

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SOTERA WIRELESS, INC.
Petitioner

v.

MASIMO CORPORATION
Patent Owner

Case IPR2020-01082
Patent No. 10,255,994

PETITIONER'S REPLY TO PRELIMINARY RESPONSE

Ex #	Exhibit Index
1001	U.S. Patent No. 10,255,994 (“the ’994 patent”)
1002	Prosecution History of the ’994 patent
1003	Expert Declaration of George Yanulis (“Yanulis Decl.”)
1004	<i>Curriculum Vitae</i> for George Yanulis
1005	Masimo’s Infringement Contentions with Ex. H – ’994 Claim Chart, served January 24, 2020
1006	U.S. Patent No. 5,253,645
1007	U.S. Patent No. 6,816,266
1008	Aki Mäkivirta and Erkki M. J. Koski, <i>Alarm-Inducing Variability in Cardiac Postoperative Data and the Effects of Prealarm Delay</i> , 10 J Clinic Monit. 153–162 (1994) (“Mäkivirta”)
1009	A.T. Rheineck-Leyssius and C.J. Kalkman, <i>Influence of Pulse Oximeter Settings on the Frequency of Alarms and Detection of Hypoxemia</i> , 14 J. Clinic Monit. 151-156 (1998)
1010	U.S. Patent Publication No. 2008/0287756 to Lynn (“Lynn”)
1011	U.S. Patent Publication No. 2009/0247851 to Batchelder (“Batchelder”)
1012	U.S. Patent Publication No. US 2009/0326340 to Wang (“Wang”)
1013	A.T. Rheineck-Leyssius and C.J. Kalkman, <i>Influence of Pulse Oximeter Lower Alarm Limit on the Incidence of Hypoxaemia in the Recovery Room</i> , 79 British J. of Anaesthesia 460-464 (1997) (“Kalkman”)
1014	Declaration from Erika I. Cohn regarding Public Accessibility of Kalkman, dated May 20, 2020
1015	Masimo’s Complaint for Patent Infringement against Sotera (ECF No. 1), filed June 12, 2019
1016	Service of Summons and Complaint upon Sotera (ECF No. 5)
1017	U.S. Patent No. 3,608,545
1018 - 1033	<i>Intentionally omitted.</i>

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1034	Masimo Corporation's Preliminary Claim Constructions and Extrinsic Evidence dated April 3, 2020
1035	Defendants Sotera Wireless, Inc. and Hon Hai Precision Industry Co. Ltd.'s Local Patent Rule 4.1 Preliminary Responsive Claim Constructions With Extrinsic Evidence dated July 24, 2020
1036	Defendant Sotera Wireless, Inc.'s Motion to Stay Proceedings, ECF No. 48
1037	Order Vacating Claim Construction Hearing, ECF No. 81
1038	Defendants' Stipulation of Invalidity Contentions, ECF No. 86

Petitioner respectfully submits this supplemental briefing addressing the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (Mar. 20, 2020) (precedential). Paper 8.

I. STATUS OF THE DISTRICT COURT LITIGATION

In the parallel district court litigation, *Masimo Corp. v. Sotera Wireless, Inc. and Hon Hai Precision Industry Co. Ltd.*, Civil Action No. 3:19-01100-BAS-NLS (S.D. Cal.) (the “District Court Litigation”), Patent Owner Masimo Corporation (“Masimo”) asserts infringement of nine patents¹, including the ’994 Patent, each of which issued from continuation or reissue applications filed in 2017 and 2018, and very late in each patent’s life cycle. Masimo filed these applications in an effort to cover Petitioner’s technology, on the market since 2013, because its technology did not infringe any of Masimo’s many then-existing patents. In doing so, however, Masimo’s newly obtained patent claims do not claim anything novel or nonobvious at all, but merely claim what had existed in the prior art.

While +Masimo served its complaint on June 13, 2019, over the ensuing six months virtually no activity occurred in the District Court litigation while the parties engaged in settlement discussions. The District Court did not even hold its

¹ Petitioner has filed petitions for *inter partes* review (“IPR”) against the other eight asserted patents in IPR2020-00912, IPR2020-00954, IPR2020-00967, IPR2020-01015, IPR2020-01019, IPR2020-01033, IPR2020-01054, IPR2020-01078.

initial case management conference until December 4, 2019, and did not issue a scheduling order until December 9, 2019. EX2002. Only then did it become clear the parties would not be able to settle and litigation activity began. Petitioner tirelessly worked over the next few months to identify an expert witness, evaluate potential art, and prepare nine petitions for IPR challenging a total of 183 claims. Petitioner then filed a motion to stay the District Court Litigation. EX1036.

To date, the case schedule has been amended twice, with the latest amended scheduling order setting the close of fact discovery for February 12, 2021, the close of expert discovery for May 7, 2021 and trial for November 30, 2021. EX2009. Moreover, on September 23, 2020, the day after the parties submitted opening *Markman* briefs, the District Court vacated all *Markman* deadlines “[i]n light of Defendant’s pending Motion to Stay,” stating it would “reset the hearing, **if necessary**, immediately after the order on the Motion to Stay is issued.” EX1037 (emphasis added). In view of all *Markman* deadlines being indefinitely vacated, the remainder of the schedule and the trial date remain uncertain.

II. THE *FINTIV* FACTORS COUNSEL AGAINST EXERCISING DISCRETION TO DENY

Weighing the *Fintiv* factors holistically, the Board should decline to exercise its discretion to deny institution.

Fintiv Factor #1: Petitioner filed a Motion to Stay on May 20, 2020, well

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