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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 IPR2022-01299
U.S. Patent 7,761,127

PATENT OWNER REPLY IN SUPPORT OF RENEWED MOTION TO SEAL AND FOR ENTRY OF A PROTECTIVE ORDER

I. APPLE DOES NOT OPPOSE THE MOTION TO SEAL

Apple does not oppose Masimo's Motion to Seal or argue that any exhibit proposed to be sealed is not confidential. *See* Paper 16, 11, n.3. Therefore, the Board should grant the Motion to Seal.

II. GOOD CAUSE EXISTS FOR THE CBI DESIGNATION

Apple does not substantively object to the Confidential Business Information ("CBI") designation of Masimo's proposed protective order. *Id.*, 10-11. Apple has not rebutted Masimo's showing of harm to Masimo due to disclosure to Apple of Masimo's CBI about its rainbow® sensors. *See* Paper 14, 7-8. Such disclosure would facilitate an attempt to compete against Masimo. Thus, the Board should enter a protective order including at least Masimo's CBI designation.

III. GOOD CAUSE EXISTS FOR THE PROSECUTION BAR

Apple relies on CTPG guidance that "prosecution bars are ***rarely appropriate***" at the Board. Paper 16, 3 (quoting CTPG, 116). But Apple misinterprets the CTPG.

The CTPG provides two examples of protective order provisions that are rarely needed: (1) "provisions protecting computer source code" and (2) prosecution bars protecting "confidential technical information about existing or future commercial products." CTPG, 116. The Board rarely needs to analyze such source code or confidential technical information because it typically compares patent claims with ***public*** prior art. However, the CTPG leaves open the possibility that the Board may need to analyze such source code or confidential technical information

in rare cases. This is one such rare case, where the Board needs to consider Masimo CBI about its rainbow® sensors as objective indicia of non-obviousness.

In evaluating a proposed prosecution bar, the CTPG contemplates weighing the risk of confidential information being revealed against the "disadvantage caused by a prosecution bar ***to patent owners*** wishing to" amend or reissue claims. CTPG, 116 (emphasis added). Here, the proposed prosecution bar would not disadvantage the patent owner because Masimo does not intend to amend or reissue its claims. Apple asserts that the CTPG equally disfavors prosecution bars that may affect ***petitioner's*** claim amendments in other matters. CTPG, 116; Paper 16, 6-7. But the CTPG's plain language refers to "patent owners," not petitioners. Regardless, Apple has not shown that any of its attorneys who would view CBI need to be involved in patent claim drafting or amending in this field.

Apple mischaracterizes Masimo's concerns justifying a protective order as "routine," "common," or "generalized." Paper 16, 4-5. But Masimo did not solely allege that the parties are competitors involved in co-pending litigation with patents asserted in both directions. Masimo established specific facts: (1) Apple sued Masimo for patent infringement on patents Apple prosecuted and obtained while concurrently litigating against Masimo in the ITC and district court and (2) Apple expert Anthony has consulted with and developed products for Masimo competitors. Paper 14, 11-12. These undisputed facts raise concrete and far-from-speculative

risks that, absent the proposed bar, Apple or Anthony could inadvertently use Masimo's CBI to prosecute patents targeting Masimo's products or to develop competing products. And Apple has not rebutted that Masimo's CBI is highly sensitive, such that such use would significantly harm Masimo. Thus, Masimo does not rely on the "generic" assertions or "broad generalizations" referenced in *FMC* and *Green Cross*, contrary to Apple's assertions. Paper 16, 4-5.

By contrast, Apple has not shown any specific and concrete harm the proposed prosecution bar would cause to Apple. Anthony already agreed to the development bar in the ITC. So, Anthony would presumably agree again, allowing Apple to use its chosen expert. Apple has not argued otherwise. And Apple has not alleged that any of its IPR attorneys have prosecuted or will prosecute relevant patents. Instead, Apple merely speculates that the bar could affect Apple's choice of counsel or impose unspecified "prejudices and practical challenges" in the future. Paper 16, 6, n.2. Such unsubstantiated speculation cannot outweigh Masimo's specific and unrebutted showing of harm. Thus, the *Green Cross* and CTPG balance of interests supports a prosecution bar. Paper 14, 10-13.

Apple never substantively addresses that it insisted "a patent prosecution and product development bar is a necessary and reasonable amendment to the [ITC] Protective Order" to protect Apple's CBI. EX2091, 3. Instead, without support, Apple argues that differences between the ITC and PTAB support entry of a

prosecution bar in the ITC but not here. Paper 16, 5. The identical issue of preventing inadvertent use of CBI exists in both forums in this circumstance. Moreover, the ITC uses the same "good cause" standard for entry of protective orders. *See* EX2084, 2 (ALJ finding good cause). The primary difference that makes prosecution bars rare in IPRs is that the Board's limited role of assessing patentability requires CBI review in rare cases only. But this is one such case.

Here, where Apple likely sees no need to submit its own CBI, Apple seeks to obtain a strategic advantage by refusing to afford Masimo's CBI the same level of protection as in the ITC. Apple argues that a desire to provide CBI "the same level of protection" as in the ITC is not "sufficient cause for a prosecution bar." Paper 16, 5. But in *Caterpillar*, the Board entered a prosecution bar at least in part to provide CBI the same level of protection as in the ITC. *Caterpillar Inc. v. Wirtgen Am., Inc.*, IPR2017-02188, Paper 18 at 3, 7, Paper 19 at 2 (PTAB Aug. 22, 2018).

Apple also argues that Masimo's CBI deserves less protection than the CBI in *Caterpillar* because Masimo was not compelled to produce its CBI. Paper 16, 8. But neither *Caterpillar* nor any other case suggests that the way CBI is introduced is relevant to the balance of harms contemplated by the CTPG. Apple's use of Masimo's CBI for prosecution or product development would severely harm Masimo regardless of whether Masimo is compelled to produce the CBI. And while Masimo could choose to not submit CBI, it would be unfair to require Masimo to

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