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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 IPR2022-01291
U.S. Patent 10,687,745

PATENT OWNER'S MOTION FOR ADDITIONAL DISCOVERY

Pursuant to 37 C.F.R. § §42.51(b)(2) and the Board's authorization via teleconference on February 17, 2023, Patent Owner Masimo Corp. ("Masimo") moves the Board for additional discovery from Petitioner Apple Inc. Masimo requests the Board order Apple to produce unredacted copies of specific documents and testimony from a related U.S. International Trade Commission ("ITC") investigation between the parties relating to patentability of the '745 Patent claims. Masimo submits its proposed discovery requests as Appendix A to this motion. Masimo also submits a copy of the Board's email confirming authorization to file this motion as Appendix B.

I. INTRODUCTION

In 2021, Masimo filed a complaint with the ITC alleging that Apple's Series 6 and Series 7 Apple Watches infringed five of Masimo's patents relating to noninvasive physiological monitoring: U.S. Patent Nos. 10,912,501, 10,912,502, 10,945,648, 10,687,745, and 7,761,127. *In re Certain Light-Based Physiological Measurement Devices and Components Thereof*, ITC Inv. No. 337-TA-1276 (the "ITC Investigation"); *see also* EX1031. Notably, the Apple Watch Series 6 added a new infringing feature: oxygen saturation measurements. The ITC held a hearing between June 6-10, 2022 and the parties completed their post-hearing briefing on July 11, 2022.

During the ITC Investigation Apple argued that the asserted claims of Masimo's '745 Patent would have been obvious over, *inter alia*, Iwamiya, Sarantos, and Venkatraman. Apple raises the same art and same arguments in these IPRs. At the ITC, Masimo rebutted Apple's arguments with Apple's own documents and testimony from Apple's own witnesses that demonstrated (1) there was no reasonable expectation of success in modifying the prior art to measure oxygen saturation at the wrist and (2) that objective indicia of nonobviousness supported patentability. *See* Masimo's Initial Post-Hearing Brief (Public Version) (EX2011) at 165-175, 219-220, 230, 233-234; Masimo's Reply Post-Hearing Brief (Public Version) (EX2051) at 85-90, 94-96, 125, 128-129, and 132-133. The public ITC briefing shows that Masimo relied on Apple's own documents and own engineers' testimony as establishing no reasonable expectation of success. *Id.* The documents and testimony also provided evidence of industry skepticism, failure of others, copying, and commercial success. *Id.*

On January 10, 2023, the ITC issued a Final Initial Determination ("ID") holding that Apple had not demonstrated that any claim of the '745 Patent would have been obvious. EX1033 at 209-241. The ITC cited and discussed testimony from Apple's engineers, who were skeptical that pulse oximetry could be implemented at the wrist. EX1033 at 228-231, 235-236; *see also id.* at 219-220 (relying on Apple engineer testimony to find no reasonable expectation of success

in modifying first-generation Apple Watch to measure oxygen saturation at the wrist). Applying this testimony, the ITC found that Apple failed to demonstrate that a POSITA would have had a reasonable expectation of success in combining Iwamiya with Sarantos to measure oxygen saturation at the wrist. *Id*.

After the ITC hearing and the parties' post-hearing briefing, but before the ITC's Initial Determination, Apple chose to re-litigate invalidity in a different forum by petitioning for *inter partes* review. Even though the petitions raised, at times, identical patentability arguments, Apple's petitions did not mention any of the evidence from its own engineers supporting patentability. Instead, Apple apparently sought an unfair tactical advantage by using the ITC's protective order to prevent Masimo from defending the validity of the '745 Patent with the same evidence that the ITC ultimately found supported patentability.

Apple thus wields the ITC protective order as both a sword and shield, allowing Apple to re-attack the validity of the '745 Patent in a different forum while avoiding the evidence that the public record shows was probative to the '745 Patent's validity at the ITC. By opposing discovery, Apple asks the Board to render a decision on the '745 Patent's validity based on an incomplete record. The Board's Institution Decision correctly realized that Masimo presented objective indicia of nonobviousness in the Patent Owner Preliminary Response, but that "the preliminary record before us does not appear complete on the matter." Institution

Decision at 15 n.10. The Board then invited the parties to "further address objective indicia of nonobviousness during trial." *Id.* Masimo seeks to complete the record with relevant evidence. Apple opposes providing the Board with a complete record, including the evidence that the ITC found probative and supporting patentability.

As set forth below, Masimo's narrow discovery requests meet all of the *Garmin* factors and discovery is in the interests of justice. *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 (PTAB Mar. 5, 2013) (precedential) ("*Garmin*"). More fundamentally, granting Masimo's discovery request is in the interests of justice because it ensures that the Board decides validity based on a more complete record, including evidence relied on by another government agency when upholding the validity of the '745 Patent. Apple seeks a strategic advantage by hiding evidence from this agency and to avoid the correct result. Apparently, Apple hopes an incomplete record will lead the Board to a different result than the ITC. An inconsistent result based on an incomplete record is not in the interests of justice. Accordingly, Masimo respectfully requests that the Board grant Masimo the discovery set forth in the accompanying requests, attached as Appendix A.

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