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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'S MOTION TO STRIKE

Pursuant to the Board’s authorization on March 3, 2025, Patent Owner Masimo Corporation, hereby moves to strike Apple’s Reply and reply evidence.

I. INTRODUCTION

Apple simultaneously filed three IPR petitions against two related patents: the ’743 Patent (IPR2024-00241) and ’159 Patent (IPR2024-00243 and -00244). The three proceedings raised common issues, but Apple presented different evidence and different arguments in each IPR. This led to different records on the common issues.

For example, each proceeding involves whether a POSITA would have had a reasonable expectation of success in modifying the prior art to determine oxygen saturation at the wrist. In the 243 and 244 Petitions, Apple chose to rely on Pang (243-EX1014) and Brady (243-EX1021).¹ In the 241 Petition, Apple chose *not* to rely on Pang or Brady and did not file them with the Petition. Apple also submitted numerous additional references for reasonable expectation of success in the 243 and 244 Petitions that Apple chose not to submit in the 241 Petitions. Masimo filed distinct responses and expert declarations to address the specific arguments, different records, and different evidence in each proceeding.

Apple’s replies ignored the differences between the proceedings and raised new arguments and evidence that it omitted from the petitions. For example,

¹ This motion involves citations to exhibits and briefs in IPR2024-00241, -00243, and -00244. Masimo will identify the proceeding number in citations with a prefix (e.g., 241-EX1001 or 241-Reply).

Apple’s 241 Reply now raises Pang, Brady, and other references it filed only in the 243 and 244 Petitions. These arguments do not respond to Masimo’s Responses. Instead, Apple appears to have withheld evidence and arguments it could have presented in the Petition and raised them only when Masimo has no opportunity to present rebuttal evidence or expert opinion. Apple’s tactics prejudice Masimo because Masimo no longer has an opportunity to fully respond to Apple’s previously withheld evidence and arguments, such as with opinions from Masimo’s expert.

II. LEGAL STANDARDS

A reply brief “may only respond to arguments raised in the corresponding ... patent owner response, or decision on institution.” 37 C.F.R. § 42.23(b). “Respond” “does not mean proceed in a new direction with a new approach as compared to the positions taken in a prior filing.” Consolidated Trial Practice Guide (Nov. 2019), 74 (“CTPG”). A reply that “raises a new issue or belatedly presents evidence may not be considered.” *Id.* A reply may not “include new evidence necessary to make out a *prima facie* case” of unpatentability, provide “newly raised rationale to combine the prior art references that was not expressed in the petition,” or present newly cited references to “gap-fill” claim elements not present in the Petition. *Id.* (citing *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369-70 (Fed. Cir. 2016). “Once the Board identifies new issues presented for the first time in reply, neither [the Federal Circuit] nor the Board must parse the reply brief to

determine which, if any, parts of that brief are responsive and which are improper.” *Intelligent Bio-Sys.*, 821 F.3d at 1369; CTPG, 74 (“The Board is not required to attempt to sort proper from improper portions of the reply or sur-reply.”).

III. ARGUMENT

A. Apple Introduced New Evidence and Arguments on Reasonable Expectation of Success That It Deliberately Omitted from the Petition

Apple had reason to know that the expectation of success in determining oxygen saturation at the wrist would be a key issue. Masimo and Apple litigated the issue before the ITC for related U.S. Patent No. 10,687,745 and again in IPR2022-01291 and IPR2022-01465. Indeed, Apple referenced Masimo’s reasonable expectation of success arguments in its Petitions. *See* 243-Pet., 41 n.5.

In the 241 Petition, Apple relied on Rulkov, Li, Cai, and Maattala (EX1033–1036) for reasonable expectation of success. Pet., 45–46. Masimo responded to Apple’s arguments and each of those references in the 241 POR. 241-POR, 51–55. Instead of responding to Masimo’s Response arguments, Apple filed and cited numerous new exhibits on reply and argued those different references supported a reasonable expectation of success. *See* 241-Reply, 15–16 (string-citing Pang (EX1014), Lindberg (EX1088), Brady (EX1028), Goldreich (EX1092), Scharf (EX1038), Fontaine (EX1042), Ackermans (EX1044), Shmueli (EX1045), Sarussi (EX1046), Kondo (EX1047), Fraser (EX1048); *id.* at 17–19 (discussing Pang,

Fontaine, and Brady); *id.* at 19–20 (string-citing EX1088, EX1044, EX1092, EX1045, EX1046, EX1038, EX1047, EX1048).

Apple’s new arguments and evidence do not “respond” to Masimo’s arguments. Rather, they improperly “proceed in a new direction with a new approach as compared to the positions taken” in the Petition. CTPG, 74. The Board’s practice guide notes that “[w]hile replies and sur-replies can help *crystalize* issues for decision, a reply or sur-reply that raises a new issue or belatedly presents evidence may not be considered.” *Id.* (emphasis added). Because the Petition relied on Rulkov, Li, Cai, and Maattala, Masimo’s Response addressed those references. A proper reply therefore would have been to address Masimo’s arguments about Rulkov, Li, Cai, and Maattala. Instead, Apple’s Reply proceeded in a new direction by pointing to new references. Apple thus turns the Petition into a moving target.

Apple’s approach is particularly troubling because Apple indisputably had each of its new exhibits before filing the 241 Petition. Apple filed those exhibits in the 243 and 244 IPRs on the same day as the 241 Petition. Additionally, Apple’s expert declaration opined on those exhibits as supporting a reasonable expectation of success in the 243 and 244 IPRs—but *not* the 241 IPR. *See* 243-EX1003, ¶¶100-109. Thus, Apple already collected the exhibits, prepared opinions about them, and then *omitted them* from the 241 Petition. Apple even *reserved* numerous exhibit numbers in the 241 Petition for exhibits it submitted only in the 243 and 244 IPRs.

Apple later used those exhibit numbers for the first time with the 241 Reply.² This suggests that Apple deliberately withheld the exhibits from the Petition.

As the petitioner, Apple decided what arguments and evidence to present. As the patent owner, Masimo is “entitled to notice of and a fair opportunity to meet the grounds of rejection.” *In re Nuvasive, Inc.*, 841 F.3d 966, 971 (Fed. Cir. 2016). Masimo responded to the arguments and evidence Apple presented, and not others made in different proceedings. *See id.* at 972–973 (explaining that separate IPRs are distinct proceedings and patent owner is not obligated to respond to arguments raised only in a different proceeding). Apple thus cannot properly use its Reply to bring in evidence and arguments from other proceedings. *Acceleration Bay, LLC v. Activision Blizzard Inc.*, 908 F.3d 765, 775 (Fed. Cir. 2018) (holding it is proper not to consider reply arguments where petitioner “had an opportunity to present this argument in its petition, but chose not to.”).

Masimo would be severely prejudiced if Apple were permitted to rely on evidence it omitted from the 241 Petition. For example, Masimo’s expert responded to Apple’s arguments based on Pang and Brady in the 243 IPR, but not in the 241 IPR because Apple did not raise Pang or Brady in the 241 Petition. 243-EX2100,

² *E.g.*, Apple reserved exhibit numbers 1014, 1028, 1038, and 1042-1048 in the 241 Petition and then filed those exhibits on reply with the same exhibit numbering from the 243 IPR. 241-Pet., iii-v; 241-Reply, iii-viii. Two exhibits, 241-EX1088 and 241-EX1092, were given different exhibit numbers than their 243 IPR counterparts.

¶¶110-112, 116-117. Thus, Masimo does not have expert testimony in the 241 IPR responding to Pang and Brady, even though Masimo’s expert responded to those exhibits in the 243 IPR. Apple should not be permitted to degrade these proceedings into a guessing game or whack-a-mole through such tactics.

After the conference of counsel, Apple argued the Board in IPR2022-01291 found similar evidence and arguments on reply to be responsive. But the facts there were substantially different. Here, Apple omitted the exhibits and arguments from the 241 Petition. That Apple filed those exhibits with the 243 and 244 Petitions demonstrates that Apple chose not to present them in the 241 Petition. Apple’s Reply therefore does not respond to Masimo’s POR. Instead, Apple created this prejudicial situation by withholding arguments and waiting until the Reply to present them. The Board should strike the new exhibits and arguments.

B. Apple’s 241 Reply Introduces Multiple New Motivations to Combine that Apple Presented Only in the 243 IPR

The Board should strike Section IV.D. of Apple’s 241 Reply, paragraphs 35-36 of 241-EX1079 (“Anthony’s Reply Declaration”), and 241-EX1081 for introducing new motivations to combine. Apple’s 241 Reply cited paragraphs 35-36 of Anthony’s Reply Declaration to assert that the 241 Petition “articulated numerous evidence-backed reasons for the combination.” 241 Reply, 14–15 (citing 241-EX1079, ¶75). But Anthony’s Reply Declaration listed six “[o]ther reasons” that were *not* articulated in the petition. 241-EX1079, ¶75 (listing “[o]ther reasons”

including allowing people to check their blood oxygen “when jogging or exercising,” allowing pilots or mountain climbers to check their oxygen, and increasing goodwill and sales). Anthony’s Reply Declaration also cites to 241-EX1081 to support those alleged motivations to combine, which also was not included with the petition. Thus, Apple seeks to introduce new motivations to combine. *See* 241-Pet., 43-46; *Intelligent Bio-Sys.*, 821 F.3d at 1369-70 (improper to present new rationales for combining references on reply).³

These new arguments may have been a mistake because they reference the record in the **243** IPR. For example, Apple’s Reply argues “Masimo’s assertion” regarding measuring oxygen saturation through motion “has no basis.” Reply, 15 (citing EX1079, ¶36). But Masimo made no such assertion in the 241 IPR because Apple never raised this issue in the 241 Petition. Masimo made that assertion in the 243 IPR because Apple’s 243 Petition relied on measuring oxygen saturation “while jogging or exercising.” *See* 243-Pet., 39–41; 243-POR, 35; 243-EX2100, ¶86.

The Anthony Reply Declaration (241-EX1079) also cites “EX2100, ¶86” for “Dr. Madisetti’s assertion,” but that citation refers to EX2100 in the 243 IPR. Paragraph 86 in Madisetti’s 241 Declaration does not reference measuring through

³ Those “other reasons” also were not mentioned in the Reply but instead merely incorporated by reference. EX1079, ¶75. The Board should disregard such arguments. 37 C.F.R. §42.6(a)(3); *Parus Holdings, Inc. v. Google LLC*, 70 F.4th 1365, 1369–73 (Fed. Cir. 2023).

motion, whereas paragraph 86 in Madisetti's 243 Declaration does. *Compare* 241-EX2100, ¶86 *with* 243-EX2100, ¶86; 241-EX1079, ¶36.

Apple either deliberately introduced new evidence and arguments when Masimo could not respond or carelessly did so by confusing the 241 and 243 records. Either way, the Board should not consider the new arguments and evidence. The Board should strike Section IV.D. of Apple's Reply, paragraphs 35-36 of the Anthony Reply Declaration (241-EX1079), and 241-EX1081.

C. Apple Raises New Combinations of References

The Board should strike Section IV.B. of the 241 Reply for raising new combinations of references. First, Section IV.B. does not respond to any argument made in the POR. Indeed, Section IV.B. of the Reply does not cite any argument from the POR. *See* 241-Reply 12–13. Instead, Apple again appears to have mixed up the records in different proceedings. In particular, Apple recycled arguments from its IPR2022-01291 Reply without explaining their relevance to *this* IPR. *Compare* IPR2022-01291, Paper 39 at 13–14 *with* 241-Reply, 12–13.

Second, Apple presents new combinations and modifications of Iwamiya and Sarantos with 241-EX1013, 241-EX1037, 241-EX1039, 241-EX1041, and/or 241-EX1028. 241-Reply, 13. In particular, Apple argues that modifying the Iwamiya-Sarantos combination by optimizing the photodiodes, changing the optical filter or removing the filter altogether “were all known, *obvious*, and within the skill of a

POSITA.” *Id.* (emphasis added). Apple did not raise any of these combinations or modifications in the Petition. Thus, they should be stricken. *See Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324 (Fed. Cir. 2019) (proper to disregard new theory on reply arguing a different way in which references would be combined).

D. Apple Belatedly Raises New Issues Regarding a Different Expert to Which Masimo Has No Adequate Ability to Respond

Apple also mixed and matched the IPR records from different proceedings by largely declining to address testimony from Masimo’s expert in this IPR (Dr. Madisetti) in favor of introducing testimony from Masimo’s expert in IPR2022-01291 (Dr. Duckworth, 241-EX1080). Here, Masimo relied on the testimony of Dr. Madisetti to support the validity of the ’743 and ’159 Patent claims. Apple cross-examined Madisetti for over 10 hours across two days. Yet Apple’s Reply largely does not address Madisetti’s cross-examination and instead cites to the Duckworth testimony for numerous issues. *See* 241-Reply, 4, 6, 7, 21, 28.

Apple’s Reply improperly created new issues concerning Duckworth’s testimony that Masimo cannot adequately respond to in its sur-replies without Duckworth’s direct testimony. For example, Apple cited Duckworth’s cross-examination to support its argument that Iwamiya “lacks [] express disclosure of materials that would be suitable to achieve the desired ‘light shielding’ function of frame 18.” Reply, 4. But that is not what he testified. Masimo could have refuted Apple’s assertion with Duckworth’s direct declaration, but Apple added

Duckworth's cross-examination at a time when Masimo had no opportunity to respond. Thus, the Board should strike EX1080 and Apple's arguments based on it.

E. The Board Has Thus Far Denied Masimo's Alternative Request to Supplement the Record

Masimo originally requested authorization to file this motion or, alternatively, allow Masimo to submit rebuttal evidence. EX3003. For example, Masimo requested authorization to submit Duckworth's direct declarations under Federal Rule of Evidence 106. Masimo also requested the ability to respond to Apple's other new arguments and evidence with expert testimony.

The Board allowed Masimo to file this Motion without addressing the alternative request, but explained it likely would not rule on the Motion before Masimo's Sur-Reply is due. Masimo thus asked to conditionally submit the new evidence with its Sur-Reply. EX3004. The Board appears to have denied that request based on Apple's incorrect assertion that Masimo had not met and conferred. *Id.* Masimo believed the original conference covered its request, but Masimo has asked Apple to confer again and will recontact the Board after. If the Board were to deny Masimo's request, then Masimo's prejudice would be heightened and provide even more reason to strike Apple's new arguments and evidence.

IV. CONCLUSION

For the foregoing reasons, Masimo respectfully requests the Board strike the arguments and evidence identified above.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: March 10, 2025

/Daniel C. Kiang/

Daniel C. Kiang (Reg. No. 79,631)

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 Petitioner, a true and correct copy of **PATENT OWNER'S MOTION TO STRIKE** is being served electronically on March 10, 2025 to the e-mail addresses shown below:

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Dated: March 10, 2025

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