IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

APPLE INC., Plaintiff, v. MASIMO CORPORATION and SOUND UNITED, LLC, Defendants.	)	C.A. No. 22-1378-MN-JLH **JURY TRIAL DEMANDED** **PUBLIC VERSION**
MASIMO CORPORATION and CERCACOR LABORATORIES, INC., Counter-Claimants, v. APPLE INC., Counter-Defendant.	)	

PLAINTIFF APPLE INC.'S OPPOSITION TO
DEFENDANTS' MOTION FOR STAY PENDING *INTER PARTES* REVIEW

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INTRODUCTION

Apple filed this case in October 2022, alleging infringement of six Apple utility patents. D.I. 1. Masimo filed 31 counterclaims in response, alleging, *inter alia*, antitrust violations, false advertising, and patent infringement by Apple. D.I. 15. Early in 2023, Apple moved the Court to sever Masimo's antitrust, false advertising, and patent infringement counterclaims. D.I. 34. Masimo opposed, telling the Court that its antitrust counterclaims "arise from the same transaction or occurrence" as Apple's patent infringement claims, and that Masimo's own patent infringement claims have "many issues that overlap" with Apple's patent infringement claims. D.I. 45, 7. Masimo even told the Court that proceeding on separate tracks for the parties' various claims and counterclaims would "undermine judicial economy and cause delay." *Id.*, 7-8.

In a stark about-face, Masimo now seeks to stay ***all*** of Apple's utility patent infringement claims pending final resolution of the *inter partes* review ("IPR") proceedings, and would have the Court proceed only with Masimo's counterclaims—even though the Patent Trial and Appeal Board ("PTAB") is only reviewing ***four*** of Apple's ***six*** asserted patents, and even though Masimo told the Court that its counterclaims (which Masimo does not mention at all) "arise from the same transaction or occurrence" as Apple's utility patent infringement claims. *See* D.I. 45, 7.

The Court should reject Masimo's attempt to create separate tracks for overlapping claims that Masimo previously argued arise from the same transaction or occurrence. ***First***, Masimo's proposal will not simplify the issues for trial. Rather, it will ***guarantee*** that overlapping issues are taken up separately, thereby creating inefficiencies. For example, Masimo proposes staying Apple's infringement claims as to the '783, '491, and '483 patents while the PTAB assesses the validity of just two of those patents (the '783 and '491 patents). But Masimo apparently would still have the jury independently assess the validity of all three of those patents in connection with Masimo's antitrust claims (assuming they survive summary judgment), which arise from

Masimo's false claim that Apple withheld purportedly material references from the USPTO during prosecution.

Second, this case is at a late stage. Expert discovery is nearly complete. The parties have taken more than 90 depositions, submitted 40 expert reports, and a Case Management Conference to assess the parties' readiness for trial is just over two months away. Thus, trial will likely occur months before the PTAB issues Final Written Decisions in the IPRs, the first of which is not due until September 20, 2024 and the last of which will not issue until October 16, 2024 (which does not even account for potentially lengthy appeals). And even if the case were, as Masimo claims, at "an efficient stopping point," Masimo's proposed stay would not stop the case—it would only create duplicative efforts and inefficiencies.

Third, Apple will be unduly prejudiced by a stay at this late stage because of the unique circumstances of this case. [redacted], and allowing Masimo to gain a foothold in the marketplace with an infringing product while Apple's claims are potentially stayed for years through appeals will irreparably harm Apple. Indeed, Masimo is already engaging in a negative public relations campaign against Apple to promote the Freedom—a product that Apple will prove infringes Apple's asserted utility patents.

Accordingly, Apple respectfully submits that Masimo's motion should be denied.[1]

FACTUAL BACKGROUND

Apple's Complaint alleges infringement of U.S. Patent Nos. 10,076,257 (the '257 patent), 10,627,783 (the '783 patent), 10,942,491 (the '491 patent), 10,987,054 (the '054 patent), 11,106,352 (the '352 patent), and 11,474,483 (the '483 patent) (collectively "Apple's Asserted

[1] Apple submits that the parties should discuss trial sequencing at the March 20, 2024 Case Management Conference—where the Court will determine "which claims and defenses should proceed to trial" (Ex. A, 6-7)—rather than piecemeal, as Masimo seeks.

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Patents"). D.I. 1. Masimo's 31 counterclaims allege, *inter alia*, infringement of 10 utility patents as well as antitrust and false advertising (collectively, "Masimo's Counterclaims"). D.I. 15.

Apple moved to sever and stay Masimo's Counterclaims.[2] D.I. 34. Masimo opposed that motion, arguing that "Masimo's antitrust counterclaims arise from the same transaction or occurrence as Apple's patent infringement claims" (D.I. 45, 7) and that "Masimo's Counterclaims raise legal and factual issues that overlap with Apple's patent infringement claims" (*id.*, 11). In particular, Masimo argued that its "*Walker Process* antitrust counterclaims are ***expressly based*** on Apple's assertion of its fraudulently obtained patents in this litigation." *Id.* (emphasis in original). Masimo also argued that its "false advertising claims overlap extensively with Masimo's antitrust claims." *Id.*, 14. Finally, Masimo argued that bifurcating the parties' respective utility patent infringement claims would "undermine judicial economy and cause delay." *Id.*, 7–8. The Court denied Apple's Motion to Sever and determined that "there's really only one good way to proceed . . . [t]he cases and the claims are going to proceed forward with the idea that we will have a case management conference in January of 2024, at which time we will decide which claims and defenses should proceed to trial." Ex. A[3] (Transcript of May 5, 2023 Scheduling Conf.), 6-7.[4]

At the PTAB, Masimo sought *inter partes* review ("IPR") of all six of Apple's Asserted Patents. The institution decision outcomes and dates, as well as the expected dates of the Final Written Decisions, are provided in the table below.

Asserted Patent	Institution Decision	Date	Final Written Decision Date
'054 patent	Denied institution (Ex. 2[5])	Sept. 18, 2023	N/A

[2] Five of Masimo's patent counterclaims were already stayed pursuant to 28 U.S.C. § 1659. D.I. 25.
[3] Lettered exhibits refer to those attached to the concurrently filed Declaration of Carson Olsheski.
[4] The case schedule was later amended and moved the January 2024 Case Management Conference to March 20, 2024. D.I. 359, 2.
[5] Numbered exhibits refer to those attached to the Declaration of Edward M. Cannon, D.I. 446.

’352 patent	Granted institution (Ex. 3)	Sept. 20, 2023	Sept. 20, 2024
’783 patent	Granted institution (Ex. 1)	Sept. 25, 2023	Sept. 25, 2024
’491 patent	Granted institution (Ex. 5)	Oct. 5, 2023	Oct. 5, 2024
’257 patent	Granted institution (Ex. 6)	Oct. 16, 2023	Oct. 16, 2024
’483 patent	Denied institution (Ex. 8)	Nov. 21, 2023	N/A

In sum, the PTAB denied institution for the ’054 and ’483 patents, and instituted review of the ’352, ’783, ’491, and ’257 patents. The PTAB has not issued any Final Written Decisions and will not do so until September and October 2024.

ARGUMENT

Courts in this District consider three factors when deciding how to exercise their discretion to grant a stay: “(1) whether a stay will simplify the issues for trial; (2) the status of the litigation, particularly whether discovery is complete and a trial date has been set; and (3) whether a stay would cause the non-movant to suffer undue prejudice from any delay or allow the movant to gain a clear tactical advantage.” *TwinStrand Biosciences, Inc. v. Guardant Health, Inc.*, C.A. No. 21-1126-GBW-SRF, 2023 WL 2563179, at *2 (D. Del. Mar. 17, 2023). None of those factors favors a stay in this case.[6]

I. A STAY WILL NOT SIMPLIFY THE ISSUES FOR TRIAL.

A stay of Apple’s utility patent claims will not simplify the case. Rather, it will ***guarantee*** inefficiencies because the validity of Apple’s utility patents is already intertwined with Masimo’s *Walker Process* antitrust claims. Thus, to the extent Masimo’s antitrust claims survive summary judgment, Apple’s utility patents will remain in the case through trial even if a stay of Apple’s claims is granted. And the instituted IPRs do not, as Masimo asserts, substantially overlap with

[6] This is now Masimo’s third attempt to stay portions of Apple’s affirmative cases. Both of Masimo’s prior attempts were denied. *See* Ex. B (Transcript of August 3, 2023 Discovery Hearing) at 56:23–58:6; C.A. No. 22-1377-MN-JLH, D.I. 298, 365 (denying motion for leave).

the non-instituted IPRs. The PTAB denied institution based on claim elements that are absent from the patents for which IPRs were instituted.

"The simplification of issues factor does not weigh heavily in favor of a stay when the final written decisions may 'simplify some portion of the issues for trial, but would not simplify the majority of the case.'" *TwinStrand Biosciences*, 2023 WL 2563179, at *2 (quoting *Siemens Indus., Inc. v. Westinghouse Air Brake Techs. Corp.*, C.A. No. 16-284-LPS, 2018 WL 3046511, at *1 (D. Del. June 20, 2018)). That is precisely the situation here, where the majority of the case will remain regardless of the outcomes at the PTAB. And even if the PTAB were to cancel some asserted claims, that speculative simplification is greatly outweighed by the inefficiencies involved with the duplicative presentation of evidence by barreling ahead with counterclaims "***expressly based***" (D.I. 45, 11 (emphasis in original)) on Apple's assertion of these patents while staying Apple's underlying claims. *See Real v. Bunn-O-Matic Corp.*, 195 F.R.D. 618, 624 (N.D. Ill. 2000) ("It goes without saying that if proof overlaps substantially, the parties, the witnesses, and the Court would be inconvenienced by the presentation of the same evidence several times.").

A. A Stay Will Not Simplify The Case Because Masimo's Counterclaims Implicate Overlapping Issues With Apple's Utility Patent Infringement Claims.

Masimo's requested stay will likely result in wasted resources because Masimo's counterclaims—on which Masimo apparently wants to proceed—implicate duplicative evidence and arguments with respect to Apple's utility patent claims.

First, Masimo's assertion of *Walker Process* counterclaims ensures that, unless the antitrust counterclaims are resolved on summary judgment, the Court will have to address the validity of Apple's '783, '491, and '483 patents, as well as related issues with respect to the '054 patent, even if Apple's affirmative claims are stayed. Indeed, when opposing Apple's motion to sever Masimo's antitrust counterclaims, Masimo told the Court that "***Masimo's antitrust***

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counterclaims arise from the same transaction or occurrence as Apple's patent infringement claims." D.I. 45, 7; *see also id.*, 13 ("[S]ever[ing] these issues into separate . . . trial[s] makes no sense . . . ."). Masimo now wants to go first in separate trials for its counterclaims and Apple's utility patent claims—which it previously told the Court "makes no sense." *See id.* at 13. But Masimo's desire to delay resolution of Apple's affirmative utility patent claims will not take the validity of Apple's patents off the table even temporarily, because Masimo's *Walker Process* counterclaims arise from Apple's procurement of the '783, '491, and '483 patents. *See, e.g.*, D.I. 15, ¶¶ 115 (setting forth Masimo's allegation that the '783, '491, and '483 patents were fraudulently obtained), 205 (setting forth Masimo's allegation that Apple is "attempting to exclude Masimo's W1 product from the Health Watch Market by asserting fraudulent patents"). If the *Walker Process* counterclaims survive summary judgment, then resolving them will involve assessing whether the PTO would have issued the '783, '491, and '483 patents if it was made aware of certain prior art references (Kotanagi, Tanagi, and Shmueli). *Id.*, ¶ 116 (purporting to address "how prior art references that Apple withheld from the PTO anticipate or at a minimum render obvious claims of the Utility Patents"). In sum, even if the Court grants a stay as to Apple's asserted utility patents, the parties will still have to litigate the validity of at least the '783, '491, and '483 patents over Kotanagi, Tanagi, and Shmueli in the context of Masimo's Counterclaims. That would be highly inefficient.

Second, Masimo's *Walker Process* allegations against Apple's asserted utility and design patents implicate overlapping facts and witnesses. For example, Masimo argues that Apple's asserted utility patents allegedly demonstrate invalidity of Apple's asserted design patents, and that certain utility patent inventors should have been named as inventors on the design patents.

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See, e.g., D.I. 132 ¶¶ 75, 88, 114-115.[7] Accordingly, even if Apple's infringement allegations are stayed with respect to the asserted utility patents, the inventorship of and disclosures in those patents will need to be evaluated in the context of Masimo's allegations of fraud. Resolution of those allegations will likely involve utility patent inventor testimony, making it highly likely that the Court and two separate juries will hear from the same witnesses twice if a stay is granted.

Third, the PTAB's review of some of Apple's patents will not resolve any issues of infringement or invalidity regarding Masimo's counterclaim patents. When arguing that its own patent infringement claims should not be severed from this case, Masimo told the Court that its patent claims "will address numerous issues that overlap with . . . Apple's patent infringement claims, such as the design and function of the Apple Watch, market definition, and the competition between the Apple Watch and Masimo's W1." D.I. 45, 7–8. Masimo also told the Court that "[s]eparate trials for these claims ***will undermine judicial economy and cause delay***." *Id.* Accordingly, Masimo's argument is inconsistent with the representations it made regarding judicial economy less than one year ago.

B. A Stay Will Not Simplify The Case As It Relates To The '054 And '483 Patents.

The PTAB's review of the '352, '783, '491, and '257 patents will not address—and a stay will not otherwise simplify—the triable issues concerning Apple's asserted '054 and '483 patents. The PTAB denied institution with respect to those two patents. *See* Exs. 2, 8. Thus, the PTAB will not provide any guidance regarding the '054 and '483 patents.

[7] Specifically, Masimo argues that certain inventors of the '054 utility patent should have been named as inventors on Apple's asserted design patents. Masimo also accuses certain inventors on the '783, '491, and '483 patents of inequitable conduct because Masimo has collectively accused all design patent inventors of inequitable conduct and certain inventors are listed on both Apple's asserted design patents and the asserted '783, '491, and '483 utility patents. *Id.*

Masimo tries to draw parallels between the non-instituted patent claims and the instituted patent claims. D.I. 445 ("Mot."), 6-9. But it is clear from the charts that Masimo provides that the two sets of claims have fundamental differences and recite different claim scope.

In its IPR request concerning the '054 patent, the PTAB denied institution because Masimo failed to show that any of its prior art disclosed an electrode positioned on a "carrier member"—an element common to all claims of the '054 patent. *See, e.g.*, Ex. 2 at 24. In its Motion to Stay, Masimo attempts to draw a parallel between the elements of claim 1 of the '054 patent reciting "a first electrode positioned ***on the carrier member***" and "a second electrode positioned ***on the carrier member***," on the one hand, and elements of claim 1 of the '491 patent reciting "a first [and a second] electrode positioned ***along a rear surface*** of the electronic watch," on the other hand. Mot., 8–9.[8] But the PTAB already considered and rejected Masimo's attempt to draw a parallel between those claim elements, finding that an electrode positioned on a rear cover does not necessarily disclose an electrode positioned on the claimed "carrier member" in the '054 patent:

> Thus, the biosensor module (mapped to the carrier assembly, not the carrier member) might include a rear cover and might include an electrode. It does not necessarily follow, however, that the electrode, when present, is positioned on the cover (mapped to the carrier member).

Ex. 2, 23. Thus, to the extent there is "overlap" between the '054 and '491 patents, the PTAB has already provided the guidance that Masimo claims will simplify the case.

Moreover, Masimo does not rely on ***any*** of the prior art references that it asserts in the litigation against the '054 patent as part of the grounds that Masimo relies on in the four instituted IPRs. *See* Ex. C (November 16, 2023 Email from N. Zovko selecting U.S. Patent Publication No. 2016/0058375 to Rothkopf, Oranger/CSM50K, Epson Pulsense PS-100, Hu, and Lee as the

[8] All emphasis added unless otherwise noted.

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alleged prior art on which Masimo relies with respect to the ’054 patent in this litigation); Ex. D (IPR2023-00634, ’783 Pet. (relying on Kotanagi, Honda, Park, Kateraas, Jabori, and Fraser)); Ex. E (IPR2023-00664, ’352 Pet. (relying on Chae, Narenda, Shuttleworth, Karunamuni, Hong, and Android)); Ex. F (IPR2023-00734, ’491 Pet. (relying on Kotanagi, Honda, Choi, Fraser, Orr, Park, and Jabori)); Ex. G (IPR2023-00745, ’257 Pet. (relying on Mills and Markel)). Therefore, the instituted IPRs will not address ***any*** of the same prior art references that Masimo asserts against the ’054 patent in the litigation.

In its IPR request concerning the ’483 patent, Masimo relied on much of the same prior art as in the instituted ’491 and ’783 petitions. *Compare* Ex. 8 at 6–7, *with* Ex. 1 at 8–9 *and* Ex. 5 at 8–9. In fact, each petition relied on “Kotanagi” as the primary reference, and “Honda” and “Miller” as secondary references. *Id.* In the ’483 IPR, the PTAB found Masimo’s motivation-to-combine analysis “hindsight driven” (Ex. 8 at 19), and further found that Masimo did “not explain persuasively why a person of ordinary skill in the art would have reconfigured Kotanagi’s two rear electrodes meant for determining whether a potential between the electrodes decreases (to indicate lack of skin contact) to enable ECG measurement using the particular configuration recited in the claims.” *Id.* at 18-19. The PTAB found that particular configuration was sufficiently ***different*** to deny institution on the ’483 patent while instituting review of the ’783 and ’491 patents.

Moreover, Masimo does not rely on ***any*** of the prior art references that it asserts in the litigation against the ’483 patent as part of the grounds that Masimo relies on in the four instituted IPRs. *See* Ex. C (November 16, 2023 Email from N. Zovko (selecting the Epson Pulsense PS-100, Nymi Band, Lapetina, Mio Fuse, Mio Shape, Lee, Coppola, and Fossil Abacus as the alleged prior art on which Masimo relies with respect to the ’483 patent in this litigation)); Ex. D (IPR2023-00634, ’783 Pet. (relying on Kotanagi, Honda, Park, Kateraas, Jabori, and Fraser)); Ex.

E (IPR2023-00664, ’352 Pet. (relying on Chae, Narenda, Shuttleworth, Karunamuni, Hong, and Android)); Ex. F (IPR2023-00734, ’491 Pet. (relying on Kotanagi, Honda, Choi, Fraser, Orr, Park, and Jabori)); Ex. G (IPR2023-00745, ’257 Pet. (relying on Mills and Markel)). Consequently, the instituted IPRs will not address ***any*** of the same prior art that Masimo asserts against the ’483 patent in the litigation.

In short, there are significant differences between the non-instituted claims as compared with the instituted claims, such that the IPRs concerning the instituted claims will not materially simplify the issues related to the non-instituted claims.

To purportedly demonstrate how the issues in the instituted IPRs may overlap with the triable issues concerning the non-instituted ’054 and ’483 patents, Masimo argues that the term “transparent” appears in the asserted claims of each of the ’491, ’483, and ’054 patents, and that the parties dispute the proper construction of that term. Mot., 8–9. But Masimo fails to mention that the parties ***have not disputed*** that construction in the ’491 patent IPR proceeding. Ex. 5, 22–23. Thus, the PTAB’s findings concerning the ’491 patent will do nothing to resolve or even inform the disputes concerning that term in the litigation. And Masimo’s other identification of overlapping claim language similarly fails to specify how any purported disputes in the IPRs will be resolved by the PTAB in a way that authoritatively informs the disputes in the litigation.

Finally, Masimo argues that any amendments that Apple proposes to its claims in the IPR proceedings could “affect liability” or “create intervening rights.” Mot., 5–6. Apple has not sought—and does not intend to seek—amendment of any ***asserted claims*** in this case. Olsheski Decl., ¶ 15. Accordingly, Masimo’s speculation does not support a stay.

II. THE LATE STAGE OF THIS CASE DISFAVORS A STAY

This case has now been pending for almost 15 months and is now indisputably at a late stage. *See* D.I. 1. The Court held a *Markman* hearing almost four months ago on September 14,

2023. D.I. 103. The parties collectively took over 90 depositions during fact discovery, which closed nearly two months ago, on November 9, 2023. D.I. 359. By the time briefing on this motion is complete, the parties will have submitted more than 40 opening, rebuttal, and reply expert reports, with the close of expert discovery less than three weeks away, on January 30, 2024. *See id.* The parties will file all case dispositive and *Daubert* motions only six days later. *Id.* And the Court has set an in-person Case Management Conference for March 20, 2024, where Apple will submit that its utility patent claims are ready for trial at the Court's earliest available date. *See* D.I. 359. Accordingly, the Court should not stay Apple's affirmative claims, while allowing Masimo's Counterclaims that, according to Masimo, "arise from the same transaction or occurrence" (D.I. 45, 7) to proceed at this late stage of the case. *See Siemens Indus., Inc. v. Westinghouse Air Brake Techs. Corp.*, C.A. No. 16-284-LPS, 2018 WL 3046511, at *2 (D. Del. June 20, 2018) ("The advanced stage of the litigation disfavors a stay. Expert discovery is nearly closed, leaving only dispositive and *Daubert* motions remaining before trial commences . . . .").

The case Masimo relies on— *Ethicon LLC v. Intuitive Surgical, Inc.*, C.A. No. 17-871-LPS, 2019 WL 1276029, at *2 (D. Del. Mar. 20, 2019)—does not counsel otherwise. In *Ethicon*, the court acknowledged that a stay request near the conclusion of expert discovery "is further along than is typical for a motion to stay" and that "every case is different and must be assessed based on its particular facts and circumstances." *Id.* at *2–3. But in granting a stay, the court found that the stage-of-the-case factor was outweighed by other circumstances specific to that case. *Id.* at *2. In particular, among the numerous differences between *Ethicon* and this case, the *Ethicon* court relied on the fact that the PTAB had instituted trial on 14 of 15 asserted claims (here, the PTAB instituted trial on only four of six patents and did ***not*** institute trial on ***16*** asserted claims) and noted that the party opposing the stay filed suit four years after the moving party began selling the

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accused products (here, Apple filed suit just two months after Masimo began selling the infringing W1 product and before Masimo began selling the infringing Freedom product).[9]

This case is not at "an efficient stopping point," as Masimo asserts. Mot., 10. This case will not stop. Rather, the case, including potentially claims that Masimo told the Court "***arise from the same transaction or occurrence***" (D.I. 45, 7) as Apple's utility patent claims, will proceed. Indeed, Apple's utility patent claims and the *Walker Process* counterclaims will involve the same parties, proof, and witnesses. *See Real*, 195 F.R.D. at 624 ("It goes without saying that if proof overlaps substantially, the parties, the witnesses, and the Court would be inconvenienced by the presentation of the same evidence several times."). Masimo fails to explain how its proposed stay "would save the Court and parties from unnecessary work." Mot., 10. As explained above, Masimo would simply have the Court and the parties analyze the validity of Apple's utility patents in the context of Masimo's *Walker Process* claims, and address validity again in the context of Apple's infringement allegations following final disposition of Masimo's IPRs on four of six asserted patents. That is far from efficient.

III. APPLE WILL BE UNDULY PREJUDICED BY A STAY BECAUSE THE LAUNCH OF MASIMO'S INFRINGING "FREEDOM" WATCH [redacted]

Apple will be unduly prejudiced by a stay because the launch of Masimo's Freedom watch—which Apple will show infringes the '257, '783, '491, '054, and '483 patents—[redacted], and Apple has no adequate remedy at law to compensate for Masimo's infringement. As recently as November 2, 2023, Masimo [redacted]

Ex. H (Tripodi Dep. Tr.), 16:7-19.

[9] Moreover, in *Ethicon*, the court granted a stay only until the issuance of Final Written Decisions and ***not*** through the pendency of any appeals, as Masimo seeks here. *See id.* at *1.

With the Freedom, Masimo is directly targeting Apple's customers. Masimo is trying to position the Freedom to compete with the Apple Watch [redacted] Masimo's CEO, Joe Kiani, expressed his belief that the Freedom "should command 100% market share." Ex. J (Masimo earnings call transcript), 11.

The Court should therefore find inherent prejudice to Apple in staying Apple's utility patent infringement case given Masimo's stated intention to compete with the Apple Watch. *TwinStrand Biosciences*, 2023 WL 2563179, at *4 ("The relationship of the parties supports a finding of inherent prejudice because there is no meaningful dispute that the parties in this case are direct competitors."); *Bos. Sci. Corp. v. Cordis Corp.*, 777 F. Supp. 2d 783, 789 (D. Del. 2011) ("Courts are generally reluctant to stay proceedings where the parties are direct competitors."). When the parties are direct competitors, "there is a reasonable chance that delay in adjudicating the alleged infringement will have outsized consequences to the party asserting infringement has occurred . . . ." *SenoRx, Inc. v. Hologic, Inc.*, C.A. No. 12–173–LPS–CJB, 2013 WL 144255, at *7 (D. Del. Jan. 11, 2013); *see also Davol, Inc. v. Atrium Med. Corp.*, C.A. No. 12-958-GMS, 2013 WL 3013343, at *6 (D. Del. June 17, 2013) (denying a motion to stay and explaining that "the court is concerned that [Plaintiff] will suffer undue prejudice should it be forced to continue competing with [Defendant's] accused products without being permitted to advance its infringement claims").

Apple has no adequate remedy at law to address Masimo's infringement and, accordingly, seeks a permanent injunction. D.I. 1, 76. Delaying resolution of Apple's infringement claims will

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allow Masimo an opportunity to gain customers and build brand awareness on the back of Apple's patented technology. *See* Ex. K (Opening Expert Report of James E. Malackowski) at 64–78 (describing irreparable harm arising from Masimo's infringement); Ex. L (December 19, 2023 Bloomberg Article). Indeed, in a recent interview about Masimo's dispute with Apple, when asked if Masimo "could take any market share here," Masimo's CEO, Joe Kiani, answered "Absolutely," and went on to describe the forthcoming introduction of the Freedom through Masimo's "distribution channel, with about 20,000 locations" as an opportunity to pick up "good market share." *See* December 19, 2023, Bloomberg Interview with Joe Kiani ("Bloomberg Interview"), *available at* https://www.bloomberg.com/news/videos/2023-12-19/masimo-ceo-addresses-patent-dispute-with-apple-video (last visited January 2, 2024).

That issue is compounded by Masimo's negative PR campaign against Apple. Mr. Kiani has recently wrongly accused Apple—publicly—of "deliberate[ly] taking our intellectual property" and commented "I am glad the world can now see we are the true inventors and creators of these technologies." Ex. L, 2; *see also* Bloomberg Interview (accusing Apple of "efficient infringement"). As Apple will show at trial, it is Masimo that has used Apple's technology without permission, and Masimo should not be permitted to publicly pitch its unfounded, one-sided narrative while delaying adjudication of Apple's claims showing that the opposite is true.

IV. A STAY WILL NOT REDUCE THE BURDEN OF LITIGATION

Masimo argues that "[t]he large number of claims imposes a significant burden on the Court and the parties" while ignoring that the majority of that supposed burden results from Masimo's Counterclaims. *See* Mot., 13. And because Masimo's Counterclaims implicate the very patents that Masimo seeks to stay, a stay of Apple's utility patent claims will not meaningfully mitigate that burden. For example, even if Apple's utility patent claims are stayed, the Court and the parties will still have to litigate the validity of the '783, '491, and '483 patents in the context

of Masimo's *Walker Process* claims, as well as the inventorship issues in the context of Masimo's allegations of fraud. *See supra* at § I. Due to the interrelation between Apple's utility patent claims and Masimo's Counterclaims—which Masimo asserts "arise from the same transaction or occurrence" (D.I. 45, 7)—Masimo's requested stay will actually increase the burden of litigation by requiring the Court and the parties to address the same or similar issues multiple times.

V. MASIMO FAILS TO EXPLAIN HOW APPLE'S MOTIONS TO STAY IN OTHER CASES FAVORS A STAY IN THIS CASE

Masimo also presents the passing argument that because Apple has sought and obtained stays in other cases, it somehow warrants a stay in this case. Mot., 13–14. But Masimo fails to explain why motions in entirely unrelated cases favor a stay on the facts present here. Indeed, many of the Apple motions that Masimo cites involved non-practicing entities that sought only monetary damages and—unlike here—could hardly show undue prejudice. *See, e.g.*, *Speir Techs. Ltd. V. Apple, Inc.*, No. 5:23-CV-00095-EJD, 2023 WL 2714931, at *2 (N.D. Cal. Mar. 30, 2023) ("Speir is a non-practicing entity that cannot be prejudiced by a stay because monetary damages provide adequate redress for infringement.") (internal quotation marks omitted), *RJ Tech. LLC v. Apple Inc.*, No. 8:22-CV-01874-JVS (JDEx), 2023 WL 8188475, at *4 (C.D. Cal. Oct. 4, 2023) ("Because RJ and Apple do not compete in the lithium-ion battery market, RJ does not risk losing any additional sales if a stay is granted."). And other Apple motions that Masimo cites where a stay was not granted involved proceedings that were in a much earlier stage of litigation. *See, e.g.*, *Smart Mobile Techs. LLC v. Apple Inc.*, No. 6:21-CV-00603-ADA, 2023 WL 5051374, at *3 (W.D. Tex. Aug. 8, 2023) (finding stage of proceedings factor weighed slightly against staying the case where the motion was decided before the *Markman* hearing and fifteen months before trial). Thus, Masimo's citations to unrelated motions does not support a stay.

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CONCLUSION

Accordingly for the reasons set forth above, Apple respectfully submits that the Court should deny Masimo's Motion for Stay Pending *Inter Partes* Review.

Respectfully submitted,

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