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Filed on behalf of:

Patent Owner Masimo Corporation
By: Brian C. Claassen (Reg. No. 63,051)
Carol Pitzel Cruz (Reg. No. 61,224)
Perry D. Oldham (Reg. No. 52,082)
Daniel Kiang (Reg. No. 79,631)
Irfan A. Lateef (Reg. No. 51,922)
Adam B. Powell (Reg. No. 70,367)

KNOBBE, MARTENS, OLSON & BEAR, LLP
2040 Main Street, Fourteenth Floor
Irvine, CA 92614
Tel.: (949) 760-0404
Fax: (949) 760-9502
E-mail: AppleIPR159-1@knobbe.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

Case IPR2024-00243
U.S. Patent 10,722,159

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

The Board should strike three categories of documents and arguments.

First, Apple filed its Petition with numerous exhibits that it never cited or discussed even a single time in the Petition. Apparently, Apple took the exhibits it filed previously in IPR2022-01291 and filed them with the Petition in this proceeding. But Apple’s Petition did not articulate any arguments based on many of those exhibits. Instead, Apple had its expert opine on those exhibits and incorporated his arguments by reference in the Petition. Masimo’s Patent Owner Response (“POR”) explained those arguments were waived for improper incorporation by reference. Apple essentially conceded the point by not responding in its Reply. Instead, Apple’s Reply presented numerous brand-new arguments about those exhibits. The Board should strike those arguments because Apple should have made them in its Petition.

Second, Apple’s Reply presents new combinations of prior art—including combinations based on exhibits that Apple filed with the Petition without mentioning them in the Petition or Apple’s expert declaration. Those arguments are also new, non-responsive, and should be stricken.

Third, Apple's Reply belatedly introduced the cross-examination testimony from a *different* proceeding for an expert that did not testify in this proceeding (Dr. Duckworth). Apple's belated reliance on Duckworth's cross-examination testimony presents new evidence and issues that Masimo cannot adequately address without Duckworth's direct testimony. Thus, the Board should strike the cross-examination and Apple's arguments.

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’s Reply Introduces New Arguments That Were Waived in the Petition

Apple’s Reply improperly raised numerous new exhibits and arguments regarding reasonable expectation of success. Specifically, Apple’s Reply made new arguments about EX1017, EX1036, EX1038, and EX1042–EX1048 for the first time. *See* Reply, 15–19. The Board should strike Apple’s new arguments for the reasons described below.

Apple presumably knew before filing its Petition that whether a POSITA would have had a reasonable expectation of success in determining oxygen saturation at the wrist would be a key issue in this proceeding. Masimo and Apple litigated the issue before the ITC for claims directed to similar subject matter in related U.S. Patent No. 10,687,745 and again in IPR2022-01291 and IPR2022-01465. Indeed, Apple expressly referenced Masimo’s arguments from those prior proceedings in its Petition. *See* Pet., 41 n.5. Apple thus knew of the issue and should have included all its reasonable expectation of success arguments in its Petition.

Instead of presenting all of its arguments and evidence in the Petition, Apple relied on only *some* arguments and withheld others. Apple filed all of the newly cited exhibits (EX1017, EX1036, EX1038, and EX1042–EX1048) with the Petition

and had its expert comment on them. *See* EX1003, ¶¶100–109 (discussing Lindberg (EX1017), Goldreich (EX1036), Scharf (EX1038), Fontaine (EX1042), Rulkov (EX1043), Ackermans (EX1044), Shmueli (EX1045), Sarussi (EX1046), Kondo (EX1047), Fraser (EX1048)). But Apple’s Petition discussed only *other* exhibits—Sarantos (EX1005), Pang (EX1014), Li (EX1015), Cai (EX1016), Maattala (EX1018), and Brady (EX1028). Pet., 41-42. It never cited or discussed EX1017, EX1036, EX1038, and EX1042–EX1048. Instead, Apple provided a one-sentence conclusion followed by a citation to *nineteen paragraphs* of Anthony’s declaration spanning *twenty-five pages* where those exhibits were discussed. Pet., 41 (citing EX1003, ¶¶94–113); *see also id.*, 43 (citing EX1003, ¶¶95, 100-109).

Apple therefore waived any arguments about those exhibits by incorporating them by reference to an expert declaration in violation of 37 C.F.R. §42.6(a)(3). Masimo’s POR argued Apple improperly incorporated exhibits and arguments by reference. POR, 53; 37 C.F.R. §42.6(a)(3); *see also* EX2035, 90–91 (Board previously finding in IPR2022-01291 that Apple’s similar argument improperly incorporated arguments by reference). Apple did not respond in its Reply. *See generally* Reply. Thus, Apple cannot reasonably dispute that it waived those arguments in the Petition.

Because Apple waived those arguments and evidence, Apple should not be permitted to present them for the first time on Reply. *Colas Sols., Inc. v. Blackledge*

Emulsions, Inc., 759 F. App'x 986, 989 (Fed. Cir. 2019) (argument not presented in the petition but for the first time in reply was waived); *Instrumentation Lab. Co. v. HemoSonics LLC*, IPR2017-00855, 2019 WL 625561, at *8 (PTAB Feb. 13, 2019) (“Arguments and information that are not presented and developed in the Petition, but instead are incorporated by reference, are not entitled to consideration, as it is improper to incorporate by reference arguments from one document into another document.”).

After the conference of counsel, Apple argued its Reply arguments were responsive to Masimo’s arguments and that it had no obligation to speculate about Masimo’s arguments or to preemptively rebut them. But Masimo’s POR argued that Apple improperly incorporated those arguments and exhibits by reference. POR, 53. A proper reply would have been to argue the Petition did not violate 37 C.F.R. §42.6(a)(3). Making arguments on the merits for the first time in Reply, without addressing the incorporation by reference, is not responsive.

Moreover, Apple cannot reasonably dispute that it could have raised all of those arguments with the Petition. For example, the Reply newly argues that Fontaine (EX1042) shows a group of undergraduates measuring oxygen saturation. Reply, 18. But Apple’s expert made that argument in his original expert declaration at paragraph 104. EX1003, ¶104. Apple simply chose not to include that argument in the Petition. The Reply also newly string-cited EX1017, EX1036, EX1038, and

EX1043–EX1048 for reasonable expectation of success. Reply, 19. But the original expert declaration also included those string cites at paragraph 109. Reply, 19; EX1003, ¶109. Thus, Apple’s Reply is not responsive to Masimo’s POR. Instead, it seeks to revive arguments that it had in its expert declaration and deliberately omitted from the Petition.

Apple has suggested that Masimo’s POR should have responded to the arguments presented in Apple’s expert declaration but not in Apple’s Petition. Such a requirement would circumvent the purpose of 37 C.F.R. §42.6(a)(3). Masimo reasonably relied on Apple’s decision *not* to present these arguments in its Petition and used the limited space in Masimo’s POR to address the arguments that Apple *actually* made. The Board should not penalize Masimo for Apple’s improper incorporation by reference.

Accordingly, the Board should strike all arguments relying upon EX1017, EX1036, EX1038, and EX1042–EX1048 in Section IV.E of the Reply.

B. Apple Raises New Combinations of References

The Board should strike Section IV.B. of the 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. does not cite any argument from the POR. *See* Reply, 12–13. Instead, Apple 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 Reply, 12–13.

Second, Apple presents new combinations and modifications of Iwamiya and Sarantos with EX1009, EX1037, EX1039, EX1041, and EX1028. Specifically, 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,” based on EX1009, EX1037, EX1039, EX1041, and EX1028. Reply, 13 .

Apple’s argument presents new combinations and modifications of Iwamiya and Sarantos with EX1009, EX1037, EX1039, EX1041, and/or EX1028. For example, Apple suggests the Iwamiya-Sarantos combination would be further combined with an optical filter from Aguilera (EX1037). Although Apple filed Aguilera with the Petition, Apple never cited it for any reason in the Petition or in Anthony’s original declaration. Likewise, Apple did not cite EX1039 and EX1041 for any reason in the Petition. Apple thus raised new arguments to which Masimo was given no prior notice. The Board should therefore strike those new arguments. *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).

C. **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 not addressing much of the testimony from Masimo's expert in this IPR (Dr. Madisetti) in favor of introducing testimony from Masimo's expert in IPR2022-01291 (Dr. Duckworth, 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 ten hours across two days. Yet Apple's Reply largely did not address Madisetti's cross-examination and instead cited to the Duckworth cross-examination for numerous issues. *See* Reply, 4, 5–6, 20–21, 27.

Apple's Reply improperly created new issues concerning Duckworth's testimony that Masimo cannot adequately address without Duckworth's direct testimony. For example, Apple relied on Duckworth's cross-examination to argue that Iwamiya "lacks [] express disclosure of materials that would be suitable to achieve the desired 'light shielding' function of frame 18." Reply, 4. Apple also cited Duckworth to support its argument that "[a] POSITA also would have found the selection of a light-absorbing material for frame 18 to involve a merely routine design choice[.]" Reply, 5–6. Apple also relied on Duckworth's testimony to argue that "[t]he '159 Patent instead assumes that a POSITA would have known how to implement such measurements [of oxygen saturation] at the wrist despite the weaker signal," and that "Masimo's expert in the related '745 Patent IPR agreed."

Duckworth never agreed with Apple on any of these points. Masimo could have easily addressed all of these arguments by submitting Duckworth's direct declarations. For example, his direct declarations explained in detail why a POSITA would **not** have had a reasonable expectation of success in determining oxygen saturation at the wrist. His direct declarations also explained in detail why the selection of a material for frame 18 was **not** a mere design choice. Apple thus created numerous new issues based on Duckworth's testimony that Duckworth's declarations would have refuted. Thus, the Board should strike EX1080 and Apple's arguments based on it.

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

Masimo originally requested the Board allow Masimo 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. Fed. R. Evid. 106 ("If a party introduces all or part of a statement, an adverse party may require the introduction, at that time, of any other part—or any other statement—that in fairness ought to be considered at the same time."). 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 request before

Masimo's Sur-Reply is due. Masimo thus requested the ability to conditionally submit the new evidence with its Sur-Reply, which the Board denied apparently based on Apple's assertion that Masimo had not met and conferred. EX3004. Masimo believed the original conference of counsel covered its request, but has asked Apple to confer again and will contact the Board again after the parties do so. 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 March 10, 2025 to the e-mail addresses shown below:

W. Karl Renner, Reg. No. 41,265 Fish & Richardson P.C. 60 South Sixth Street Minneapolis, MN 55402 Tel: 202-783-5070 Fax: 877-769-7945 Email: IPR50095-0134IP1@fr.com	Patrick J. Bisenius, Reg. No. 63,893 Andrew B. Patrick, Reg. No. 63,471 Usman A. Khan, Reg. No. 70,439 Nicholas Stephens, Reg. No. 74,320 Fish & Richardson P.C. 60 South Sixth Street Minneapolis, MN 55402 Tel: 202-783-5070 Fax: 877-769-7945 Email: IPR50095-0134IP1@fr.com
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Dated: March 10, 2025

/Daniel C. Kiang/

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

Attorney for Patent Owner
Masimo Corporation