

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

ZOLL LIFECOR CORPORATION  
Petitioner,

v.

PHILIPS ELECTRONICS NORTH AMERICA CORP. and  
KONINKLIJKE PHILIPS ELECTRONICS N.V.  
Patent Owner.

---

Case IPR2013-00606  
Patent 5,593,427

---

Before SALLY C. MEDLEY, MIRIAM L. QUINN, and GREGG I. ANDERSON,  
*Administrative Patent Judges.*

QUINN, *Administrative Patent Judge.*

DECISION  
Denying Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

On September 23, 2013, ZOLL Lifecor Corporation (“Petitioner” or “ZOLL Lifecor”) filed a Petition to institute an *inter partes* review of all the claims, claims 1-18 (the “challenged claims”), of U.S. Patent No. 5,593,427 (“the ’427 patent”). Paper 1 (“Pet.”). Koninklijke Philips Electronics N.V. (“Patent Owner”) timely filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). The Board authorized the Petitioner to file a brief addressing the privity and real party-in-interest issues raised in the Preliminary Response. Paper 10. Petitioner filed a brief addressing those issues. Paper 11 (“Brief”). We have jurisdiction under 35 U.S.C. § 314.

After consideration of all the arguments and evidence presented by Petitioner and Patent Owner, we are persuaded that the Petition does not identify “all the real parties in interest,” as required by 35 U.S.C. § 312(a).

The instant Petition is denied under 35 U.S.C. § 315(b) for the reasons that follow.

### *Related Proceedings*

The ’427 patent is the subject matter of pending district court litigation, filed against Petitioner on September 21, 2012 and captioned *Koninklijke Philips N.V. v. ZOLL Lifecor Corp.*, No. 12-cv-1369 (W.D. Pa.) (“the Pennsylvania Action”). The Pennsylvania Action also involves seven other patents, all related to the ’427 patent. Prelim. Resp. 7. Each of these patents, including the ’427 patent, claims priority to the same application, No. 08/103,837, filed on August 6, 1993. *Id.*

A district court case filed by Patent Owner, captioned *Koninklijke Philips N.V. v. ZOLL Med. Corp.*, No. 10-cv-11041 (D. Mass.) (“the Massachusetts Action”), involves the parent company, ZOLL Medical Corporation (“ZOLL Medical”). Prelim. Resp. 6-7. In the Massachusetts Action, Patent Owner sued ZOLL Medical for infringement of six of the eight patents-at-issue in the

Pennsylvania Action. The '427 patent, although related to the other asserted patents, is not involved in the Massachusetts Action.

Petitioner has filed eight petitions (including the instant case) for *inter partes* review involving the patents in the Pennsylvania Action. Pet. 2. The Petition identifies as a related matter the Pennsylvania Action (involving Petitioner), but not the Massachusetts Action (involving the parent, ZOLL Medical). Pet. 2. On January 3, 2004, after Patent Owner filed its Preliminary Response, Petitioner amended its Mandatory Notice to list, as a related matter, the Massachusetts Action. Paper 9.

## II. DISCUSSION

### A. *Factual Background*

ZOLL Medical is a manufacturer of resuscitation devices and related software solutions. Ex. 2010. On April 10, 2006, ZOLL Medical announced that it had acquired the assets and business of Lifecor, Inc., a privately held company that designs, manufactures, and markets a wearable external defibrillator system. Ex. 2010. At the time ZOLL Medical acquired Lifecor, Inc., ZOLL Medical announced that it would operate the Lifecor, Inc. business through the ZOLL Lifecor subsidiary, based in Pittsburgh, Pennsylvania. *Id.* It is undisputed that ZOLL Lifecor, Petitioner, is a wholly-owned subsidiary of ZOLL Medical. Prelim. Resp. 1; Brief 1.

After the acquisition, ZOLL Medical referred to itself and Petitioner collectively as “ZOLL.” Ex. 2011 (ZOLL Medical’s Annual Report, Form 10-K, dated Dec. 15, 2006). In filed public financial statements, ZOLL Medical asserted that it “now manufactures and markets [a] wearable external defibrillator system [i.e., LifeVest] through its subsidiary, ZOLL Lifecor Corporation.” Ex. 2011 at 10.

Under the ZOLL brand, ZOLL Medical used a dedicated sales force to sell the Petitioner's LifeVest product. Ex. 2011 at 19. In 2008, ZOLL Medical asserted in public financial documents that ZOLL was conducting clinical trials related to the LifeVest product. Ex. 2013 at 27.

The LifeVest is Petitioner's only product, which is marketed on the ZOLL Medical website. Ex. 2014.

Petitioner sought a stay of the Pennsylvania Action based on the overlap with, and the impact of, the Massachusetts Action. Ex. 2005 at 5. Petitioner took the position that issues of invalidity addressed in the Massachusetts Action would be directly applicable to the eight patents involved in the Pennsylvania Action. Ex. 2005 at 2. The district court granted a stay of the Pennsylvania Action, and required the parties to mediate. Exs. 2007-08. Three officers of ZOLL Medical, which is not a party to the Pennsylvania Action, attended the mediation on behalf of Petitioner. Ex. 2018 at 6-7, 9; Ex. 2006 at 1. Petitioner also was represented at the mediation by Mr. Grossman, its Secretary, who provides legal guidance for both ZOLL Medical and Petitioner. Brief 5.

To maintain the stay, Petitioner again relied on the "high degree of overlap between this [Pennsylvania Action] and the Massachusetts [Action]," and that resolution of the parties' negotiations with Patent Owner involved a "global resolution" that included both pending Actions. Ex. 2006 at 1, 6. Petitioner argued against ramping up activity in the Pennsylvania Action because the parties were focusing on preparing for the trial in the Massachusetts Action. Ex. 2006 at 3-4.

The instant Petition for *inter partes* review was filed on September 23, 2013. Paper 1. The petitions rely on declarations from the same expert witness disclosed in the Massachusetts Action on behalf of ZOLL Medical. Exs. 1004 and 2022.

*B. Arguments Presented*

Patent Owner argues that the relationship between Petitioner and ZOLL Medical supports its contention that ZOLL Medical is a real-party-in-interest. Prelim. Resp. at 16-19.

Patent Owner further argues that ZOLL Medical's close involvement in the Pennsylvania Action shows control of Petitioner in the Pennsylvania Action and this proceeding. Prelim. Resp. 20-22.

Furthermore, Patent Owner argues that ZOLL Medical could have controlled Petitioner's involvement in this proceeding because:

(1) ZOLL Medical has the legal right of a parent corporation to control its wholly-owned subsidiary when there are common interests and the relationship justifies the parent's control, *id.* at 23 (citing *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 771-72 (1984)); and

(2) the Federal Circuit has recognized the legal right of a parent corporation to control an administrative proceeding, *id.* at 24 (citing *Dalton v. Honda Motor Co.*, 425 F. App'x 886, 890 (Fed. Cir. 2011) (dealing with standing by a parent corporation having a "real interest" in a TTAB proceeding)); and

(3) a favorable outcome in this proceeding would directly benefit ZOLL Medical, *id.* at 23 (citing Ex. 2010 at 1, 10).

In response, Petitioner argues that Petitioner is the real party-in-interest. Brief 3. Petitioner contends that it, not ZOLL Medical, has the greater liability for infringement of the patents for which *inter partes* review is requested, and that Petitioner is paying for and supervising the *inter partes* reviews and district court litigation without compensation from ZOLL Medical. Brief 3-5 (citing Exs. 1015-18).

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.