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Filed on behalf of:

Patent Owner Masimo Corporation
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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 IPR2024-00294
U.S. Patent 10,736,507

**PATENT OWNER'S RESPONSE TO PETITIONER'S NOTICES
RANKING PETITIONS**

I. TWO PETITIONS ON THE '507 PATENT ARE UNNECESSARY

Patent Owner (“Masimo”) and Petitioner (“Apple”) are currently litigating the validity of U.S. Patent No. 10,736,507 (the “’507 Patent”) through a case in Delaware District Court, Case No. 22-cv-01378-MN (“the Delaware Litigation”). In that case, Apple set forth invalidity contentions arguing that the ’507 patent was invalid over 35 prior art references. Apple then served experts reports that argued the asserted claims of the ’507 patent are invalid over 6 of these references. Thereafter, Apple filed two IPR petitions challenging the ’507 Patent: IPR2024-00293 (“293 Pet.”) and IPR2024-00294 (“294 Pet.”). All grounds of both Petitions rely on primary references raised in Apple’s invalidity contentions, but dropped in Apple’s expert reports.

As shown by Masimo’s Preliminary Responses being concurrently filed, both Petitions lack merit. Merits aside, if the Board institutes one of the Petitions, it should deny the other. Apple fails to show instituting both petitions is necessary. And 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 ’507 Patent are necessary. Critically, Apple’s Notice ignores the guidance in the November 2019 Consolidated Trial Practice Guide (“TPG”) on this issue. The TPG states “*one petition* should be sufficient to challenge the claims of

a patent in most situations.” *Id.*, 59 (emphasis added). Indeed, “a substantial majority of patents have been challenged with a *single petition*.” *Id.* (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 “raise[s] 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.” But neither situation exists here. Only *six* ’507 Patent claims (Claims 13-14, 16-17, and 19-20) are asserted in the Delaware Litigation, and the ’507 Patent is not asserted against Apple in any other litigation. And any dispute about the priority date would not require multiple prior art references because many of Apple’s grounds are based on prior art under § 102(b) which cannot be sworn behind. This is not one of the rare cases where two petitions on one patent could be appropriate. TPG, 59. Thus, the Board should deny at least one petition.

Additionally, the TPG directs petitioners to provide “a succinct explanation of the differences between the petitions” and why those differences are “material.” TPG, 60. Here, the Board should deny institution of one of the Petitions because Apple fails to explain any material differences between the Petitions. Instead, Apple

merely provides a very high-level overview of its primary references (Mendelson and Bailey) without identifying any technical differences between them. Notice, 2-3. Apple characterizes Bailey broadly as “having comprehensive survey of the state of the art.” *Id.*, 3. But Apple does not explain how Bailey’s disclosures differ from those of Mendelson. Apple’s conclusory explanation here fails to show that two Petitions are necessary.

Indeed, even a cursory comparison of the Petitions demonstrates their grounds are not materially different. Apple asserts that both Mendelson and Bailey disclose a pulse oximeter with a sensor and a processing board that can connect to a mobile device like a PDA or iPhone. 293 Pet., 6-11; 294 Pet., 6. Thus, Apple’s references are materially similar as they allegedly disclose limitations required by every claim of the ’507 Patent. *See, e.g.*, ’507 Patent, Claims 1, 13.

The substantive overlap between the Petitions does not stop with Apple’s primary references—Apple’s Petitions combine the *same* secondary references in the *same way* based on the *same alleged motivations*. Notice, 4. Indeed, Apple’s notice admits this. *Id.* In both Petitions, for example, Apple argues the same motivations—improving a pulse oximeter’s performance during user motion—would have motivated a POSITA to combine Bailey or Mendelson with Apple’s secondary reference Moon. 293 Pet., 76-70; 294 Pet., 67-69. In both Petitions, Apple also argues the same motivations—allowing operation when a battery was

empty—would have motivated combining Mendelson and Bailey’s devices with D’Angelo power connection. 293 Pet., 51-52; 294 Pet., 42.

Further, Apple’s Notice conceals these similarities from the Board by not using “*a table* to aid in identifying the similarities and differences between petitions.” TPG, 60. Apple’s arguments based on Bailey and Mendelson share many of the same deficiencies and rely on the same combinations of other art. The incomplete and conclusory assertions in Apple’s Notice fail to show why the Board and Masimo should be subjected to burden of instituting trial on such repetitive challenges.

Apple’s only argument that the petitions are materially different is that Apple relies on “a different set of facts supported by different sets of evidence” to argue that its primary reference in each petition was publicly available. Notice at 1. But Apple relies on substantially similar evidence—two declarations by Librarian June Ann Mumford—to argue that the references are publicly available. 293 Pet., EX1017; 294 Pet., EX1012. Apple also suggests that Patent Owner may be able to swear behind Bailey but admits that Patent Owner cannot swear behind Mendelson. Notice, 3. Thus any dispute about the priority date would not require multiple prior art references.

Furthermore, the only dispute between Masimo and Apple regarding the ’507 Patent is the pending Delaware Litigation between the parties, where Masimo

asserted six claims. Apple fails to credibly explain why it filed two Petitions against 14 unasserted claims of the same patent. *See generally*, Notice. Apple could have easily addressed its Mendelson and Baily grounds against the asserted claims of the '507 Patent in one petition. Indeed, all the secondary references in each petition are identical. Apple's choice to file two petitions against all '507 Patent claims rather than one petition against only the asserted claims—and filing those petitions *after* litigating the '507 Patent's validity in the Delaware litigation based on both Bailey and Mendelson—demonstrates that what Apple seeks here is not the “just, speedy, and inexpensive resolution” contemplated by the Board's rules. 37 C.F.R. §42.1(b).

Accordingly, if the Board institutes one petition, it should deny the other one. If the Board institutes a petition, it should institute on only Bailey because of Apple's representation that only Bailey contains a “comprehensive survey of the state of the art.” Notice, 3.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: March 28, 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 NOTICES RANKING PETITIONS** are being served electronically on March 28, 2024, to the e-mail addresses shown below:

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