Filed: April 11, 2024

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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 IPR2024-00244
U.S. Patent 10,722,159

PATENT OWNER'S RESPONSE TO PETITIONER'S NOTICE RANKING PETITIONS

I. TWO PETITIONS ON THE '159 PATENT ARE UNNECESSARY

Patent Owner ("Masimo") and Petitioner ("Apple") are litigating the validity of U.S. Patent No. 10,722,159 ("the '159 Patent") before the Delaware District Court in Case No. 22-cv-01378-JLH ("Delaware Litigation"). In that case, Apple set forth invalidity contentions arguing that the '159 Patent was invalid over seventeen primary prior art references, including Iwamiya and Sarantos, combined with at least ten secondary prior art references. Apple then served expert reports that argued the asserted claims of the '159 Patent are invalid over various combinations of at least five references (the original Apple Watch, Ackermans, Venkatraman, Haar, and Savant). EX1068, 5–6.

Before the Board here, all grounds of both Petitions rely on primary references that Apple raised in invalidity contentions but dropped in Apple's expert reports. As shown in Masimo's Preliminary Responses being concurrently filed, both Petitions lack merit. But merits aside, if the Board were to institute one of the Petitions, it should deny the other. Apple fails to show instituting both petitions is necessary. Instituting both petitions would be unduly burdensome and inefficient.

A. Apple Fails to Establish Multiple Petitions Are Necessary

Apple's Notice of Ranking (Paper 2, "Notice") fails to establish that two petitions on the '159 Patent are necessary. The Board's November 2019 Consolidated Trial Practice Guide ("TPG") states, "***one petition*** should be sufficient

to challenge the claims of a patent in most situations." TPG, 59 (emphasis added). The TPG thus explains that filing two petitions instead of one—as Apple has done—imposes a "substantial and unnecessary burden on the Board and patent owner and could raise fairness, timing, and efficiency concerns." *Id.*

The TPG recognizes that the need for two petitions on the same patent is "rare." *Id.* It provides just two examples of when two petitions may be necessary: (1) "when the patent owner has asserted a large number of claims in litigation," or (2) "when there is a dispute about priority date requiring arguments under multiple prior art references." *Id.* But no such circumstances exist here. Masimo asserted only ***five*** claims of the '159 Patent in the Delaware Litigation (Claims 1, 7, 8, 19, and 22), and did not assert the '159 Patent against Apple in any other litigation. The parties also agree, and do not dispute, that the '159 Patent's priority date is July 2, 2015. Pet., 2. Thus, this is not one of the rare circumstances where two petitions challenging one patent is appropriate. TPG, 59.

Apple's Notice identifies no other reason to justify the burden on the Board and Masimo of instituting multiple petitions. Instead, Apple summarizes its obviousness combinations of Iwamiya-Sarantos and Sarantos-Shie and describes the arguments as "non-redundant" and "materially different." Notice, 1-2. But they are redundant. Apple admits that both petitions rely on Sarantos to disclose a dark-colored coating and oxygen saturation. *Id.* at 2. Apple identifies only the "light

shaping functionality" as a difference between the two petitions. *Id.* But Apple does not explain why a second petition based on Sarantos is necessary if the Iwamiya-Sarantos combination purportedly discloses that limitation already. Apple also states that the motivations to combine "materially differ[]," but offers no explanation ***how*** they differ or why any such difference justifies a second petition. *Id.* Apple also alleges that the petitions differ in how they address a dependent claim requiring a display. *Id.* at 3. But Apple argues Iwamiya "expressly discloses" the limitation. *Id.* If that were true, Apple offers no reason why a second petition is necessary. The mere fact there are some differences is unremarkable and is not a sufficient reason to institute multiple unnecessary petitions. *See Apple Inc. v. Masimo Corp.*, IPR2022-01466, Paper 15 at 9 (Feb. 23, 2023) (denying institution of additional petition against the related '745 Patent in part because Apple "offers no explanation other than that the arguments are 'different' to show why the differences are material or why a second petition is warranted.").

Moreover, Apple fails to account for the substantial overlap in the references. The '243 Petition relies on Iwamiya, ***Sarantos***, ***Han***, and ***Utter***, while the '244 Petition relies on ***Sarantos***, Shie, Brady, ***Han***, and ***Utter***. Thus, in the '244 Petition, Apple reuses three out of the four references from the '243 Petition. Apple "purposefully applied the same secondary references (Han and Utter) in the same manner with respect to features of many of the challenged claims" across the two

petitions. Notice, 4. Thus, Apple admits multiple petitions were ***not*** necessary to address these references. *See Apple,* IPR2022-01466, Paper 15 at 10-11 (denying institution of additional petition where Apple presented "substantially the same" motivation to combine secondary reference with different primary references in multiple petitions).

Next, Apple argues that "compelling merits justify institution of both IPR petitions." Notice, 3. But that is a *Fintiv* discretionary denial factor, not a factor for instituting more than one petition. Apple's argument is also illogical—if one petition were "compelling," then a second should not be necessary.

Apple also argues "[e]fficiencies and public policy concerns" warrant institution of both petitions and requests consolidation of the two IPRs. But multiplying the proceedings is not efficient. Multiple proceedings against the same patent causes precisely the "fairness, timing, and efficiency concerns" underlying the Board's discretion to deny multiple petitions. TPG, 59. Apple also ignores that it is currently maintaining multiple prior art invalidity grounds based on three primary references against the '159 Patent in the Delaware Litigation, causing further inefficiencies and burdens on the court system and Masimo. Instituting both petitions would give Apple more than ***five*** attempts to invalidate the same claims of the '159 Patent. Moreover, consolidating the proceedings would not "simplify the complexity of the proceedings" in any meaningful way. Masimo would still need to

brief the same issues, obtain the same discovery of Apple's engineers' testimony and documents, and offer expert declarations on both proceedings.

Apple also argues that "word count constraints and the number of claims challenged" justifies the institution of multiple petitions. Notice, 5. But Apple's '243 Petition challenged all 25 claims of the '159 Patent in one petition. And Apple's assertion about the "number of claims challenged" rings hollow when Masimo asserted only five claims against Apple in the Delaware Litigation. Apple fails to explain why it filed multiple petitions to challenge unasserted claims.

Finally, Apple argues that instituting multiple petitions "is more than justified in view of Masimo's prosecution practices." Notice, 3 (title case removed). Apple alleges that Masimo filed the application that issued as the '159 Patent "approximately six months after Apple filed the IPRs leading to the Board's findings of unpatentability with respect to the related '695 Patent" and Apple's multiple petitions "result[] from Masimo's insistence, despite earlier IPR results, on continuing to prosecute claims directed toward unpatentable subject matter." Notice, 4–5. As explained further in the Preliminary Response, that assertion is ***false*** and ***Apple's counsel knew or should have known it was false.*** *See* Preliminary Response, § II.A. Apple's false assertions do not justify institution, let alone of multiple petitions. 37 C.F.R. § 42.12.

Accordingly, if the Board institutes one petition, it should deny the other one.

Respectfully submitted,

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Dated: April 11, 2024

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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 RESPONSE TO PETITIONER'S NOTICE RANKING PETITIONS** are being served electronically on April 11, 2024, to the e-mail addresses shown below:

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