

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

IPR2020-01722
Patent 10,470,695 B2

Record of Oral Hearing
Held: February 9, 2022

Before JOSIAH C. COCKS, ROBERT L. KINDER, and
AMANDA F. WIEKER, *Administrative Patent Judges*.

IPR2020-01722
Patent 10,470,695 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

DAN SMITH, ESQUIRE
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1000 Maine Avenue, S.W.
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ON BEHALF OF PATENT OWNER:

JOHN GROVER, ESQUIRE
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ALSO PRESENT, OBSERVING:

KARL RENNER
Fish & Richardson

SHANNON LAM
JAROM KESLER
Knobbe, Martens, Olson, & Bear, LLP

The above-entitled matter came on for hearing on Wednesday, February 9, 2022, commencing at 2:15 p.m., EDT, at the U.S. Patent and Trademark Office, by video/by telephone, before Julie Souza, Notary Public.

PROCEEDINGS

1 JUDGE KINDER: Good morning everyone. I guess our west coast
2 friends are still in the morning, so it is 2:15. We're going to go ahead and
3 start with the next proceeding. Today we're here to do oral hearing in IPR
4 2020-01722 and with me on the panel today are Judges Cocks and Wieker,
5 and again I'm Rob Kinder and if we can get a formal introduction of counsel
6 for Petitioner, let me know who's present and who will be arguing.

7 MR. SMITH: Thank you, Your Honor. This is Dan Smith for
8 Petitioner Apple. I'll be arguing and with me also is my colleague, Karl
9 Renner.

10 JUDGE KINDER: All right, Mr. Smith. Thank you. And for Patent
11 Owner who is present and who will be arguing?

12 MR. GROVER: Yes. This is John Grover for Patent Owner. Also in
13 the room is Shannon Lam and Jarom Kesler.

14 JUDGE KINDER: Thank you. So today's oral argument in this
15 proceeding will be one hour per side. Very much the same things we talked
16 about earlier today. We want to make sure everyone is clear so when you
17 start talking if you change counsel please introduce yourself at the
18 beginning. If you produce an exhibit, please state the exhibit clearly or if it's
19 a demonstrative slide number give the slide number clearly. It helps if you
20 can give a brief pause to allow the panel time to find that and flip to it. The
21 Petitioner will open its case but may reserve time for a rebuttal. How much
22 time would you like to reserve today, Mr. Smith, right?

23 MR. SMITH: Yes, Your Honor. We'd like to reserve 30 minutes.

24 JUDGE KINDER: All right. Mr. Grover, how much time would the
25 Patent Owner like to reserve for its surrebuttal?

1 MR. GROVER: I just need 15 minutes, Your Honor.

2 JUDGE KINDER: Great. Same rules we talked about refer to those
3 new, counsel should only unmute themselves when speaking and the Judges
4 will try to do that as well but sometimes we forget. I mentioned identifying
5 the papers clearly and give us a few seconds to flip to them. If there are
6 problems like we've had recently, any audio lag or anything like that in the
7 problems try to bring those to our attention immediately and we will pause
8 the proceeding and we won't eat into your time, I will still give you your full
9 time and we can conduct the hearing via audio without the video so that's
10 our backup and as you know one Judge today is actually on audio today but
11 participating. All right. I think that is it, unless any questions. Mr. Smith?

12 MR. SMITH: No, thank you, Your Honor.

13 JUDGE KINDER: All right, Mr. Grover. Do you have any questions
14 before we begin?

15 MR. GROVER: No, Your Honor.

16 JUDGE KINDER: All right. Mr. Smith, the podium is yours
17 whenever you're ready. Thank you.

18 MR. SMITH: Thank you, Your Honor. I don't actually have a
19 podium but I'll take the virtual podium from you. Good afternoon, Your
20 Honors, and may it please the Court. As I mentioned I'm Dan Smith for
21 Petitioner Apple. I'm joined by my colleague, Karl Renner and as you
22 mentioned this is a hearing on case IPR 2020-01722 which is dealing with
23 the '695 patent.

24 If you could go to slide 2, please. So a total of seven grounds of
25 unpatentability were originally instituted against the '695 patent drawing
26 from either of two primary references, Sarantos and Ackermans.

1 Specifically grounds 1A through 1D are based on various combinations with
2 the Sarantos reference and grounds 2A through 2C are based on various
3 combinations of the Ackermans reference.

4 Go to slide 3. So the issues in this case were narrowed considerably
5 by Masimo's statutory disclaimer which is in the case record as Exhibit
6 2004. As a result of this disclaimer the only challenged claims that remain
7 in force are dependent claims 6, 14 and 21, all of which are directed to a
8 single feature and that is the addition of a diffuser to the physiological
9 monitoring device of the independent claims.

10 Go to slide 4. So only two grounds are directed to claims that remain
11 in force after the disclaimer and those are ground 1 based on the
12 combination of Sarantos, Mendelson-1991 and Chin and ground 2C based
13 on the combination of Ackermans and Chin. All the issues discussed today
14 will deal with those two grounds.

15 Let's go to slide 5. So our plan for this hearing is to start with brief
16 overviews of the '695 patent and the asserted prior art. We'll then cover
17 issue 1 which is related to Masimo's arguments on tissue thickness followed
18 by issue 2 which is related to Masimo's experiment discussed in its Patent
19 Owner response. We do not plan to address issues 3 and 4 during our direct
20 and we're happy to stand on the briefing on those.

21 So without further ado we'll start with an overview of the '695 patent.
22 Let's go to slide 7. So '695 patent is directed to a non-invasive optical-based
23 physiological monitoring system of a type that is no doubt familiar to Your
24 Honors at this point in the day. Looking at figure 3 on the bottom right of
25 slide 7. In this device light from emitter 302 at the top is attenuated by
26 tissue of the user's finger 102 and is then detected by the detector 310 at the

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