

Filed: January 17, 2023

Filed on behalf of:

Patent Owner Masimo Corporation
By: Irfan A. Lateef (Reg. No. 51,922)
Ted M. Cannon (Reg. No. 55,036)
Jarom D. Kesler (Reg. No. 57,046)
Jacob L. Peterson (Reg. No. 65,096)
Jeremiah S. Helm, Ph.D. (admitted *pro hac vice*)

KNOBBE, MARTENS, OLSON & BEAR, LLP
2040 Main Street, Fourteenth Floor
Irvine, CA 92614
Tel.: (949) 760-0404
Fax: (949) 760-9502
E-mail: AppleIPR127-2@knobbe.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

Case IPR2022-01300
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 17, 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 15, 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 17, 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 17, 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 17, 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 15, 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 17, 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 17, 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 15, 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 17, 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 17, 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 17, 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

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.