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UNITED STATES PATENT AND TRADEMARK OFFICE

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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SOTERA WIRELESS,  
Petitioner,

v.

MASIMO CORPORATION,  
Patent Owner.

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Case IPR2020-01082  
U.S. Patent 10,255,994

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**PATENT OWNER SUR-REPLY REGARDING *FINTIV* FACTORS**

**EXHIBIT LIST**

<b>Exhibit No.</b>	<b>Description</b>
2001	Masimo's Opposition to Sotera's Motion to Stay Proceedings, dated June 8, 2020, filed in <i>Masimo Corp. v. Sotera Wireless, Inc.</i> , Case No. 3:19-cv-01100-BAS-NLS (S.D. Cal.) ("District Court Action")
2002	Case Management Order Regulating Discovery and Other Pretrial Proceedings, dated December 9, 2019, filed in the District Court Action
2003	Order Granting Joint Motion to Modify Case Management Order, dated April 29, 2020, filed in the District Court Action
2004	Defendants' LPR 3.3 Invalidity Contentions, dated March 20, 2020, served in the District Court Action (without exhibits)
2005	Reserved
2006	Reserved
2007	Defendants' Amended Invalidity Contentions, dated September 8, 2020, served in the District Court Action (without exhibits)
2008	Joint Hearing Statement regarding Claim Construction Hearing, dated August 10, 2020, filed in the District Court Action and Exhibit 2 and Appendix I thereto
2009	Order Granting in Part Defendants' <i>Ex Parte</i> Motion to Modify Case Management Order, dated October 6, 2020, filed in the District Court Action

Pursuant to the Board’s October 7, 2020 Order – Conduct of Proceeding (Paper 9), Masimo Corporation (“Masimo”) hereby submits its Sur-Reply to Petitioner’s Reply regarding the factors laid out in *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”).

## **I. INTRODUCTION**

None of Petitioner’s arguments change the discretionary *Fintiv* analysis. For example, Petitioner does not dispute that it waited until *just before* the one-year deadline to unleash nine petitions on Masimo. Petitioner admits it had time to draft these petitions far earlier—for the first six months “virtually no activity occurred in the District Court litigation.” Paper 12 at 1. Petitioner’s dilatory actions eliminated many of the efficiencies that might normally result from an IPR. Indeed, Masimo already expended substantial time and resources in discovery, which is active and ongoing, and in claim construction briefing.

Petitioner relies heavily on the fact that the Court extended the trial date by two months. But, the final written decision date for all of these IPRs will still come on or after the trial. That change should not alter the *Fintiv* analysis.

Petitioner also takes advantage of its failure to address the *Fintiv* factors in its petition, and the Board’s resulting invitation to address those factors in a Reply, to respond to the merits of Masimo’s Patent Owner Preliminary Response. Paper 6. But none of Petitioner’s arguments show the Petition is strong on the merits. To the

contrary, Petitioner's attempts to rewrite the Petition and supplement the record with new citations and arguments demonstrate the Petitioner's weakness.

## II. ARGUMENT

None of Petitioner's arguments changes the balancing of the *Fintiv* factors.

**Fintiv Factor #1:** Petitioner does not dispute that it filed its Motion to Stay over *five* months ago, on May 20, 2020. Paper 10 at 2. Yet, as Petitioner also admits, the Court has *not* granted that Motion. *Id.* Petitioner points to the Court's observation that a rescheduled *Markman* date *may* not be necessary, depending on how the Court rules on the motion to stay. *Id.* But, that is always true and hardly controversial. Neither party knows how the Court will rule on the Motion to Stay. Petitioner does not even address, much less rebut, Masimo's argument that a stay is unlikely because the parties directly compete in the market. *Id.* at 3. Petitioner likewise turns a blind eye to Masimo's case law holding that such competition evidences significant prejudice that weighs against a stay. Paper 8 at 14. This factor weighs against institution.

**Fintiv Factor #2:** Petitioner points out that the Court extended the trial date by two months and argues without support that there may be additional delays. Paper 12 at 3. But the Court specifically noted that its schedule "will *not* be dictated" by any IPRs. Ex. 2009 at 2 (emphasis added). It further warned that any further extension "would require good cause as to why the discovery could not have been

completed under the schedule.” *Id.* The district court trial is scheduled for November 30, 2021, which means there is little opportunity for efficiency or simplification with IPR proceedings because the final written decision date for all of the IPRs will still come during or after trial. An IPR decision during or after trial would undermine any potential litigation efficiency as trial would have begun and the parties would have completed their invalidity arguments. Thus, this factor also weighs against institution.

**Fintiv Factor #3:** Petitioner does not dispute that it waited until just before the statutory deadline to file its Petition. Nothing justifies Petitioner’s failure to file its petitions far earlier. Indeed, Petitioner admits that for the first six months “virtually no activity occurred in the District Court litigation.” Paper 12 at 1. Petitioner claims it delayed because of settlement negotiations. *Id.* Normal settlement discussions at the beginning of a case cannot excuse Petitioner’s complete failure to file its petitions until just before the statutory deadline. Indeed, Sotera’s representation that it expected a settlement is belied by its representation to the District Court that as of November 22, 2019 “[t]he parties do not currently have an expectation of a prompt settlement or resolution.” Ex. 2001 at 6. Petitioner also claims that discovery has not been directed to invalidity issues. That simply is not true as Masimo invested considerable time and resources into the parallel proceeding, such as analyzing Petitioner’s “over 5,000 pages of claim charts,” (Paper

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