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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 MASIMO CORPORATION'S PRELIMINARY SUR-REPLY

EXHIBIT LIST

Exhibit No.	Description
2001	R. James Duckworth, Ph.D. Curriculum Vitae
2002	Expert Declaration Of R. James Duckworth, Ph.D.
2003	Commission Opinion (Public), *Certain Light-Based Physiological Measurement Devices and Components Thereof*, Inv. No. 337-TA-1276, EDIS No. 808521 (ITC Oct. 26, 2023)
2004	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01271, Paper 15 (PTAB Jan. 24, 2023)
2005	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01272, Paper 16 (PTAB Jan. 24, 2023)
2006	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01273, Paper 15 (PTAB Jan. 24, 2023)
2007	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01274, Paper 15 (PTAB Jan. 24, 2023)
2008	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01275, Paper 15 (PTAB Jan. 30, 2023)
2009	Decision Denying Institution of *Inter Partes* Review, *Apple Inc. v. Masimo Corp.*, IPR2022-01276, Paper 15 (PTAB Jan. 30, 2023)
2010	Plaintiff Apple Inc.'s Opposition to Defendants' Motion for Stay Pending *Inter Partes* Review (Public), *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del. Jan. 10, 2024), D.I. 457

Exhibit No.	Description
2011	Plaintiff Apple Inc.'s Opening Brief in Support of Its Motion for an Expedited Trial, *Apple Inc. v. Masimo Corp.*, No. 22-1377-MN-JLH (D. Del. Feb. 10, 2023), D.I. 50
2012	Transcript of May 5, 2023 Hearing in *Apple Inc. v. Masimo Corp.*, Nos. 22-1377-MN-JLH, 22-1378-MN-JLH (D. Del. May 5, 2023)
2013	Original Scheduling Order, *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del. May 25, 2023), D.I. 92
2014	Amended Scheduling Order, *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del. Sept. 21, 2023), D.I. 359
2015	Lex Machina Patent Case Timeline Statistics for the District of Delaware between December 12, 2022 and December 12, 2023
2016	Lex Machina Case Statistics for Magistrate Judge Jennifer Hall
2017	Lex Machina Case Statistics for Judge Colm Connolly, Judge Maryellen Noreika, Judge Richard Andrews, Judge Gregory Williams, and Magistrate Judge Jennifer Hall
2018	Transcript of September 14, 2023 Markman Hearing, *Apple Inc. v. Masimo Corp.*, Nos. 22-cv-1377-MN-JLH, 22-cv-1378-MN-JLH
2019	Aaron Tilley, *The Entrepreneur Who Bet His Company on a Fight With Apple*, Wall Street J., Dec. 30, 2023, https://www.wsj.com/tech/joe-kiani-entrepreneur-apple-warning-52eb09a9
2020	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1271, Paper 20 (PTAB June 20, 2023)
2021	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1272, Paper 20 (PTAB June 20, 2023)

Exhibit No.	Description
2022	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1273, Paper 19 (PTAB June 20, 2023)
2023	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1274, Paper 19 (PTAB June 20, 2023)
2024	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1275, Paper 19 (PTAB June 26, 2023)
2025	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1276, Paper 20 (PTAB June 26, 2023)
2026	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1292, Paper 17 (PTAB Mar. 7, 2023)
2027	Notice of Refund, *Apple Inc. v. Masimo Corp.*, IPR2022-1466, Paper 17 (PTAB Apr. 5, 2023)
2028	Correspondence from counsel for Apple to counsel for Masimo regarding Apple's prior art grounds in the Delaware Litigation, dated November 16, 2023
2029	Joint Claim Construction Briefing (August 31, 2023) in *Apple Inc. v. Masimo Corp et al.*, C.A. 22-1378-MN-JLH
2030	Excerpts of the Transcript of the Deposition of Steven Warren in *Apple Inc. v. Masimo Corp et al.*, C.A. 22-1378-MN-JLH
2031	Excerpts of the Rebuttal Expert Report of Steven Warren in *Apple Inc. v. Masimo Corp et al.*, C.A. 22-1378-MN-JLH
2032	Blood Oxygen App On Apple Watch, Apple (retrieved March 12, 2024)
2033	CC1100 Single Chip Low Cost Low Power RF Transceiver, Texas Instruments (June 20, 2006)

Exhibit No.	Description
2034	Exhibit D-1 to Apple's June 8, 2023 Initial Invalidity Contentions, *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del.)
2035	Exhibit D-3 to Apple's June 8, 2023 Initial Invalidity Contentions, *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del.)
2036	Excerpts of Masimo's June 22, 2023 Responses to Apple Inc.'s Initial Invalidity Contentions, *Apple Inc. v. Masimo Corp.*, No. 22-1378-MN-JLH (D. Del.)

I. THE BOARD SHOULD DENY INSTITUTION

Apple again fails to explain why it delayed filing this Petition until after the Delaware Litigation progressed through all discovery and dispositive motions on the patent at issue here. Apple asks the Board not to discretionarily deny institution because a "holistic analysis of the *Fintiv* factors favors institution." Reply, 2. In doing so, Apple attempts to trivialize its delay based on incomplete representations and speculation about a trial date in response to a single *Fintiv* factor.

Apple also fails to address any of the extensive discovery and motion practice for this patent set forth in Masimo's POPR. POPR, 23-26. As Masimo correctly represented ***as to the patent at issue here***, the Delaware Litigation is ready for trial. Apple does not even address the case status regarding this patent, but instead speculates about a trial date based upon "5 patents that were statutorily stayed at the Delaware Litigation's outset." Reply, 2. Apple also emphasizes Masimo's suggestion about the most efficient path being a single trial before Judge Hall as if that shows some inconsistency. But Masimo advocates the same position here, urging the Board to avoid duplicative proceedings based on references and arguments that Apple previously dropped from the Delaware Litigation.

Apple suggests that additional discovery may be necessary for those other five patents but omits Masimo's proposal to Judge Hall that "In the meantime, the parties should conduct discovery" and that doing so "***now*** would position the case for a

more prompt trial once the Federal Circuit rules in the ITC Case." EX1075, 8. Worse, in speculating here about an "after September, 2025" trial date, Apple ignores its own argument to Judge Hall that the trial on Masimo's patents "could be held ***later this year*** or next year, as this Court's schedule permits." EX1075, 5.

Apple's new "*Sotera* stipulation" confirms the inadequacy of its prior stipulation. But the new stipulation does not address or cure the prejudice to Masimo from Apple unfairly resurrecting references and arguments that it previously dropped from the Delaware Litigation. Apple made that election only after the parties and the court conducted extensive and costly fact and expert discovery, and fully briefed and argued dispositive motions. This differs from Sotera, who filed its stipulation in the early stages of litigation. Attaching the label "*Sotera* stipulation" only after the district court case is ready for trial does not carry the benefits underlying the Director's Guidance. Under these circumstances, the Board should deny institution in the interest of fairness and to promote efficient use of resources.

II. APPLE DID NOT RELY ON ANY MASIMO INTERPRETATION OF "ONE OR MORE SIGNALS"

Apple argues its Petition applies Masimo's claim constructions, which "Apple does not agree" are correct. Reply, 3. Apple does not dispute that the Petition's grounds do not disclose the claims of the '507 patent under ***Apple's*** Delaware claim constructions and that Apple failed to inform the Board of these constructions.

Apple now argues that its Petition applied Masimo's "litigation interpretations for purposes of IPR." Reply, 3. But Apple's expert here (Kenny) apparently never even considered Masimo's constructions, contentions, or reports from Delaware in forming his opinions. *See* EX1003, ¶¶17-26 (listing materials considered). Kenny never suggested he was applying a Masimo definition, particularly one he had never seen. *See* EX1003. Apple relies solely on unexplained attorney argument that the references somehow are "highly consistent with Masimo's application of the claims for purpose of infringement." Pet, 6.

Apple offers the excuse that it need not subjectively believe in the correctness of Masimo's "litigation interpretations for purposes of IPR." Reply, 3. But that excuse does not make sense here. Apple's Petition refers to "Masimo's asserted definition for purposes of infringement" only one time, with respect to "mobile measurement of oxygen saturation." Pet., 9. Apple now repeats that position by referring to "mobile measurement" only in a paragraph of its Reply. Reply, 3. But Apple did not rely on any Masimo "litigation interpretation" anywhere else in its Petition. Indeed, now Apple does not provide a single example suggesting it applied a Masimo position for the "one or more signals" raised in the POPR. POPR, 13-16.

Apple's Petition explained that "no terms need to be construed." Pet., 3. And neither Apple nor its expert offer ***any*** construction for "one or more signals …" for example. But in Delaware, Apple's expert opined that "Apple's construction of 'raw

detected signals' would have been the plain and ordinary meaning of 'one or more signals responsive to light … to a POSA, read in light of the claims, specification, and prosecution history, at the time of the '507 patent." EX2031, ¶¶340. He continued, "In particular, a POSA would have understood that outputting one or more signals 'responsive to light' refers to outputting ***raw signals*** as detected by a photodetector rather than a signal that has been converted, amplified, filtered, or otherwise processed." *Id.* Apple's expert here did not apply what Apple contends is the "plain and ordinary meaning." And Apple cannot reasonably contend that its expert here applied a Masimo construction that he never reviewed.

If Apple believed its grounds depended on a particular understanding that differs from Apple's own position on the plain meaning, Apple needed to explain "[h]ow the challenged claim is to be construed" and why the Board should adopt that proposed construction. 37 C.F.R. § 42.104(b)(3); Consolidated Trial Practice Guide (Nov. 2019) at 46 ("Each party bears the burden of providing sufficient support for any construction advanced by that party."). Apple did not. Apple cannot reasonably blame Masimo for Apple's failure. *See* Reply, 3 (quoting Pet., 11).

Apple relies on inapplicable decisions where the petitioners either offered arguments under *alternative* constructions or offered express constructions compatible with the petitioners' district court positions. Reply, 3–5 (citing *Western Digital v. SPEX*, *Generical Electric v. Vestas, 10X Genomics v. Bio-Rad*, *Lewis*

Machine v. WHG, *Philip Morris v. Rai, Apple v. CPC,* and *Google v. AGIS*). The Board has denied petitions for failing to provide an express construction, particularly where the petitioner advanced an incompatible construction in a parallel litigation. *See, e.g., 10X Genomics, Inc. v. President & Fellows of Harvard College*, IPR2023-01299, Paper 15 at 7–13 (Mar. 7, 2024); *Facebook, Inc. v. Sound View Innovations, LLC*, IPR2017-00998, Paper 13 at 14–18 (Dec. 16, 2014). The Board found those petitions did not satisfy 37 C.F.R. § 42.104(b)(3) by arguing "no construction necessary" while knowing the parties disputed the meaning of the relevant terms. *10X Genomics v. Harvard*, Paper 13 at 11–13. Like in *10X Genomics,* Apple knew that it disputed the scope of "one or more signals" before filing the Petition but failed to set forth any construction.

Indeed, "petitioners have an ***obligation*** to inform the PTAB of all claim construction arguments in related district court litigation, regardless of their inconsistency with arguments advanced at the PTAB." Stuart Nelson & Kim Leung, *The Importance of Candor in PTAB Practice*, Fish & Richardson P.C. (Dec. 17, 2019), https://www.fr.com/insights/thought-leadership/blogs/the-importance-of-candor-in-ptab-practice-2/ (emphasis added); *see Facebook*, Paper 13 at 17–18 (Dec. 16, 2014). Apple fails to explain how it complied with that obligation here. *See* POPR, 12-13, 30–31. Masimo therefore respectfully requests that the Board deny institution.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: May 28, 2024

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Attorney for Patent Owner
Masimo Corporation

CERTIFICATE OF PAGE LIMITATIONS

The undersigned certifies that foregoing **PATENT OWNER MASIMO CORPORATION'S PRELIMINARY SUR-REPLY** has 5 pages and therefore complies with the page limit authorized in the Board's email dated May 15, 2024.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: May 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 Apple, a true and correct copy of **PATENT OWNER MASIMO CORPORATION'S PRELIMINARY SUR-REPLY** is being served electronically on May 28, 2024, to the e-mail addresses shown below:

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