diligence.” *Id.*

The record here is similarly devoid of any explanation by Masimo of why it could not have found any of Batkin, Larson, Stratbucker, or Stejskal with reasonably diligent searching. Masimo’s assertion that it was “not aware of these references” when the First Masimo IPR Petition was filed provides no excuse as even Masimo admits that it readily identified these references once it decided to “diligently search[]” for them. Pet., 81. Indeed, Batkin, Larson, and Stratbucker are all patents or patent application publications available through the USPTO’s own searchable archive while Stejskal appears to be an article from an established journal. *See Generally* EX1011, EX1022, EX1024, EX1025. As the Southern District of California has observed, patent publications “do[] not merit consideration as ‘new evidence’” because they are “public record[s], available on a searchable database maintained by the USPTO and accessible on the internet.” *Cimcore Corp. v. Faro Techs., Inc.*, 2007 U.S. Dist. LEXIS 17936, *4-5 (S.D. Cal. 2007); *see also VidStream LLC v. Twitter, Inc.*, 981 F.3d 1060, 1065-66 (Fed. Cir. 2020) (“When there is an established publisher there is a presumption of public accessibility as of the publication date.”). Masimo has provided no argument or evidence to rebut this presumption that Batkin, Larson, Stratbucker, and Stejskal were readily identifiable through reasonable searching.

When, as here, “[s]everal of the references asserted in the present Petition are also asserted in the [earlier filed] IPR,” and the additional references were readily available through well-known resources such as the USPTO’s searchable patent archive or were “published in a well-known journal,” Factor 2 weighs “in favor of invoking [the Board’s] discretion to deny institution.” *Longi Green*, IPR2020-0047, Paper 18 at 9-10.

Because Markel and Mills were known at the time of filing of the First Masimo Petition and Masimo provides no justification for why the additional references could not have been identified at that time, Factor 2 weighs strongly against institution.

3. Factor 3: the Timing of Masimo’s staggered petition filing creates unfairness, inefficiency, and potential for abuse

Masimo filed its serial Petition on October 19, 2023, nearly seven months after the March 22, 2023 filing of the First Masimo Petition. By the time Masimo filed its serial Petition in this proceeding, Apple had already submitted its Preliminary Response and the Board had issued an Institution Decision in the earlier proceeding. *See Masimo Corporation v. Apple Inc.*, IPR2023-00745, Paper 7 (Patent Owner’s Preliminary Response) (PTAB July 18, 2023) (“First Apple POPR”); *Id.*, Paper 8 (Institution Decision) (PTAB Oct. 16, 2023) (“First Inst. Dec.”). Therefore, when crafting its arguments presented in its second Petition,

Masimo had in hand both Apple's preliminary response and the Board's decision on whether to institute the First Masimo Petition.

Even worse, Masimo has attempted to bolster its analysis of Markel and Mills with respect to the elements of claims 1 and 4 in its second Petition in direct response to arguments raised in the First Apple POPR. Masimo has therefore received the exact "benefit from receiving and having the opportunity to study Patent Owner's Preliminary Response, as well as [the Board's] institution decisions on the first-filed petition[]" that factor three was intended to address. *General Plastic*, 17. Factor 3 therefore heavily favors discretionary denial.

In the First Apple POPR, Apple identified several flaws in Masimo's application of the combination of Markel and Mills to claim 1 in the First Masimo Petition. First Apple POPR, 10-19. Masimo appears to have improperly adjusted its arguments, including adding new mappings of the Markel-Mills combination to claims 1 and 4 in its second Petition, in direct response to these flaws identified in the First Apple POPR.

Turning first to the First Apple POPR, Apple previously identified that Masimo provided only speculation "without support from corroborating evidence" while relying on impermissible hindsight in asserting that "[i]t would have been obvious to incorporate the pad (leaf spring 62) teachings of Mills into the device of Markel." First Apple POPR, 10-12. In instituting the First Masimo Petition, the

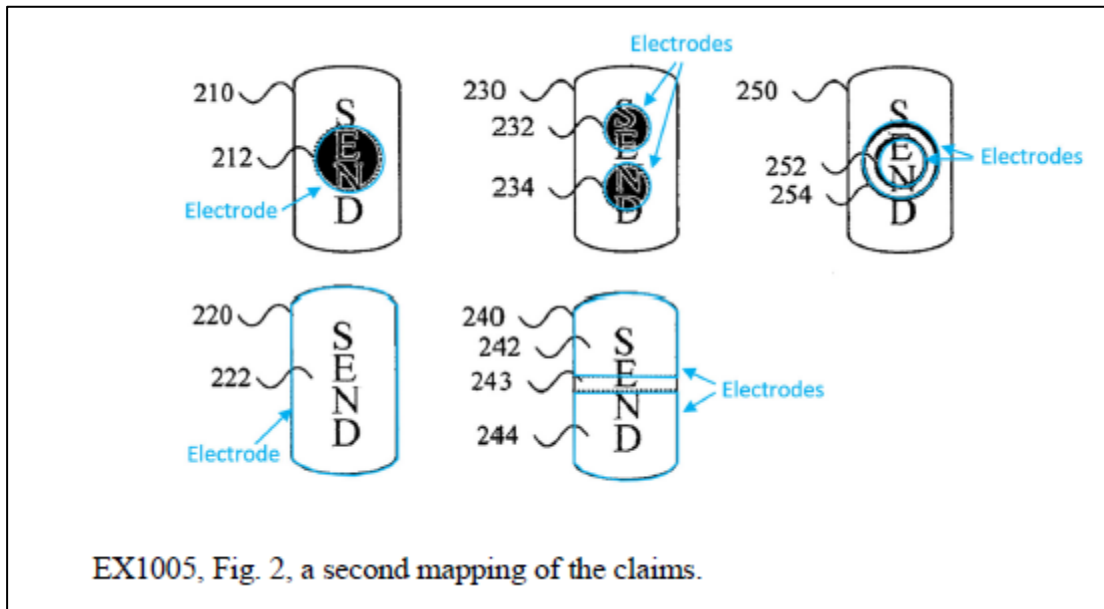
Board stated that “we see some merit to this position” and that “Petitioner’s justification for combining references...may not be sufficient basis or reason to combine Mills teachings with Markel as it appears hindsight driven in the absence of corroborating evidence” opting to address these issues “on a completed record.” First Inst. Dec., 41-42.

Apple also identified that “Masimo did not provide details regarding the device allegedly resulting from the combination of Markel and Mills sufficient to demonstrate that a POSITA would have had a reasonable expectation of success in combining the relied-upon teachings of these two references.” First Apple POPR, 12-13. In presenting this argument, Apple identified that “Masimo does not explain why the POSITA would deviate from Mills’s disclosure of using only one leaf spring.” *Id.*, 13-14. Apple further identified “stark differences between the positioning of the electrodes in Markel as compared to electrode positioning in Mills that make incorporation of Mills leaf spring 62 into Markel’s device more than ‘a mere rearrangement of known mechanical components in known ways in a complementary device,’ as asserted by Masimo.” *Id.*, 15-19. Apple then identified that the significantly different configuration between the devices of Markel and Mills, including that in the proposed modified configuration of Markel “the PCB would be in parallel to—not perpendicular to—the width side of Markel’s device” would necessitate “an increase in the width dimension of Markel’s device to

enclose the PCB between the front and the rear surfaces of the device” leading to a “bulky device that is ‘cumbersome and inconvenient.’” *Id.*, 18-19. The Board once again expressed that it preferred “to address these complications...on a completed record.” First Ins. Dec., 42.

Contrary to Masimo’s assertion that “the Ground 2 arguments directed to base claims 1 and 4 are substantially identical to the arguments presented in IPR2023-00745” (Pet., 82), analysis of Masimo’s second Petition reveals that it has *undeniably and inexplicably made significant changes to its application of Markel and Mills to claims 1 and 4*. Furthermore, this bolstered analysis appears to be a direct response to arguments raised in the First Apple POPR.

As a first example, in addressing Limitation 1[b(i)], in addition to the analysis copied from the first Petition, Masimo presents in its second Petition, for the first time, an entirely new mapping of Markel to claim 1 based on pushbuttons having electrodes as shown in FIG. 2 of Markel. Pet., 51-52. Indeed, Masimo expressly identifies this discussion of FIG. 2 as “a second mapping of the claims.”



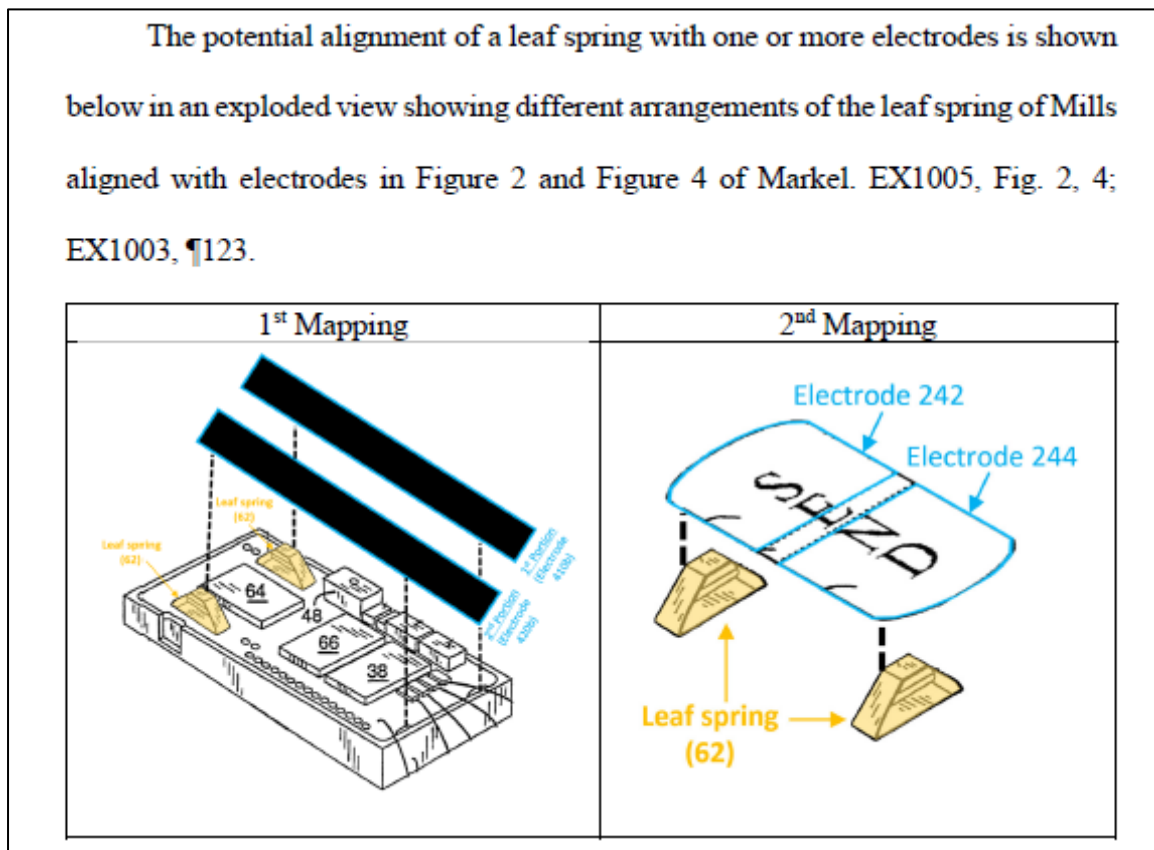
Pet., 52.

To be clear, this second mapping based on FIG. 2 *appears nowhere in the analysis of claim 1 (or claim 4) in Masimo's First IPR Petition*. See, e.g. First Masimo Petition, 42-48. Indeed, the First Masimo Petition does not appear to include any discussion of FIG. 2 of Markel. It appears that Masimo added this “second mapping” of Markel to claim 1 in response to the arguments raised in the First Apple POPR, which the Board found to have “some merit.” First Inst. Dec., 41.

Masimo provides additional arguments based on this new, second mapping based on Markel's FIG. 2 with respect to Limitation 1[b(ii)]. Pet., 53-54. Specifically, Masimo argues for the first time in its second Petition that the “pushbutton electrodes” of FIG. 2 provide the claimed “first portion” of the

enclosure. *Id.* Once again, these new arguments were not present in the First Masimo Petition. First Masimo Petition, 48-49.

Gamesmanship on the part of Masimo becomes even more apparent in its analysis of Limitation 1[b(iii)], in which Masimo not only presents new arguments based on its new second mapping of Markel's FIG. 2 to claim 1, but also includes additional arguments and modified drawings in support of its first mapping from the First Masimo Petition. Pet., 58. For example, Masimo presents *new arguments and two new drawings* to show “potential alignment of a leaf spring with one or more electrodes” that *appear nowhere in the First Masimo Petition*.



Compare Pet., 58 *with* First Masimo Petition, 44-49.

This new argument and new drawings *appear to be in direct response* to Apple's arguments in its first Preliminary Response that Masimo had "fail[ed] to explain how the forms of connection disclosed in Mills could be applied to Markel." First Apple POPR, 15-19. The new drawing in support of Masimo's first mapping also appears to be in direct response to Apple's prior argument that "a POSITA following Mills's configuration, would have placed the electronic components of Markel on a PCB, and the PCB in between the two electrodes" leading to a bulky and cumbersome configuration. *Id.*, 18-19. Such gamesmanship to bolster its grounds based on arguments previously presented by Apple with respect to Masimo's first filed Petition should not be permitted.

Masimo's serial Petition continues in this manner by including additional arguments regarding motivations to combine Markel with Mills, apparently in direct response to Apple's arguments in the First Apple POPR that "Masimo and its expert fail to demonstrate that they are relying upon anything other than hindsight-based reconstruction of the claims" and that Masimo's arguments regarding motivation to combine were "merely a suggestion by Masimo that a POSITA *could* have combined teachings of the two references, rather than a demonstration that the POSITA actually *would* have combined the teachings of the two references." First Apple POPR, 11-13 (emphasis original). As mentioned

above, the Board found these arguments to have “some merit.” First Inst. Dec., 41.

In an attempt to bolster its arguments regarding motivations to combine Markel with Mills in the face of Apple’s earlier arguments, Masimo now—for the first time in its serial Petition—includes multiple additional arguments based on Mills’ alleged “extremely compact, integral housing,” reliability of detecting ECG signals, “lightweight and compact” design, and ease of manufacture. Pet., 58-59. These new justifications appear nowhere in the First Masimo Petition and *appear to be a direct response* to arguments raised by Apple in the First Apple POPR. *See, e.g.,* First Masimo Petition, 43-48 (description of combination of Markel and Mills).

Masimo’s second Petition further includes additional new motivation to combine arguments regarding conductive plastic being “not suited for soldering” and reliance on *KSR Int’l Co. v. Teleflex Inc.* that also do not appear in the First Masimo Petition. *Compare* Pet., 60 *with* First Masimo Petition, 47-48.

Masimo continues to present new arguments not found in the First Masimo Petition in its analysis of Limitation 1[b(v)]. Specifically, in addressing Limitation 1[b(v)] in its second Petition, Masimo includes an additional annotated version of Markel’s Figure 4, an annotated version of Markel’s Figure 2, additional arguments regarding its second mapping based on Markel’s Figure 2, and additional arguments regarding how Mills would be combined with Markel, all of which are

absent from Masimo's analysis of Limitation 1[b(v)] in the First Masimo Petition.

Compare Pet., 61-63 (three pages of analysis of Limitation 1[b(v)]) *with* First Masimo Petition, 50 (less than half a page of analysis of Limitation 1[b(v)]). For example, Masimo includes additional arguments and assertions to support its argument that "a POSITA implementing Markel would have found it obvious to use two leaf springs" not present in the First Masimo Petition. Pet., 62-63. This includes citing new case law that is absent from the First Masimo Petition. *Id.*

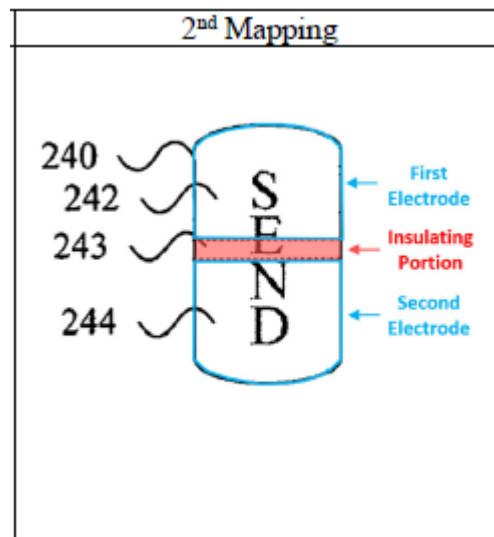
These new arguments and new case law citation appear to be in direct response to Apple's arguments in its first POPR that Masimo did "not explain why the POSITA would deviate from Mills's disclosure of using *only one* leaf spring for connecting one electrode to its PCB and a coil spring for connecting its other electrode to the PCT, and instead use two leaf springs for each of Markel's electrodes." First Apple POPER, 13-14. Once again, such gamesmanship on the part of Masimo should not be permitted.

Masimo's analysis of Limitation 1[b(v)] once again includes new drawings showing modified versions of Markel's device that appear nowhere in the First Masimo Petition. Pet., 63.

In its analysis of Limitation 1[b(vi)], Masimo again presents entirely new arguments, citing to and explaining examples that are completely absent from its analysis of Limitation 1[b(vi)] in the First Masimo Petition, including examples

based on the Figure 2 embodiment of Markel. *Compare* Pet., 64 *with* First Masimo Petition, 51.

Masimo's analysis of claim 4 in its second petition once again continues this trend of adding new arguments and analysis that appear nowhere in the First Masimo Petition. This includes new arguments based on Figure 2 of Markel and a new annotated version of Figure 2 that are once again entirely absent from the First Masimo Petition.



Compare Pet., 67-68 *with* First Masimo Petition, 57.

In addition to these myriad changes and additions from Masimo's first Petition to its second Petition, Masimo's decision to completely abandon a ground relying on Mills as the primary reference in favor of the new Ground 1 that relies on completely new references at the very least suggests that Masimo has tailored its arguments in this second Petition based on weaknesses identified in the First

Apple POPR.

In situations where, as here, the “Petitioner took advantage of the information in Patent Owner’s preliminary response” in its earlier filed petition to “bolster the challenges” in its serial petition, Factor 3 “favors exercising discretion to deny the Petition.” *Metall Zug*, IPR2020-01074, Paper 8 at 7-9 (denying institution where the Petitioner “took advantage of these documents” from earlier Petitions to revise “invalidity challenges in the instant Petition.”). This is especially true when, as here, the “Patent Owner provides additional information, including specific examples in the Petition where Petitioner makes use of information gleaned from” the earlier IPR proceeding. *Id.*

Scenarios where, as here, the petitioner files a serial petition several months after the first filed petition raises “road mapping concerns” when “there are significant overlaps in the subject matter recited in the challenged claims.” *Bytedance*, IPR2021-00774, Paper 6 at 11-12.

For at least these reasons, Factor 3 weighs strongly against institution.

4. Factors 4 and 5: Masimo provides insufficient justification for the seven-month delay in filing its serial petition

Masimo waited nearly seven months after filing the First Masimo Petition on March 22, 2023 before filing this serial Petition on October 19, 2023. As discussed above, this delay gave Masimo the unfair advantage of having both

Apple's Preliminary Response and the Board's Institution Decision from the earlier proceeding in hand at the time the instant Petition was filed. Masimo's only excuse for this significant delay is that "claims 6 and 7 were not asserted against Petitioner" at the time that the First Masimo Petition was filed and that these claims were asserted "for the first time in May 2023." Pet., 81. This lone justification from Masimo does not excuse the nearly seven-month delay in filing this serial petition.

First, Masimo challenged numerous unasserted claims in the First Masimo Petition, including independent claim 15 and all of its dependent claims (claims 15-22). First Masimo Petition, 13. None of claims 15-22 has ever been asserted against Masimo in the related district court proceeding. That Masimo challenged numerous unasserted claims in the First Masimo Petition demonstrates that it knew of the possibility of additional claims being asserted and that it had the ability to challenge the unasserted claims of the '257 Patent. Furthermore, the two claims challenged in the present Petition, claims 6 and 7, have been dropped from the district court proceeding pursuant to the case narrowing agreement between the parties and thus Masimo is now in the same position it was when it elected to forgo challenging claims 6 and 7 in the First Masimo Petition. *See* APPLE-2001.

Second, the period between Masimo's filing of its first Petition in March until Apple asserted claims 6 and 7 in May accounts for, at most, only two months

of the delay between the petitions. Masimo provides no explanation for the nearly five months of additional delay between the assertion of claims 6 and 7 on May 25, 2023 and the filing of this second Petition on October 19, 2023. That claims 6 and 7 were added to the district court proceeding two months after the First Masimo Petition (before eventually being removed) simply does not justify Masimo's additional five-month delay in filing this serial Petition.

Third, Masimo does not specify when it first learned of the additional references relied upon in the second Petition and therefore the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition is unknown. Masimo was well-aware of the *General Plastic* factors when filing its serial Petition (Pet., 80-82) and therefore the onus to specify when the additional references were first identified and account for the delay in filing the second Petition after identification of these references was on Masimo.

In scenarios where, as here, the petitioner knew of some of the relied upon references at the time of filing the first petition and the "Petitioner does not reveal when it learned of the" additional relied upon references, Factors 4 and 5 favor discretionary denial, especially given the nearly seven-month delay in the present case. *Bytedance*, IPR2021-00774, Paper 6 at 13 (finding that a "five-month delay" was not justified under a similar fact pattern).

Furthermore, the significant delay here is not justified when Masimo has presented no evidence that it could not have identified the additional references prior to filing the First Masimo Petition.” *Longi Green*, IPR2020-0047, Paper 18 at 10-12. (finding Factors 4 and 5 favor discretionary denial based on a “four-month delay” between petitions challenging non-overlapping claims where the petitioner did not provide any rational as to why it could not have identified the additional references earlier); *General Plastic*, 10-11 (Factors 4 and 5 favor discretionary denial when the petitioner “provide[s] no explanation why it could not have found this new prior art earlier—prior to filing the first-filed petitions—through the exercise of reasonable diligence.”).

Additionally, when, as here, there is a significant delay between serial petitions and the petitioner fails to “explain[] why all of its challenges could not have been raised in a single petition,” Factor 5 weighs in favor of discretionary denial. *Club Champion*, IPR2019-01569, Paper 9 at 11.

Masimo’s seven-month delay in filing this serial Petition also raises additional fairness concerns. For example, if this serial Petition were to be instituted, Masimo would have the Patent Owner’s Response and Patent Owner’s Sur-Reply from the First Masimo IPR in hand when preparing its expert for depositions in the second IPR proceeding. Masimo’s expert would therefore have an unfair, inside look into Apple’s arguments with respect to the Markel-Mills

based grounds. Additionally, Masimo would have the unfair advantage of having had months to study and develop responses to Apple's oral hearing arguments from the First IPR Proceeding when preparing for the oral argument in the second proceeding. These additional fairness concerns further indicate that Masimo's seven-month delay favors discretionary denial.

For at least these reasons, Factors 4 and 5 weigh against institution.

5. Factors 6 and 7: Institution of Masimo's serial Petition would result in a significant waste of the Board's resources and prejudice Patent Owner

Masimo's first filed Petition has already been instituted and indeed, Apple has already filed its Patent Owner's Response in that proceeding. Institution of Masimo's serial Petition would lead to two offset proceedings involving numerous overlapping issues, including claim construction and applicability of the Markel-Mills combination to claims 1 and 4, that will already have been considered and resolved in the First Masimo IPR proceeding. The offset timing of the two proceedings, due to Masimo's significant delay in filing its second Petition, would also provide significant advantages to Masimo as it prepares its expert for deposition and prepares its own arguments in the second proceeding. This would include the fact that Masimo would have Apple's Patent Owner's Sur-Reply from the First Masimo IPR proceeding in hand when preparing its Petitioner's Reply in

this second proceeding. Thus, Institution of Masimo's serial Petition would result in a significant waste of the Board's resources and prejudice Patent Owner.

As the Board has previously observed "the most efficient way to manage the two *inter partes* reviews would be to coordinate or consolidate the proceedings and adopt a common schedule." *Bytedance*, IPR2021-00774, Paper 6 at 13. However, due to the seven-month delay on the part of Masimo "it is no longer feasible for the Board to adjust due dates to coordinate the proceedings while still meeting the statutory mandate to issue a final written decision" in the First Masimo IPR proceeding within a year of institution in that proceeding. *Id.*, 13-14. Therefore, Factors 6 and 7 favor discretionary denial where, as here, the staggered timing of multiple petitions from the same petitioner "would require the Board to conduct an entirely separate proceeding involving numerous issues that likely will already have been considered and resolved in the" earlier proceeding. *Club Champion*, IPR2019-01569, Paper 9 at 10-11; *see also Bytedance*, IPR2021-00774, Paper 6 at 13-14 ("instituting a second *inter partes* review would require an entirely separate proceeding involving numerous issues that likely will already have been considered and resolved in the [earlier] IPR.").

Furthermore, although the two staggered proceedings would be addressing many of the same issues, the Board would be addressing these overlapping issues based on two "different evidentiary records." *Club Champion*, IPR2019-01569,

Paper 9 at 10-11. As the Board has previously found “[m]oving forward with two separate proceedings involving overlapping issues, but having *different evidentiary records* and schedules, would *result in a significant waste of the Board’s resources*. Instituting a second *inter partes* review also *would prejudice Patent Owner*, which would be forced to re-brief and reargue many of the same issues that it will argue and brief during the course of the [earlier filed] IPR.” *Id.* (emphasis added); *see also Bytedance*, IPR2021-00774, Paper 6 at 13-14 (“Moving forward with separate proceedings involving overlapping issues, but having different evidentiary records and schedules, *would have a significant impact on the Board’s resources*.”) (emphasis added); *Longi Green*, IPR2020-0047, Paper 18 at 12 (finding that a five-month delay between petitions addressing non-overlapping claims “weigh[es] in favor of invoking our discretion to deny institution” due to “a significant impact on the Board’s resources” in addressing overlapping issues).

For at least these reasons, Factors 6 and 7 weigh strongly against institution. *General Plastic* at 21 (“multiple, staggered petition filings...are an inefficient use of the *inter partes* review process and the Board’s resources”).

B. The Trial Practice Guide Also Favors Denial Under §§ 314(a) and 316(b)

In addition to the above reasons why discretionary denial under § 314(a) based on the *General Plastic* factors is appropriate under the present

circumstances, the Trial Practice Guide provides an additional, independent reason for discretionarily denying the Petition.

The Trial Practice Guide specifies that “one petition should be sufficient to challenge the claims of a patent in most situations.” CTPG, 59. This section of the Trial Practice Guide is just as applicable, if not more so, to staggered petitions from the same petitioner challenging the same patent as it is to parallel filed petitions. *See e.g., Club Champion*, IPR2019-01569, Paper 9 at 7-8; *Bytedance*, IPR2021-00774, Paper 6 at 14-15; *Longi Green*, IPR2020-0047, Paper 18 at 13-15. Past Board decisions indicate that the Trial Practice Guide heavily favors discretionary denial of Masimo’s serial Petition.

The Trial Practice Guide advises that “multiple petitions by a petitioner are not necessary in the vast majority of cases.” CTPG, 59. The present petition falls squarely within that “vast majority of cases.” *Id.* The Trial Practice Guide identifies two example justifications for why “more than one petition may be necessary.” *Id.* Neither is present in this case. Neither party has raised a dispute regarding priority date of the ’257 Patent and therefore that exception does not apply. Apple also has not asserted a large number of claims in the corresponding litigation—only eight claims are currently asserted against the ’257 patent. APPLE-2001. Indeed, the two claims challenged in the present Petition, claims 6 and 7, have been dropped from the district court proceeding pursuant to the case

narrowing agreement between the parties. *Id.* Being as Apple has asserted a small number of claims and none of the claims challenged in Masimo's serial petition are asserted, the present case does not fall within the exceptions articulated in the Trial Practice Guide.

Indeed, in a recent case in which Apple was the petitioner, the Board determined that when the patent owner has asserted only eight claims, a second petition challenging unasserted claims does not "support[] the need for [multiple] petitions." *Apple Inc. v. Speir Tech. LTD.*, IPR2023-00543 Paper 8 at 10 (PTAB Aug. 8, 2023). In that case, where the two petitions were filed simultaneously, rather than seven months apart, the Board found that "considerations of fairness, efficiency, and maintaining consistency between these cases counsel against instituting." *Id.* Apple requests that Masimo be held to this same standard now that Apple is in the position of patent owner, especially given the substantial delay between Masimo's serial petitions.

The fact that Masimo has included multiple grounds challenging each claim across its multiple petitions further supports discretionary denial of the present Petition under the guidance of the Trial Practice Guide. Where, as here, a petitioner "challenge[s] different claims" in its multiple petitions but "has not shown that it was necessary to distribute its challenges across [multiple] petitions in order to present one ground of unpatentability for each challenged claim," the

fairness, timing, and efficiency concerns that the Trial Practice Guide is intended to address favor denial of the second petition. *Fantasia Trading LLC v.*

CogniPower, LLC, IPR2021-00072 Paper 20 at 12 (PTAB May 12, 2021).

Masimo has “assert[ed] more than one ground” against every challenged claim across its two petitions and yet “does not argue that it could not have asserted at least one ground against each claim being challenged in a single petition.” *Id.*

Masimo has not “explain[ed] why it is necessary to assert multiple petitions that rely on multiple grounds when a single petition could have been presented to challenge the claims” and therefore discretionary denial is warranted based on the reasoning of prior Board decisions. *Id.*, 13-14; *see also* *Bytedance*, IPR2021-00774, Paper 6 at 14-15 (denying institution of a second petition where “[p]etitioner has not explained why it could not have raised all of its challenges to the claims of the [challenged] patent in a single petition.”) *LifeScan, Inc. v. Facet Tech. LLC*, IPR2023-00713 Paper 13 at 15-17 (PTAB Sept. 1, 2023) (applying discretionary denial to a second petition where “[t]here is nothing unusual in the complexity” of the claims and the claims are “not lengthy” and petitioner could have presented at least one ground “in a single petition.”).

The rare cases in which the Board has found that two petitions were warranted in light of the Trial Practice Guide’s guidance regarding multiple petitions further demonstrate that the present case does not fall within any

exception to this guidance. For example, in *Samsung v. Ryan Hardin and Andrew Hill*, the Board found that multiple petitions were warranted due to the extreme extenuating circumstances of that case. *Samsung Elec. Co. et al. v. Ryan Hardin and Andrew Hill*, IPR2022-01332 Paper 13 at 23-25 (PTAB Feb. 8, 2023). For example, in that case, only a “single ground [was] raised in each petition.” *Id.* Additionally, the Board found that “the claims are very long,” with a single claim having “at least two and a half columns in length” and in addition to the length of the claims the “Patent Owner assert[ed] twenty-one claims in district court.” *Id.* Furthermore, the Petitions in that case “include[d] a lengthy and detailed argument as to whether the challenged claims of the [challenged] patent are entitled to claim priority” to an earlier application. *Id.* None of those extenuating circumstances are present here, where Apple is asserting only eight claims in the district court, independent claim 1 (the only asserted independent claim) is substantially less than a half column in length, and Masimo has raised multiple grounds in each petition. The present case simply does not present an exception to the Trial Practice Guide’s guidance that “one petition should be sufficient to challenge the claims of a patent in most situations.” CTPG, 59.

For the reasons discussed above, the Trial Practice Guide’s guidance regarding multiple petitions filed by the same petitioner challenging the same patent favor discretionary denial.

III. CLAIM CONSTRUCTION

Masimo proposes claim construction for multiple terms recited by claims 1 and 7. Petition, 9-17. On the present record, and at this time, Patent Owner discerns no need to construe explicitly any claim language because such constructions would have no effect on the arguments raised in this preliminary response. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms that ... are in controversy, and only to the extent necessary to resolve the controversy.’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)). Apple reserves the right to address any construction proposed by Petitioner or the Board in future submissions as relevant to arguments made in such submissions.

IV. LEVEL OF ORDINARY SKILL

In its petition, Masimo proffered the following definition of a POSITA:

A POSITA of the ’257 patent would have at least a B.S. degree in electrical or biomedical engineering or a related field, with at least two years of experience designing patient monitoring or similar systems. A higher level of education may compensate for less work experience and vice versa.

Pet., 9.

Apple disputes Massimo’s asserted POSITA definition for being overly restrictive in view of the subject matter at hand. *Id.* Masimo fails to provide any

basis for why the skill level of a POSITA should be limited to its proposed definition (i.e., disciplines pertaining to electrical or biomedical engineering), particularly when the scope of the subject matter and claims of the '257 Patent are largely directed to mechanical aspects and the physical arrangement of the components of devices.

Rather than adopting Masimo's overly narrow definition, Apple instead offers the following definition for the Board's consideration:

The POSITA of the '257 Patent would have had at least a bachelor's degree in electrical engineering, mechanical engineering, biomedical engineering, computer engineering, physics, or a related field, and would have had at least two years of relevant work experience with capture and processing of data or information, including but not limited to physiological information, or equivalents thereof. Less work experience may be compensated by a higher level of education and vice versa.

V. CONCLUSION

For the foregoing reasons, Apple respectfully requests that the Board deny institution of this challenge to the '257 Patent.

Respectfully submitted,

Date: January 29, 2024

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CERTIFICATION UNDER 37 CFR § 42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Preliminary Response totals 6,991, which is less than the 14,000 allowed under 37 CFR § 42.24(b)(1).

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), the undersigned certifies that on January 29, 2024, a complete and entire copy of this Patent Owner's Preliminary Response were provided via email, to the Petitioner by serving the email correspondence addresses of record as follows:

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