

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SOTERA WIRELESS, INC.,
Petitioner,

v.

MASIMO CORPORATION,
Patent Owner.

IPR2020-00912 Patent 10,213,108 B2¹
IPR2020-00954 Patent 9,788,735 B2
IPR2020-01015 Patent 9,795,300 B2
IPR2020-01054 Patent 9,872,623 B2

Before JOSIAH C. COCKS, JENNIFER MEYER CHAGNON, and
ROBERT L. KINDER, *Administrative Patent Judges*.

KINDER, *Administrative Patent Judge*.

ORDER
Conduct of Proceeding
37 C.F.R. §42.5

¹ This Order applies to each of the above-listed proceedings. We exercise our discretion to issue one Order to be filed in each proceeding. The parties are not authorized to use this heading style in any subsequent papers.

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Patent Owner contacted the Board by e-mail requesting authorization to file a motion to strike in each captioned proceeding. A telephonic conference was held on June 3, 2021, with Judges Cocks, Chagnon, and Kinder, and counsel for the parties. Patent Owner filed a copy of the telephonic transcript as an exhibit in each proceeding.²

Patent Owner asserted that, in each proceeding, Petitioner’s reply included new theories, in violation of 37 C.F.R. § 42.23(b). Patent Owner seeks to strike the purported “new rationales for obviousness that were not in the petition.” Ex. 2037, 6:19–20. Further, Patent Owner contends that Petitioner improperly identifies “additional parts of the prior art references that were never included in the Petition,” as well as relying on entirely new references. *Id.* at 7:1–10. Patent Owner alleges “[t]here is a change in the obviousness argument,” including “new motivations to combine.” *Id.*

Petitioner disagrees with Patent Owner’s contentions regarding the scope of the reply briefs and alleged new evidence. *See id.* at 10:10–12:5. It is “Petitioner’s position that the reply and the expert in reply do not add any new argument or any new evidence,” and “[t]here is no new grounds in the reply, [and] there is no new combinations.” *Id.* at 10:11–22. Petitioner further alleges that the newly cited references were proper rebuttal argument “to show things like the state of the art at the time of invention.” *Id.*

² For example, Exhibit 2037 in IPR2020-00912. Representative citations are provided for IPR2020-00912, with an understanding that identical papers have been filed in each proceeding.

IPR2020-00912 Patent 10,213,108 B2
IPR2020-00954 Patent 9,788,735 B2
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Our Rules explain that “[a] reply may only respond to arguments raised in the corresponding . . . patent owner response, or decision on institution.” 37 C.F.R. § 42.23(b). Indeed, a reply “that raises a new issue or belatedly presents evidence may not be considered.” *See Patent Trial and Appeal Board Consolidated Trial Practice Guide*, 74 (Nov. 2019)³. For example, our Trial Practice Guide explains that “[e]xamples of indications that a new issue has been raised in a reply include new evidence necessary to make out a *prima facie* case for the patentability or unpatentability of an original or proposed substitute claim, such as newly raised rationale to combine the prior art references that was not expressed in the petition.” *Id.*

We decline, at this time, to grant Patent Owner’s request to file motions to strike in these proceedings. As stated during the telephone conference, other avenues exist for the Patent Owner to address its concerns. *See Ex. 2037*, 3:13–5:16 (“parties are as a matter of right allowed a surreply, and then you also have the motions to exclude as a potential remedy to exclude certain evidence or argument that would exceed the proper scope of a reply”). Having considered the record currently before us, Patent Owner has not shown that it would be unfairly prejudiced if we wait until the close of evidence to determine whether the alleged new arguments and/or evidence were belatedly and improperly presented.

Instead, on these facts, we determine that the following procedure serves the just, speedy, and inexpensive resolution of this issue. First, Patent Owner may file, in each proceeding, an additional two-page section in each

³ Available at uspto.gov/TrialPracticeGuideConsolidated.

IPR2020-00912 Patent 10,213,108 B2
IPR2020-00954 Patent 9,788,735 B2
IPR2020-01015 Patent 9,795,300 B2
IPR2020-01054 Patent 9,872,623 B2

sur-reply titled “Patent Owner’s List of Improper Reply Arguments or Evidence,” which shall include a numbered list of citations to those passages of the reply (or to specific evidence) that Patent Owner believes exceed the scope of a proper reply.⁴ These two pages are excluded from the total word count allotted for the sur-reply. This list must include page and line numbers for each citation, and may include a brief (e.g., one sentence) explanation. Second, Patent Owner if it wishes may include separate additional argument in its sur-reply as to why certain argument or evidence in the reply briefing is improper, but these additional arguments will be included in the overall word count.

At this time, we do not find it necessary for the Petitioner to file any response. To the extent the panel determines that any item identified by Patent Owner warrants additional briefing, an additional Order will be issued, providing such instruction to the parties. For one example, should we determine an additional briefing is necessary, we may invite Petitioner to file a short response to each item in Patent Owner’s list, or to specific items in Patent Owner’s list. Otherwise, the propriety or impropriety of the identified portions of the reply will be addressed, to the extent necessary, in our Final Written Decision.

⁴ For purposes of this Order, an improper argument or evidence is an argument or evidence made or produced by Petitioner in its Reply where (1) it is beyond the scope of a reply under 37 C.F.R. § 42.23(b) or (2) if we were to rely on it in finding the challenged claims unpatentable, Patent Owner would not have had sufficient notice and opportunity to respond (*see, e.g., Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015)).

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Furthermore, although at this time we do not deem it necessary to resolve this issue via formal briefing, should either party request a hearing, the parties may address this issue during oral argument if this issue is not resolved prior to oral argument.

In view of the foregoing, it is hereby:

ORDERED that Patent Owner is authorized to file, in each captioned proceeding, an additional two-page “Patent Owner’s List of Improper Reply Arguments or Evidence,” as part of Patent Owner’s sur-reply, and that this two-page list will not be counted toward the sur-reply word count.

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