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Masimo Infringed 2 Apple Watch Patents, Jury Finds

By **Jeff Montgomery and Ryan Davis**

Law360 (October 25, 2024, 5:47 PM EDT) -- Healthcare tech company Masimo Corp. was found to have infringed two of Apple Inc.'s patents Friday at the close of a five-day U.S. District Court jury trial in Delaware that put more future tech prospects than current cash on the line.

Apple sought, and received — by its own choice — the statutory minimum of only $250 for infringement of two design patents that cover the look of the Apple Watch and the charger for the device. The jury found that Masimo willfully infringed those patents with earlier versions of its own smartwatch, but that current versions don't infringe.

The jury found that Masimo did not infringe another Apple design patent, or three utility patents largely focused on health monitoring-equipped versions of the Apple Watch that include heart rate and blood oxygen checking features.

The jury also decided that Masimo had shown that one of the utility patents is invalid as obvious, but failed to show that four other patents in the case are invalid.

During the trial on Friday before U.S. District Judge Jennifer Hall, Brian Horne of Knobbe Martens, counsel to Masimo, told the five-man, three-woman jury that Masimo had been aiming toward a consumer health device-equipped watch for years, and more than a decade ago had been approached by Apple to partner on a product.

"We weren't afraid that Apple Watch was going to take our hospital business," Horne told jurors. "We wanted to bring medical grade products to consumers."

Horne later said that Masimo was "not concerned with making it pretty," in contrast to Apple's emphasis on assuring that its watch was both functional and beautiful. "We're not small and sleek and miniature like they are," he said.

Horne later reminded jurors of Apple's burden in the case, telling them that Apple had to "show every single element of those claims. We only have to show we're missing one element.

During opening day proceedings, John M. Desmarais of Desmarais LLP, lead counsel for Apple, told jurors that Masimo was enhancing its own health monitoring watch "specifically to come after Apple," by way of a consumer goods subsidiary, Sound United LLC. He added that "This complaint is about us trying to stop a copy."

Horne and Desmarais declined comment immediately after the jury's decisions.

During the trial, Desmarais said Masimo saw Apple as a threat and willfully copied its technology.

"What willful infringers like to do at jury trials is throw up smoke screens," Desmarais said. "The issue is, do the watches infringe Apple patents? It's not about pulse oximeters, heart rate monitors, electrocardiograms."

Less than a month after Apple Watch's launch, Masimo documents began circulating identifying Apple as a competitive business risk, Desmarais said, and began developing its own consumer watch.

"It doesn't make a lot of sense, but that's what they did," Desmarais said.

He noted that Masimo began a tech hunt that included a trip by its CEO, Joe Kiani, to talk with a former Apple engineer about the company's watch. Other efforts followed, including Masimo screening Apple's patent documents and designs.

"Who does that?" Desmarais asked, adding later that Masimo "could not find a single prior art anywhere in the world that disclosed every element of Apple's patents."

"We thank the jury for their careful consideration in this case, finding Masimo willfully infringed Apple's patented designs," Apple said in an emailed statement. "Teams at Apple worked for years to develop Apple Watch, a successful and innovative product that meaningfully impacts users' lives. Masimo took shortcuts, launching a device that copies Apple Watch and infringes our intellectual property. We are glad the jury's decision today will protect the innovations we advance on behalf of our customers."

Masimo, in its own statement, also thanked the jury for its findings in the company's favor.

"The jury found that Masimo did not infringe any of Apple's technology patents, that one of Apple's technology patent claims is invalid, and that no current Masimo product infringed any of Apple's design patents," Masimo said in an emailed statement. "Although the jury found that a discontinued module and charger infringed two Apple design patents, it awarded Apple only $250. Apple primarily sought an injunction against Masimo's current products, and the jury's verdict is a victory for Masimo on that issue. Defending our innovations and intellectual property is crucial to our ability to develop technology that benefits patients and consumers, and we will continue to do so.

Apple currently has a market capitalization of about $3.5 trillion, making it the world's most valuable company. Masimo, a California headquartered company like Apple, has a $7.7 billion market capitalization.

The trial opened weeks after Judge Hall granted Apple summary judgment on a Masimo counterclaim alleging the tech giant engaged in inequitable conduct before the U.S. Patent and Trademark Office.

The patents-in-suit are U.S. Patent Nos. D883,279; D947,842; D735,131; 10,627,783; 10,987,054 and 11,474,483.

Apple is represented by John M. Desmarais, Jordan N. Malz, Cosmin Maier, Kerri-Ann Limbeek, Jeffrey Scott Seddon II and Peter C. Magic of Desmarais LLP, Jennifer Milici, Dominic Vote and Mark A. Ford

of WilmerHale and David E. Moore, Bindu A. Palapura and Andrew M. Moshos of Potter Anderson & Corroon LLP.

Masimo is represented by Joseph R. Re, Stephen C. Jensen, Stephen W. Larson, Benjamin A. Katzenellenbogen, Edward M. Cannon, Brian C. Claassen, Jared C. Bunker, Mark Lezama, Kendall M. Loebbaka, Douglas B. Wentzel, Brian Horne, Adam Powell, Daniel P. Hughes and Carol M. Pitzel Cruz of Knobbe Martens and John C. Phillips Jr. and Megan C. Haney of Phillips McLaughlin & Hall PA.

The case is Apple Inc. v. Masimo Corp. et al., case numbers 1:22-cv-01377 and 1:22-cv-01378, in the U.S. District Court for the District of Delaware.

–Editing by Michael Watanabe.
