

Apple stops selling latest Apple Watch after losing patent case

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Apple plans to suspend sales of the Series 9 and Ultra 2 versions of its popular Apple Watch for online U.S. customers beginning Dec. 21, 2023.

Matthias Schrader/AP

Apple will be pulling two of its newest [smartphone watches](#) from store shelves this week after losing a patent dispute over whether it illegally copied another company's technology.

Apple said Monday it would stop selling the Series 9 and Ultra 2 versions of its popular watch following medical technology company Masimo alleging Apple infringed on its patent for a blood oxygen sensor that can read someone's pulse. Apple has repeatedly denied the allegation.

The affected Apple Watches will not be available for online purchase beginning Thursday and will be removed from retail stores on Christmas Eve.

In October, the U.S. International Trade Commission [ruled](#) that some Apple Watches violated Masimo's patents for the blood oxygen feature that Apple has included in most of its smartphone watches since 2020.

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The commission issued an import ban on the watches that include the technology that was set to take effect on Dec. 26, but Apple acted on the deadline early.

Apple Watches already purchased with the blood oxygen feature are not affected by the order.

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The commission, which advises the White House and Congress on matters including intellectual property disputes, is overseen by the president. Apple has been fighting the commission's ruling and is asking the Biden administration to reverse it. The White House has until Christmas Day to act on the decision.

Masimo, a publicly-traded company based in Irvine, Calif., that sells patient monitoring devices to hospitals, viewed Apple's decision to pause watch sales as a vindication.

"The decision to exclude certain foreign-made models of the Apple Watch demonstrates that even the world's most powerful company must abide by the law," a Masimo spokesperson said in a statement to NPR.

Gene Munster, a longtime Apple analyst, said yanking the new watches from retail stores in the final stretch of the holiday shopping season is unfortunate timing for the company, but he expects a "fractional at most" impact on sales.

"Most who wanted to buy a watch as a holiday gift have done so already," Munster said. "The bigger question I have is, 'What will be the duration of this?'"

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The White House could undo the commission's decision, which Munster said Apple is likely counting on. It would help explain why Apple did not strike a licensing agreement with Masimo and has instead let the dispute drag out for months.

"Apple is the gold standard when it comes to U.S. innovation, and I think they're hoping the Biden administration recognizes that and agrees with them to get this overturned," he said. "Apple likes to play hardball with other companies, and sometimes it helps them reach more favorable deals over things like licensing."

An Apple spokesperson confirmed the sales pause but declined further comment.

According to court documents, Masimo held meetings with Apple back in 2013 about using the medical technology company's tools in Apple products, but the talks broke down.

Later, Apple hired two Masimo executives and key engineers away from the company.

Masimo has claimed in legal filings that Apple poached the employees in order to illegally duplicate its technology.

Apple has denied that it violated any Masimo patents, saying Apple consulted with several medical technology companies before coming up with its own version of the blood oxygen tool.

In May, the patent fight stumped a jury, which **could not reach** a unanimous verdict on the question of whether Apple stole the idea for its blood oxygen feature from Masimo. While Masimo could not make its case to a jury, the trial did reveal that Apple discussed the idea of acquiring Masimo at one point before ultimately deciding against it.

The ruling from the International Trade Commission, which is separate from the case that was before a jury, is being contested by Apple. The company has said it will "take all measures" to resume sales of the affected watches in the U.S.