UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

_____

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

_____

PETITIONER'S MOTION TO EXCLUDE

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I. INTRODUCTION

Pursuant to 37 C.F.R. §42.64 and the Federal Rules of Evidence, Petitioner Apple Inc. moves to exclude Exhibits 2076-2078, 2080-2086, 2089, 2094, and portions of Exhibit 2100.

As explained in more detail below, Masimo relies upon Exhibits 2076-2078, 2080-2086, and 2094 for statements that are not relevant to the issues in the instant proceeding, and that are additionally misleading when taken out of context. Further, the statements from Exhibits 2076-2078, 2080-2085, 2089, and 2094 that Masimo relies upon were made outside of this proceeding and have been submitted for the truth of the matter asserted, and therefore represent hearsay that does not fall under an exception.

Exhibit 2100 is a declaration from Patent Owner's expert Dr. Madisetti that includes opinions that are conclusory, do not disclose supporting facts or data, are based on unreliable facts, data, or methods, and/or include testimony outside the scope of Dr. Madisetti's specialized knowledge. Exhibit 2100 further includes statements that are based on statements that were made outside of this proceeding, and that therefore represent hearsay that does not fall under an exception.

Petitioner timely objected to these exhibits on sufficiently particularized grounds in the Objections to Evidence filed on November 13, 2024. *See* Paper 21. For the reasons articulated below, Exhibits 2076-2078, 2080-2086, 2089, 2094,

and the identified portions of Exhibit 2100 should be excluded as evidence.

II. ARGUMENTS

A. Exhibits 2076-2078, 2080-2086, and 2094 should be excluded as not legally relevant to any issue in this proceeding

Masimo's Patent Owner Response does not establish the relevance of Exhibits 2076-2078, 2080-2086, and 2094 to the issues in the present proceeding, and the cited portions of these exhibits are potentially misleading when taken out of context. Accordingly, Apple respectfully submits that these exhibits should be excluded under FRE 401, 402, and 403.

Masimo relies on these exhibits within its Patent Owner's Response (POR) at pages 44-66 in its attempt to contest that Sarantos renders obvious determining oxygen saturation at the wrist, and that a POSITA would "[h]ave [h]ad a [r]easonable [e]xpectation of [s]uccess in [d]etermining [o]xygen [s]aturation at the [w]rist in 2015." Paper 20 at 43. More specifically, Masimo mistakenly argues that the testimony of Apple engineers included in these exhibits "confirms that as of July 2015, a POSITA would not have had a reasonable expectation of success in modifying Sarantos to measure oxygen saturation at the wrist." Paper 20 at 44.

Yet, when Masimo similarly contested in IPR2022-01291 that a POSITA would have reasonably expected success in measuring oxygen saturation at the wrist, the Board found that Apple's engineers had only been "asked about the

challenges *they faced* in developing an oxygen saturation determination feature *in a future iteration of the pre-existing Apple Watch product*." *Apple Inc. v. Masimo Corp.*, IPR2022-01291, Pap. 75 at 99-100 (PTAB Jan. 30, 2024) (citing IPR2022-01291, Ex. 1036, 902:13–14, Ex. 2008, 938:21–23, Ex. 2076, 963:19–21, Ex. 2077, 996:25–997:5, 1012:12–25, Ex. 2078, 923:1–25, Ex. 2080, 173:9–16, Ex. 2081, 165:1–166:6, Ex. 2082, 108:2–14) (emphasis original).

That is, Apple's engineers "*were not asked to address the issue presented here*, which is whether a person of ordinary skill in the art would have reasonably expected success in determining oxygen saturation at the wrist …." *Id.* at 100 (emphasis added); *see also id.* at 102[1].

For at least that reason, Apple respectfully submits that Exhibits 2076-2078, 2080-2086, and 2094 should be excluded under FRE 401 and FRE 402 as not relevant, at least because the testimony of Apple's engineers included in those

[1] Although the cited pages of the Final Written Decision (Paper 75) in the IPR2022-01291 proceeding address the reasonable expectation of success in view of the Iwamiya and Sarantos based grounds, the Board's treatment of the testimony of Apple's engineers equally applies to the Sarantos and Sarantos-based grounds, against which Patent Owner makes similar reasonable expectation of success arguments as in IPR2022-01291.

exhibits does not address the issues in this proceeding.

More, the Board in IPR2022-01291 agreed "with Apple's argument that, in the context of developing a blood oxygen saturation determination feature in a future iteration of the pre-existing Apple Watch product, the engineers faced various unclaimed constraints," adding that "it is legal error to fail to consider the scope of the claimed invention when considering reasonable expectation of success." *Id.* at 100-101 (citing *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016)).

Indeed, the testimony of Apple's engineers regarding their subjective experiences and successes developing pulse oximetry for the Apple Watch does not bear on the question of whether a POSITA would have reasonably expected success in performing the claimed function of determining "a physiological parameter of [a] user," whether that physiological parameter was "oxygen saturation," "pulse rate," or otherwise. *See* Ex. 1001, 15:30-18:32 (claims 1-25).

Nor does the testimony of Apple's engineers have bearing on whether a POSITA would have reasonably expected success to measure oxygen saturation at the wrist in view of Sarantos's teachings, as the engineers were not asked about Sarantos. Indeed, unlike a POSITA, who "is presumed to know all the pertinent prior art," and "is charged with knowledge of all the contents of the relevant prior art," there is no evidence to suggest that the testifying engineers were even aware

of Sarantos as of the Critical Date. *In re Carlson*, 983 F.2d 1032, 1037-38 (Fed. Cir. 1993); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998)("Obviousness is determined from the vantage point of a hypothetical person having ordinary skill in the art … [t]his legal construct … also presumes that all prior art references in the field of the invention are available to this hypothetical skilled artisan").

In that and other ways, the engineers did not testify at the ITC from the perspective of a POSITA, and indeed, there is no evidence that the engineers were even aware (as a POSITA would have been) of the majority of prior art references and studies that had established the feasibility of determining oxygen saturation at the wrist before the '159 Patent. *See In re Sneed*, 710 F.2d 1544, 1550 (Fed. Cir. 2012) ("did not have knowledge of the [prior art] apparatus and, thus, lacked the guidance that reference provides").

In that regard, Masimo's arguments fail to place the testimony of Apple's engineers in its proper context, and instead cherry-pick soundbites in support of a narrative that is both misleading and not relevant to assessing reasonable expectation of success in a manner commensurate with the broad scope of the physiological parameter features actually claimed in the '159 patent. Ex. 1079, ¶ 44. Indeed, the challenges Apple's engineers overcame as they persisted and succeeded in developing pulse oximetry for the Apple Watch did not merely entail determining an oxygen saturation parameter at the wrist, but were instead

intimately related to developing a fully-featured pulse oximeter for a consumer device that would meet Apple's rigorous performance and design standards across a range of uses not required by the Challenged Claims. Ex. 1079, ¶¶ 44-53.

For example, the Watch's small form factor, limited battery power, and the Watch's fixed placement at the wrist at sites with unpredictable tissue heterogeneity across a wide range of users, as well as small measurement error across a wide range of oxygen saturation levels. *Id.* Apple's engineers overcame these and other design constraints that are not required by the claims, and the related evidence is for at least that additional reason not legally relevant to assessing reasonable expectation of success in achieving the "physiological parameter" features claimed without those design constraints. *Intelligent Bio-Systems, Inc. v. Illumina Cambridge, Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) ("'[F]ailure to consider the appropriate scope of the ... patent's claimed invention in evaluating [] reasonable expectation of success ... constitutes a legal error that [is] review[ed] without deference'")(quoting *Allergan, Inc. v. Apotex Inc.*, 754 F.3d 952, 962-63 (Fed. Cir. 2014) (reversing non-obviousness finding for failure to properly account for correct claim scope); *Sound View Innovations, LLC v. Hulu, LLC*, 818 F. App'x 1009, 1013 (Fed. Cir. 2020); *Huawei Techs. Co. v. Iancu*, 813 F. App'x 505, 511 (Fed. Cir. 2020); *Dr. Falk Pharma GmbH v. GeneriCo, LLC*, 774 F. App'x 665, 675-76 (Fed. Cir. 2019).

That the challenges addressed by Apple engineers stemmed from features not required by the claims is apparent from portions of the engineers' ITC testimony not cited in the POR. Ex. 1079, ¶ 45. And the challenges involved in developing pulse oximetry for the Apple Watch extended far beyond anything required by the '159 Patent claims. Ex. 1079, ¶¶ 44-53; Ex. 1001, 15:30-18:32 (claims 1-25).

For at least these reasons, the testimony and information that Masimo relies upon from Exhibits 2076-2078, 2080-2086, and 2094 is not probative of whether a POSITA would have reasonably expected success to measure oxygen saturation at the wrist in view of Sarantos, which is all that the Challenged Claims pertinently require. *See* Ex. 1001, 15:30-18:32 (claims 1-25); *Intelligent Bio-Systems, Inc. v. Illumina Cambridge, Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016); *Sound View Innovations, LLC v. Hulu, LLC*, 818 F. App'x 1009, 1013 (Fed. Cir. 2020)("Since the claims here did not require a certain level of practicality, the Board did not err in finding a 'reasonable expectation of success . . . [in] meet[ing] the limitations of the claimed invention'").

Accordingly, Apple respectfully submits that that testimony and those exhibits should be excluded under FRE 401 and FRE 402 as not legally relevant to the issues presented in this case. *See also Apple Inc. v. Masimo Corp.*, IPR2022-01291, Pap. 75 at 102 (PTAB Jan. 30, 2024) ("*the engineers were not asked to*

address the specific issue presented here, which is whether a person of ordinary skill in the art would have reasonably expected success in determining oxygen saturation at the wrist at all, despite the acknowledged challenges this poses") (emphasis added).

Even if that testimony were deemed relevant (and it is not), whatever probative value it arguably presents is outweighed by its misleading nature when taken out of context. Accordingly, Apple respectfully submits that that testimony and those exhibits should also or alternatively be excluded under FRE 403.

B. Exhibits 2076-2078, 2080-2085, 2089, and 2094 should be excluded as inadmissible hearsay

Exhibits 2076-2078, 2080-2085, 2089, and 2094 represent inadmissible hearsay as statements made outside of this proceeding submitted for the truth of the matter asserted and should therefore be excluded under FRE 801. These exhibits were cited at, for example, pages 44-66 of the POR. The hearsay rule enforces a fundamental principle of the judicial system that testimony should generally be subject to cross-examination in the proceeding to test its reliability. Therefore, with some exceptions that are expressly included in the Federal Rules of Evidence, Congress and the Supreme Court made the policy decision that hearsay statements are generally too unreliable to be admitted into evidence. The Board should respect and follow this policy decision by excluding hearsay statements that are not

covered by a hearsay exception under the Federal Rules of Evidence.

Exhibits 2076-2078, 2080-2085, 2089, and 2094 include transcripts of statements made by certain Apple employees made during an ITC proceeding that is separate from the present proceeding, and exhibits presented as part of that separate proceeding. They are therefore statements made outside of the current trial and they are offered to prove the truth of the matter asserted in the statements, thereby meeting the definition of hearsay under FRE 801.

With respect to "former testimony" from other proceedings, such as the testimony excerpts in the above identified exhibits, Congress and the Supreme Court included in the Federal Rules of Evidence a specific exception to the hearsay rule, Fed. R. Evid. 804(b)(1), that governs the limited circumstances when former testimony is admissible despite the hearsay rule.

Because Patent Owner has not established that the requirements of Fed. R. Evid. 804(b)(1) are met, Exhibits 2076-2078, 2080-2085, 2089, and 2094 should be excluded. *See Google Inc. v. Intell. Ventures II LLC*, Case No. IPR2014-00787, Paper 91 at 20-23 (PTAB. July 24, 2020).

The above identified exhibits also do not fall under the "residual exception" of Federal Rule of Evidence 807. To fall under this exception, the statement must: 1) have equivalent circumstantial guarantees of trustworthiness; 2) be offered as evidence of a material fact; 3) be more probative on the point for which it is

offered than any other evidence that the proponent can obtain through reasonable efforts; and 4) be in the interests of justice to admit. Fed. R. Evid. 807. The Federal Circuit has been clear that the residual exception to the hearsay rule is to be reserved for "exceptional cases," and is not "a broad license on trial judges to admit hearsay statements that do not fall within one of the other exceptions." *See Conoco Inc. v. Dep't of Energy*, 99 F.3d 387, 392 (Fed. Cir. 1996), *as amended on reh'g in part* (Jan. 2, 1997) (internal quotations omitted). Exhibits 2076-2078, 2080-2086, 2089, and 2094 do not rise to this level of exceptionality and should be excluded.

For example, Exhibits 2076-2078, 2080-2085, 2089, and 2094 are not probative on the points for which they are offered by Masimo, at least insofar as the statements from those Exhibits that Masimo relies upon in contesting reasonable expectation of success are not legally relevant to whether a POSITA would have reasonably expected success based on the express teachings of Sarantos. And again, even if those statements were deemed relevant (they are not), whatever probative value they arguably present is outweighed by their misleading nature when taken out of context.

Whether Masimo could through reasonable effort have obtained evidence that supports its argument on reasonable expectation of success is highly doubtful, but Apple respectfully submits that that should not excuse Masimo's reliance on

irrelevant hearsay, and that accordingly Exhibits 2076-2078, 2080-2085, 2089, and 2094 should additionally be excluded as hearsay that does not fall under an exception.

C. Multiple Paragraphs of Exhibit 2100 should be excluded as misleading, as not legally relevant, and as impermissible hearsay

Paragraphs 111-124 and 127-132 of Exhibit 2100 (Declaration of Dr. Madisetti) should be excluded under FRE 702 and 703 because they contain opinions that are conclusory, do not disclose supporting facts or data, are based on unreliable facts, data, or methods, and/or include testimony outside the scope of Dr. Madisetti's specialized knowledge (to the extent he has any such knowledge) that will not assist the trier of fact. These paragraphs of Exhibit 2100 were cited at, and are substantially similar to, pages 44-59 of the Patent Owner's Response (Pap. 25).

Within these paragraphs, Dr. Madisetti attempts to contest that a POSITA would have reasonably expected success in measuring oxygen saturation at the wrist based on Sarantos, based on the irrelevant testimony of Apple's engineers regarding their subjective experiences developing pulse oximetry for the Apple Watch. In at least that regard, Dr. Madisetti's statements reveal apparent disregard or misunderstanding of the pertinent legal standards, including that a POSITA "is presumed to know all the pertinent prior art" and "is charged with knowledge of all

the contents of the relevant prior art" (*In re Carlson* at 1037-38), and that "it is legal error to fail to consider the scope of the claimed invention when considering reasonable expectation of success." IPR2022-01291, Pap. 75 at 100-101 (*citing Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016)).

For at least that reason, Paragraphs 111-124 and 127-132 contain opinions that are conclusory, do not disclose supporting facts or data, are based on unreliable facts, data, or methods, and/or include testimony outside the scope of Dr. Madisetti's specialized knowledge (to the extent he has any such knowledge) that will not assist the trier of fact. Accordingly, Paragraphs 111-124 and 127-132 of Exhibit 2100 should be excluded under FRE 702 and 703.

Paragraphs 111-124 and 127-132 of Exhibit 2100 should also be excluded under FRE 702-703 and 802 because they include statements that are based on statements made outside of this proceeding and that are relied upon for the truth of the matter asserted. Specifically, these paragraphs include assertions by Dr. Madisetti that are based on his interpretation of statements made by various Apple employees during a previous ITC proceeding, not the current IPR proceeding. As discussed in above, the ITC testimony of the Apple employees is properly excluded as hearsay, and Dr. Madisetti's statements relying on this hearsay should similarly and additionally be excluded.

Paragraphs 111-124 and 127-132 of Exhibit 2100 should also be excluded under FRE 401 and 402 as presenting statements based on Dr. Madisetti's interpretation of evidence that is not legally relevant to the issues presented in this case. *See* IPR2022-01291, Pap. 75 at 100-102. And, even if Dr. Madisetti's statements regarding the testimony of Apple's engineers were deemed relevant, whatever probative value they arguably present is outweighed by their misleading nature. Accordingly, Apple respectfully submits that Paragraphs 111-124 and 127-132 of Exhibit 2100 should also be excluded under FRE 403.

III. CONCLUSION

In view of the foregoing, Petitioner respectfully submits Exhibits 2076-2078, 2080-2086, 2089, 2094, and the identified portions of Exhibit 2100 are inadmissible under the Federal Rules of Evidence and, thus, should be excluded from evidence.

Respectfully submitted,

Dated March 18, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(1) and 42.6(e)(4)(iii), the undersigned certifies that on March 18, 2025, a complete and entire copy of this Petitioner's Motion to Exclude was provided via email to the Patent Owner by serving the email correspondence addresses of record as follows:

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