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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

Case IPR2024-00241
U.S. Patent 10,687,743

**PATENT OWNER MASIMO CORPORATION'S
PRELIMINARY SUR-REPLY**

EXHIBIT LIST¹

Exhibit No.	Description
2001	Curriculum Vitae of Vijay K. Madiseti
2002	Expert Declaration of Vijay K. Madiseti
2003	Commission Opinion (Public), <i>Certain Light-Based Physiological Measurement Devices and Components Thereof</i> , Inv. No. 337-TA-1276, EDIS No. 808521 (ITC Oct. 26, 2023)
2004	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01271, Paper 15 (PTAB Jan. 24, 2023)
2005	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01272, Paper 16 (PTAB Jan. 24, 2023)
2006	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01273, Paper 15 (PTAB Jan. 24, 2023)
2007	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01274, Paper 15 (PTAB Jan. 24, 2023)
2008	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01275, Paper 15 (PTAB Jan. 30, 2023)
2009	Decision Denying Institution of Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01276, Paper 15 (PTAB Jan. 30, 2023)

¹ Masimo reserves certain exhibit numbers with the intent to reuse exhibit numbering from IPR2022-01291 should the Board institute IPR.

Exhibit No.	Description
2010	Plaintiff Apple Inc.'s Opposition to Defendants' Motion for Stay Pending Inter Partes Review (Public), <i>Apple Inc. v. Masimo Corp.</i> , No. 22-1378-MN-JLH (D. Del. Jan. 10, 2024), D.I. 457
2011	Plaintiff Apple Inc.'s Opening Brief in Support of Its Motion for an Expedited Trial, <i>Apple Inc. v. Masimo Corp.</i> , No. 22-1377-MN-JLH (D. Del. Feb. 10, 2023), D.I. 50
2012	Transcript of May 5, 2023 Hearing in <i>Apple Inc. v. Masimo Corp.</i> , Nos. 22-1377-MN-JLH, 22-1378-MN-JLH (D. Del. May 5, 2023)
2013	Original Scheduling Order, <i>Apple Inc. v. Masimo Corp.</i> , No. 22-1378-MN-JLH (D. Del. May 25, 2023), D.I. 92
2014	Amended Scheduling Order, <i>Apple Inc. v. Masimo Corp.</i> , No. 22-1378-MN-JLH (D. Del. Sept. 21, 2023), D.I. 359
2015	Lex Machina Patent Case Timeline Statistics for the District of Delaware between December 12, 2022 and December 12, 2023
2016	Lex Machina Case Statistics for Magistrate Judge Jennifer Hall
2017	Lex Machina Case Statistics for Judge Colm Connolly, Judge Maryellen Noreika, Judge Richard Andrews, Judge Gregory Williams, and Magistrate Judge Jennifer Hall
2018	Transcript of September 14, 2023 Markman Hearing, <i>Apple Inc. v. Masimo Corp.</i> , Nos. 22-cv-1377-MN-JLH, 22-cv-1378-MN-JLH
2019	Aaron Tilley, <i>The Entrepreneur Who Bet His Company on a Fight With Apple</i> , Wall Street J., Dec. 30, 2023, https://www.wsj.com/tech/joe-kiani-entrepreneur-apple-warning-52eb09a9

Exhibit No.	Description
2020	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1271, Paper 20 (PTAB June 20, 2023)
2021	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1272, Paper 20 (PTAB June 20, 2023)
2022	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1273, Paper 19 (PTAB June 20, 2023)
2023	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1274, Paper 19 (PTAB June 20, 2023)
2024	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1275, Paper 19 (PTAB June 26, 2023)
2025	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1276, Paper 20 (PTAB June 26, 2023)
2026	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1292, Paper 17 (PTAB Mar. 7, 2023)
2027	Notice of Refund, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-1466, Paper 17 (PTAB Apr. 5, 2023)
2028	Correspondence from counsel for Apple to counsel for Masimo regarding Apple's prior art grounds in the Delaware Litigation, dated November 16, 2023
2029	June 6–10, 2022 Public Hearing Transcript, ITC Inv. No. 337-TA-1276
2030	Emails dated August–September 2022 between Apple's and Masimo's Counsel re IPR2022-01291 and -01465
2031	Email chain regarding false statements in IPR Petitions

Exhibit No.	Description
2032	November 17, 2023 Letter from U.S. Food & Drug Administration to Masimo Corp. re Masimo W1 510(k) Clearance
2033	Petition for Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01292
2034	Petition for Inter Partes Review, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01466
2035	Final Written Decision (Public Version), <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01291 (Jan. 30, 2024)
2036	Final Written Decision (Public Version), <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01465 (Feb. 2, 2024)
2037	Redacted Excerpt of the December 15, 2023 Rebuttal Report of Dr. Majid Sarrafzadeh
2038	Joint Claim Construction Statement Regarding Masimo Asserted Patents, <i>Apple Inc. v. Masimo Corp.</i> , No. 22-1378-MN-JLH (Aug. 31, 2023)
2039	Petitioner's Reply (Public Version), <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01291
2040	Order re Conduct of the Proceedings, <i>Apple Inc. v. Masimo Corp.</i> , IPR2022-01291, Order Conduct of the Proceedings (Paper 43)
2041	Excerpt of Apple's Final Invalidity Contentions, <i>Apple Inc. v. Masimo Corp.</i> , No. 1:22-cv-1378-JLH (D. Del.)
2042	Masimo Post-Hearing Brief (Public Version), ITC Inv. No. 337-TA-1276
2043	ITC Final Initial Determination (Public Version), ITC Inv. No. 337-TA-1276

Exhibit No.	Description
2050	Apple Inc.'s Post-Hearing Brief (Public Version), ITC Inv. No. 337-TA-1276
2056	Excerpts of File History of App. No. 16/532,065
2057	Excerpts of File History of App. No. 15/195,199
2072	Excerpt of Webster's II New College Dictionary (2001)
2074	Nonconfidential Excerpt of Page 65 from June 6-10, 2022 Hearing Transcript, ITC Inv. No 337-TA-1276

I. THE BOARD SHOULD DENY INSTITUTION

Apple again fails to explain why it delayed filing this Petition until after the Delaware Litigation progressed through all discovery and dispositive motions on the patent at issue here. Apple asks the Board not to discretionarily deny institution because a “holistic analysis of the *Fintiv* factors favors institution.” Reply, 2. In doing so, Apple attempts to trivialize its delay based on incomplete representations and speculation about a trial date in response to a single *Fintiv* factor.

Apple also fails to address any of the extensive discovery and motion practice for this patent set forth in Masimo’s POPR. POPR, 19–23. As Masimo correctly represented *as to the patent at issue here*, the Delaware Litigation is ready for trial. Apple does not even address the case status regarding this patent, but instead speculates about a trial date based upon “5 patents that were statutorily stayed at the Delaware Litigation’s outset.” Reply, 2. Apple also emphasizes Masimo’s suggestion about the most efficient path being a single trial before Judge Hall as if that shows some inconsistency. But Masimo advocates the same position here, urging the Board to avoid duplicative proceedings based on references and arguments that Apple previously dropped from the Delaware Litigation.

Apple suggests that additional discovery may be necessary for those other five patents but omits Masimo’s proposal to Judge Hall that “In the meantime, the parties should conduct discovery” and that doing so “*now* would position the case for a

more prompt trial once the Federal Circuit rules in the ITC Case.” EX1075, 8 (emphasis added). Worse, in speculating here about an “after September, 2025” trial date, Apple ignores its own argument to Judge Hall that the trial on Masimo’s patents “could be held *later this year* or next year, as this Court’s schedule permits.” *Id.* at 5 (emphasis added).

Apple’s new “*Sotera* stipulation” confirms the inadequacy of its prior stipulation. But the new stipulation does not address or cure the prejudice to Masimo from Apple unfairly resurrecting references and arguments that it previously dropped from the Delaware Litigation. Apple made that election only after the parties and the court conducted extensive and costly fact and expert discovery, and fully briefed and argued dispositive motions. This differs from *Sotera*, who filed its stipulation in the early stages of litigation. Belatedly attaching the label “*Sotera* stipulation” only after the district court case is ready for trial does not carry the benefits underlying the Director’s Guidance. Under these circumstances, the Board should deny institution in the interest of fairness and to promote efficient use of resources.

II. APPLE DID NOT RELY ON ANY MASIMO “OPENING” DEFINITION

Apple argues “opening” should be construed according to its ordinary meaning. Pet., 7. But Apple does not dispute that its Petition requests that the Board invalidate the ’743 Patent’s claims using prior art that categorically falls outside the

scope of *Apple's own explanation* of the ordinary meaning of “opening.” *See* POPR, 12–15; EX2037, ¶¶465, 479–482 (Apple expert opining that “opening” does not encompass “a clear portion of material” or “a closed window”).

Without Apple ever providing its own incompatible explanation of the “opening” from the Delaware Litigation, Apple argues that its Petition applied a construction of “opening” that Apple now deems to be “consistent with positions advanced by Masimo in the Delaware Litigation.” Reply, 3. But neither the Petition nor any evidence Apple submitted provided any “*definition* of ‘opening’ that Masimo has advanced for purposes of infringement.” *See* Pet., 30, 47 (emphasis added). The parties did not even identify “opening” in the ’743 Patent claims as a term to be construed in the Delaware Litigation. *See generally* EX2038. Rather than identify any “definition” advanced by Masimo, Apple now relies on its Delaware expert’s (Sarrafzadeh’s) characterizations. Reply, 3 (citing EX2037). But Apple’s expert here (Anthony) apparently never even considered Masimo’s contentions or reports, or Sarrafzadeh’s report (EX2037) in forming his opinions regarding the ordinary meaning of “opening.” *See generally* EX1003. Anthony never suggested he was applying a Masimo definition, particularly one he had never seen (indeed, EX2037 is dated *after* Apple filed its Petition here). *Id.* Yet, Apple cited only the art and Anthony’s opinion in support of its arguments that the art taught the claimed “opening.” *See* Pet., 30, 47.

Apple offers the excuse that it need not subjectively believe in the correctness of Masimo’s “litigation interpretations for purposes of IPR.” Reply, 4-5. But that excuse does not make sense here. Because Apple’s grounds depend on a particular understanding that Apple contends is *not* the ordinary meaning of “opening,” Apple needed to explain “[h]ow the challenged claim is to be construed” and why the Board should adopt that proposed construction. 37 C.F.R. § 42.104(b)(3); Consolidated Trial Practice Guide (Nov. 2019) at 46 (“Each party bears the burden of providing sufficient support for any construction advanced by that party.”). Apple did not. Apple cannot reasonably blame Masimo for Apple’s failure to set forth the construction. See Reply, 3 (quoting Pet., 23).

Apple also relies on inapplicable decisions where the petitioners either offered arguments under *alternative* constructions or offered express constructions not incompatible with the petitioners’ district court positions. Reply, 3–5 (citing *Western Digital v. SPEX*, *Generical Electric v. Vestas*, *10X Genomics v. Bio-Rad*, *Lewis Machine v. WHG*, *Philip Morris v. Rai*, *Apple v. CPC*, and *Google v. AGIS*). The Board has denied petitions for failing to provide an express construction, particularly where the petitioner advanced an incompatible construction in a parallel litigation. See, e.g., *10X Genomics, Inc. v. President & Fellows of Harvard College*, IPR2023-01299, Paper 15 at 7–13 (Mar. 7, 2024); *Facebook, Inc. v. Sound View Innovations, LLC*, IPR2017-00998, Paper 13 at 14–18 (Dec. 16, 2014). The Board

found those petitions not sufficient because the petitioners did not satisfy 37 C.F.R. § 42.104(b)(3) by arguing “no construction necessary” while knowing the parties disputed the meaning of the relevant terms. *10X Genomics v. Harvard*, Paper 13 at 11–13; *see also Ebates Perf. Marketing, Inc. v. Int’l Business Machines Corp.*, IPR2022-00439, Paper 11 at 8–12 (Oct. 3, 2022). Like in *10X Genomics v. Harvard*, Apple knew that it disputed the scope of “opening” before filing the Petition but failed to set forth any construction. Apple also did not present reasoning and evidence for the Board to consider and adopt. Apple’s failure to explain how the claims are to be construed renders the petition deficient under § 42.104(b)(3).

Indeed, “petitioners have an **obligation** to inform the PTAB of all claim construction arguments in related district court litigation, regardless of their inconsistency with arguments advanced at the PTAB.” Stuart Nelson & Kim Leung, *The Importance of Candor in PTAB Practice*, Fish & Richardson P.C. (Dec. 17, 2019), <https://www.fr.com/insights/thought-leadership/blogs/the-importance-of-candor-in-ptab-practice-2/> (emphasis added); *see Facebook*, Paper 13 at 17–18 (Dec. 16, 2014) (denying institution due to petitioner’s lack of candor in failing to disclose inconsistent claim construction position). Apple fails to explain how it complied with that obligation here. *See* POPR, 13–15, 29–31. Masimo therefore respectfully requests that the Board deny institution.

IPR2024-00241

Apple Inc. v. Masimo Corp.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: May 28, 2024

/Brian C. Claassen/

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Customer No. 64,735

Attorney for Patent Owner

Masimo Corporation

CERTIFICATE OF PAGE LIMITATIONS

The undersigned certifies that foregoing **PATENT OWNER MASIMO CORPORATION'S PRELIMINARY SUR-REPLY** has 5 pages and therefore complies with the page limit authorized in the Board's email dated May 15, 2024.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: May 28, 2024

/Brian C. Claassen/

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Customer No. 64,735

Attorney for Patent Owner

Masimo Corporation

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to 37 C.F.R. § 42.6(e) and with the agreement of counsel for Apple, a true and correct copy of the foregoing **PATENT OWNER MASIMO CORPORATION'S PRELIMINARY SUR-REPLY** are being served electronically on May 28, 2024, to the e-mail addresses shown below:

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