UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

_____

Case IPR2022-01465
U.S. Patent 10,687,745

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PETITIONER'S REPLY TO PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION TO EXCLUDE

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I. INTRODUCTION

Pursuant to 37 C.F.R. §42.64 and the Federal Rules of Evidence, Exhibits 2074, 2076-2086, and 2089-2090 and the previously identified portions of Exhibits 2070 and 2100 should be excluded for the reasons identified in Petitioner's Motion to Exclude (Paper 51, "MTE"). Below, Petitioner addresses the arguments made in Patent Owner's Opposition to Petitioner's MTE (Papers 57, 58, "Opp.").

II. RESPONSIVE ARGUMENTS

A. Exhibits 2074, 2076-2086, and 2089-2090 should be excluded as inadmissible hearsay

Patent Owner fails to identify any hearsay exception applicable to the statements in Exhibits 2074, 2076-2086, or 2089-2090.

To start, Patent Owner has not shown that the testimony of Apple's employees from the ITC proceeding qualifies as admissible statements of the opposing party. Federal Rule of Evidence ("FRE") 801(d)(2)(C) requires that an opposing party statement be made by a person whom the party authorized to make a statement on the subject. FRE 801(d)(2)(D) requires that an opposing party statement be made by a party's agent or employee on a matter within the scope of that relationship. Patent Owner has not shown that either provision is applicable.

In particular, Patent Owner relies on testimony of Apple employees from the ITC proceeding to contend that a POSITA would not have reasonably expected success in determining oxygen saturation at the wrist before the critical date of the

'745 Patent. POR, 30-40; Sur-Reply, 19-31. But Apple's employees did not testify "on the subject" of a POSITA's reasonable expectation of success. Even if they had, a POSITA's reasonable expectation of success is not a matter that falls within the scope of the employment relationship between Apple and the witnesses from the ITC proceeding. APPLE-1042, ¶¶39-42. As Dr. Anthony explained, the employees testified at the ITC regarding their experiences developing pulse oximetry for the Apple Watch. *Id.* None of the employee testimony identified at page 7 of the Opposition was offered responsive to questioning framed to elicit testimony about a POSITA's view of expectation of success. Opp., 7.

Patent Owner's position is further undermined by its own characterization of the employee testimony as "statements of the declarants' then-existing state of mind" and statements concerning "what *they thought* about pulse oximetry at the wrist. Opp., 10. But testimony regarding the employees' alleged states of mind is not the same as whether a POSITA reasonably would have expected success in determining oxygen saturation at the wrist.

Indeed, no record evidence establishes that any of the employee witnesses were aware of all (or even any) of the prior art cited by Petitioner in this proceeding, which confirms widespread knowledge and feasibility of determining oxygen saturation at the wrist before the '745 Patent. APPLE-1042, ¶¶27-34. The knowledge of any individual person is necessarily limited, but the law charges the

POSITA with knowledge of all the prior art. No individual testifying as to their own personal state of mind (as Masimo alleges) could possibly know of all the prior art of which the POSITA would have known. *In re Carlson*, 983 F.2d 1032, 1037-38 (Fed. Cir. 1993) (a POSITA "is charged with knowledge of all the contents of the relevant prior art" and "is presumed to know all the pertinent prior art"); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). Simply because witnesses may be employees of a party-opponent does not exempt Patent Owner from establishing that the witnesses' statements fall within the contours of FRE 801(d)(2). Masimo has failed to do so.

Exhibits 2074, 2076-2086, or 2089-2090 also do not fall under the "residual exception" of Federal Rule of Evidence 807. The residual exception to the hearsay rule is to be reserved for "exceptional cases," and is not "a broad license on trial judges to admit hearsay statements that do not fall within one of the other exceptions." *Conoco Inc. v. Dep't of Energy*, 99 F.3d 387, 392 (Fed. Cir. 1996). Patent Owner has not established that these exhibits clear this high bar.

Exhibits 2074, 2076-2086, and 2089-2090 also are not admissible under FRE 106. Contrary to assertions in the Opposition (Opp., 11-12), FRE 106 states that "If a party introduces all or part of a writing or recorded statement, ***an adverse party*** may require the introduction, at that time, of any other part." Here, Patent Owner submitted Exhibits 2074, 2076-2086, and 2089-2090. Patent Owner cannot

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