Plaintiffs,

v.

ZOLL LIFECOR CORPORATION,

Defendant.

Judge Nora Barry Fischer

Electronically Filed

MEMORANDUM IN SUPPORT OF ZOLL'S MOTION TO STAY

INTRODUCTION

Koninklijke Philips Electronics N.V. and Philips Electronics North America Corporation (collectively, "Philips") have now sued ZOLL Medical Corporation or its wholly owned subsidiary ZOLL Lifecor Corporation (collectively, "ZOLL") in three different venues. All three cases are pending. All three cases concern defibrillator technology. All three cases allege patent infringement, with the asserted patents and/or the accused products overlapping among the different cases. All of the asserted patents were discussed in licensing discussions between the parties dating back to 2008, and conducted in Massachusetts, where both companies are based. Despite this, Philips elected to spread this dispute across three actions in Boston (filed in June 2010), Seattle (filed in January 2012), and now Pittsburgh.

Philips' piecemeal litigation strategy not only unfairly burdens ZOLL, but also wastes judicial resources, with three different courts being presented with similar issues in three

Massachusetts should significantly narrow, if not eliminate entirely, the issues in this case, and would certainly be a strong motivator for Philips to settle whatever remains in this case, if anything. ZOLL accordingly seeks a stay of this action until the liability issues have been tried in Massachusetts. That case is on schedule, and trial should occur in less than one year. The relief that ZOLL seeks is thus narrowly tailored to the circumstances that warrant it, and if granted will both promote judicial economy, and ensure consistent results.

This stay will not unfairly prejudice Philips. Philips could have brought these claims a decade ago, given that all of the asserted patents had issued by 2000, and the accused product was launched in 2001. Philips now contends that it had the claims in this case in mind when it approached ZOLL in 2008. In short there is no reason it could not have included these allegations in the Massachusetts action it filed in 2010, if not years earlier. Moreover, all of the asserted patents in this case will likely expire before this case is tried, whether a stay is entered or not, making injunctive relief a non-issue here. In the overall historical context, a one-year delay of this action is modest and reasonable, and by sequencing this case with the Massachusetts case is, ZOLL submits, a sound approach to case management. Time is certainly not of the essence for Philips.

FACTS

By April of 2000, all of the patents asserted in this case had issued. In 2001, ZOLL introduced its LifeVest product to the market, the sole product accused in this case. Seven years

disagrees that the letter gave such notice, Philips has thus conceded that it has been harboring the allegations made in this case since at least 2008. In response to this letter, ZOLL requested that Philips license certain defibrillator patents from ZOLL. Over the ensuing years, the parties repeatedly engaged in licensing discussions, both via communications and in face-to-face meetings.

Unsatisfied with the pace of the patent cross-licensing negotiations, Philips in 2010 chose the District of Massachusetts as the right forum to resolve the dispute. It filed suit there on fifteen of the patents then under discussion. (Ex. 1) The accused products in that case were initially only ZOLL's automatic external defibrillators (AEDs), which are the defibrillators seen on the walls of public places, such as airports, offices, and the like, as opposed to "professional" defibrillators, which are the defibrillators used in hospitals and by EMTs. (*See id.*) Philips chose not to include the LifeVest product among the accused products in Massachusetts. (*See id.*) ZOLL responded to that suit by suing Philips in Massachusetts on five ZOLL patents, accusing Philips' AEDs and professional defibrillators of infringement.

Those cases, though, did not commence right away. Rather, Philips was satisfied to put them on hold for over a year, while cross-licensing negotiations continued. The parties finally answered the respective complaints in July, 2011, and the two Massachusetts cases have since been consolidated (collectively, the "Massachusetts Matter"). (Ex. 2)

briefed 32 terms for construction from the claims of the twenty asserted patents (Exs. 3-4), and the Court heard argument on October 25. (Ex. 5) Fact discovery is set to conclude on June 30, 2013, and expert discovery on June 20, 2013. (Ex. 6) This matter was bifurcated into liability and damages phases. (*See id.*) Trial for the liability phase is set to begin on October 7, 2013. (Ex. 6)

After more than a year of litigating the Massachusetts Matter, Philips in January, 2012, brought another suit in the Western District of Washington (the "Washington Matter") alleging that ZOLL infringed six other patents relating to defibrillator technology, patents that were also subject to the parties' cross-licensing negotiations. (Ex. 7) In that case, the only accused ZOLL products are its professional defibrillators; Philips again chose not to sue on ZOLL's LifeVest product. Given the overlap between the two cases, ZOLL sought transfer of the Washington Matter to the District of Massachusetts. (Ex. 8)

Philips initially opposed transfer on the alleged basis that different products were at issue in the Washington case (professional defibrillators) and the Massachusetts case (AEDs). Despite that representation, however, Philips then amended its complaint in Massachusetts to accuse the professional defibrillators of infringement, thus largely eliminating its rationale for opposing transfer, and requiring Philips to disavow its prior representation. (Exs. 9-10) Despite expanding the universe of accused products in the Massachusetts Matter, Philips again chose not to sue on the LifeVest product. (Ex. 9) That transfer motion remains pending.

patents. All of these patents relate to defibrillator technology, and were the subject of the parties' licensing negotiations. All of these patents had issued by the end of 2000, before the LifeVest product was introduced to the market in 2001.

Because of the similarity of the issues presented in this matter, the Washington Matter, and the Massachusetts Matter—and the fact that Philips waited at least four years, and in reality over ten years, to bring this action—ZOLL respectfully requests that this Court stay this action until the conclusion of the liability phase of the Massachusetts Matter.

LEGAL STANDARD

Federal courts have inherent power to control their dockets by staying proceedings. *Bechtel Corp. v. Local 215, Laborers' Int'l Union of North America*, 544 F.2d 1207, 1215 (3rd Cir. 1976). A stay is particularly appropriate where, as here, the outcome of another case may "substantially affect" or "be dispositive of the issues" in a case pending before a district court. *Id.*; *see also Rodgers v. United States Steel Corp.*, 508 F.2d 152, 162 (3rd Cir. 1975) ("[t]he district court had inherent discretionary authority to stay proceedings pending litigation in another court."). Stays are especially appropriate where the other case is proceeding in another federal court. *See Miccosukee Tribe of Indians of Florida v. South Florida Water Mgmt. Dist.*, 559 F.3d 1191, 1196 (11th Cir. 2009); *see also Colorado River Water Conservation Dist. v. United States*, 424 U.S. 800, 817 (1976) (noting that the "the general principle is to avoid duplicative litigation" when multiple federal cases share common issues); *Kerotest Mfg. Co. v.*

DOCKET ALARM

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.