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Paper 33
Date: August 21, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RØDE MICROPHONES, LLC, and
FREEDMAN ELECTRONICS PTY LTD.,
Petitioner,

v.

ZAXCOM, INC.,
Patent Owner.

IPR2025-00231
Patent 7,929,902 B1

Before JUSTIN T. ARBES, MIRIAM L. QUINN, and
MATTHEW J. McNEILL, *Administrative Patent Judges.*

PER CURIAM.

TERMINATION
Vacating Institution and Dismissing Proceeding
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

RØDE Microphones, LLC ("RØDE"), and Freedman Electronics Pty Ltd. ("Freedman") (collectively, "Petitioner") filed a Petition (Paper 1, "Pet.") requesting *inter partes* review of claims 1–6, 9, 10, 13, and 16–20 of U.S. Patent No. 7,929,902 B1 (Ex. 1001, "the '902 patent") pursuant to

35 U.S.C. § 311(a). Patent Owner Zaxcom, Inc. ("Patent Owner" or "Zaxcom") filed a Preliminary Response (Paper 8) pursuant to 35 U.S.C. § 313. Also, pursuant to our authorization (Paper 9), Petitioner filed a Preliminary Reply (Paper 10) and Patent Owner filed a Preliminary Sur-Reply (Paper 11).

Pursuant to our authorization provided by email (Ex. 3003), Patent Owner filed a motion to terminate on the basis that the Petition is time-barred under 35 U.S.C. § 315(b) (the "Motion" or "Mot."). Papers 15 (confidential), 16 (public redacted). Petitioner filed its response on June 5, 2025. Paper 20. The parties' briefing did not permit sufficient time to decide the motion prior to the three-month statutory deadline for determining whether to institute an *inter partes* review. *See* 35 U.S.C. § 314(b). We instituted an *inter partes* review on June 16, 2025. Paper 23.

B. Related Matters

On June 12, 2017, Lectrosonics, Inc. ("Lectrosonics") was served with a complaint alleging infringement of the '902 patent in *Zaxcom, Inc. v. Lectrosonics, Inc.*, No. 1:17-cv-03408-NGG-RER (E.D.N.Y. filed June 6, 2017)) (the "Lectrosonics litigation"). *See* Ex. 2027, 2028. Lectrosonics subsequently filed a petition for *inter partes* review of the '902 patent in IPR2018-01129 (the "Lectrosonics IPR"). Ex. 1017, 2. In the Lectrosonics IPR, the Board found challenged claims 7, 8, 11, 12, 14, and 15 of the '902 patent unpatentable and granted Patent Owner's motion to amend seeking to add proposed substitute claims 21–26. *Id.* at 73–74. The Board's final written decision was affirmed, and the Office issued an *inter partes* review certificate cancelling the challenged claims and adding the substitute claims.

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See Pet. 12; Ex. 1001; *Zaxcom, Inc. v. Lectrosonics, Inc.*, No. 2020-1921, 2022 WL 499848 (Fed. Cir. Feb. 18, 2022).

II. ANALYSIS

35 U.S.C. § 315(b) provides that an "inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, *real party in interest*, or *privy* of the petitioner is served with a complaint alleging infringement of the patent." 35 U.S.C. § 315(b) (emphases added). It is "the IPR petitioner [who] bears the burden of persuasion to demonstrate that its petitions are not time-barred under § 315(b) based on a complaint served on a real party in interest more than a year earlier." *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018).

Although *Worlds* addressed the burden issue in the context of a real party in interest (RPI) analysis, the same logic requires placing the burden on an IPR petitioner to demonstrate that its petition is not time-barred under § 315(b) based on a complaint served on a privy more than a year before the petition is filed. *See id.* (relying on Administrative Procedure Act (APA) provision placing burden of persuasion on party seeking relief, here an order from the Board). Petitioner, therefore, bears the burden of establishing that no real parties in interest or privies were served with a complaint alleging infringement more than one year prior to the filing of the Petition on December 4, 2024. Paper 1; *see Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 152 at 4–5 (PTAB Jan. 24, 2019) (precedential). The determination of whether a nonparty is a real party in interest or privy is made as of the date of institution of a proceeding, even if

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the relationship between the nonparty and petitioner arises after filing but before institution. *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1314 (Fed. Cir. 2019).

Patent Owner contends Lectrosonics is both a real party in interest and a privy of Petitioner. Mot. 1–7. Patent Owner argues that 35 U.S.C. § 315(b) bars institution of this proceeding because Lectrosonics was served with a complaint alleging infringement of the '902 patent more than one year before the filing of the Petition.

If Lectrosonics is a real party in interest *or* a privy of Petitioner, the Petition is time-barred pursuant to § 315(b). As explained below, we determine Lectrosonics was at the time of institution on June 16, 2025 (and still is) a privy of Petitioner. Because this is sufficient to determine that the Petition is therefore time-barred pursuant to § 315(b), we do not reach the issue of whether Lectrosonics is a real party in interest in this proceeding.

"Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case." Patent Trial and Appeal Board Consolidated Trial Practice Guide 15 (Nov. 2019) ("TPG"), *available at* https://www.uspto.gov/TrialPracticeGuideConsolidated (quoting 154 Cong. Rec. S9987 (daily ed. Sept. 27, 2008)). The privity "analysis seeks to determine whether the relationship between the purported 'privy' and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels." *Id.* at 14–15. "[T]he rationale behind § 315(b)'s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation." *WesternGeco LLC v. ION Geophysical Corp.,* 889 F.3d 1308, 1319 (Fed. Cir. 2018). Therefore, "it is important to

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determine whether the petitioner and the prior litigant's relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit." *Id.*

In *Taylor v. Sturgell*, 553 U.S. 880, 893–95 (2008), the Supreme Court provided a non-exhaustive list for examining whether the legal relationship between two parties establishes that one is the privy of the other: "(1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty's control of the prior litigation; (5) where the non-party acts as a proxy for the named party to relitigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the non-party (e.g., bankruptcy and probate)." *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1360 (Fed. Cir. 2018) ("*AIT*") (Reyna, J., concurring) (citing *Taylor*, 553 U.S. at 894–95). Analysis under any one of the factors can support a finding of privity. *See id.* (describing "six categories that create independent exceptions" to the normal rule forbidding nonparty preclusion); *id*. at 1363 (emphasizing that "any single one of the forms [of legal relationships] could suffice to establish privity").

Patent Owner contends that *Taylor* factors 2 and 5 support the conclusion that Lectrosonics is a privy of Petitioner. Motion 5–7. In particular, Patent Owner argues that Lectrosonics has a preexisting, established relationship with Petitioner. Motion 2. Patent Owner argues that about six months prior to the filing of the Petition, Lectrosonics contacted

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RØDE[1] to discuss Zaxcom, and Lectrosonics's executive vice president (EVP), Karl Winkler, was immediately introduced to RØDE's CEO, Damien Wilson. *Id.* (citing Ex. 2030). Patent Owner argues that on July 8, 2024, Lectrosonics signed a Non-Disclosure Agreement with Freedman to "share information to determine if both parties wish to enter a business relationship." *Id.* (citing Ex. 2031). Patent Owner argues that Lectrosonics and Freedman shared a Confidential Information Memorandum on or before December 9, 2024. *Id.* (citing Exs. 2032, 2033). Patent Owner argues that a Letter of Intent for Freedman's purchase of 100% of the equity of Lectrosonics was executed on or about January 21, 2025. *Id.* (citing Ex. 2034). Patent Owner argues that a Mutual Non-Disclosure Agreement between Freedman and Lectrosonics was executed on February 4, 2025. *Id.* at 2–3 (citing Ex. 2035). Patent Owner argues that RØDE acquired Lectrosonics as a wholly-owned subsidiary of RØDE on or about May 5, 2025. *Id.* at 3 (citing Exs. 2036, 2037, 2038). Patent Owner argues that RØDE and Lectrosonics also aligned management and strategy by making RØDE's CEO the secretary and treasurer of Lectrosonics and replacing three of Lectrosonics's Directors with RØDE executives. *Id.* Patent Owner argues that Lectrosonics also provided at least one Zaxcom patent invalidity analysis to Petitioner in February 2025. *Id.*

Patent Owner argues that now that RØDE is the parent company of Lectrosonics, the two companies have aligned financial interest in Lectrosonics's success, which is impacted by Lectrosonics's ability to add internal recording to its products and to potentially resume sale of Lectrosonics's product that previously was accused of infringing the '902

[1] "RØDE is a wholly-owned, direct subsidiary of Freedman." Ex. 1041 ¶ 3.

patent in the Lectrosonics litigation. Motion 6. Patent Owner argues that "courts have repeatedly found privity where . . . a nonparty acquires assets of a defendant-infringer." *Id.* (citing *Power Integrations*, 926 F.3d at 1316).

Patent Owner also argues that Petitioner is acting as a mere proxy for Lectrosonics to relitigate the same issues and arguments previously litigated in the Lectrosonics IPRs. Motion 6–7. Patent Owner argues that Petitioner has restated the same arguments and cited the same prior art as Lectrosonics in the Lectrosonics IPR. *Id.* at 7.

Petitioner argues that factors 2 and 5 do not support the conclusion that Lectrosonics is a privy of Petitioner. Paper 20 at 6–7. According to Petitioner, having a corporate relationship is insufficient to make an entity a real party in interest or privy under § 315(b). *Id.* at 5. Petitioner argues that Patent Owner misreads *Power Integrations* because that case was decided based on an admission that the nonparty was an RPI before institution. *Id.* at 6 (citing *Power Integrations*, 926 F.3d at 1310, 1318). Petitioner argues that the pre-existing substantive legal relationship between the parties under factor 2 must relate to the earlier litigation and there was no legal relationship between Lectrosonics and Petitioner at the time of the Lectrosonics litigation or Lectrosonics IPR. *Id.* at 6–7 (citing *WesternGeco*, 889 F.3d at 1319).

In *Power Integrations*, the Court of Appeals for the Federal Circuit considered the question of whether § 315(b) requires consideration of privity and RPI relationships arising after filing but before institution. *Power Integrations*, 926 F.3d at 1314. In its analysis, the Federal Circuit noted that, "[c]ourts have repeatedly found privity where, *after a suit begins*, a nonparty acquires assets of a defendant-infringer." *Id.* at 1316 (quoting

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Kloster Speedsteel AB v. Crucible Inc., 793 F.2d 1565, 1583 (Fed. Cir. 1986), *overruled on other grounds by Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337 (Fed. Cir. 2004) (en banc) (emphasis added in *Power Integrations*)). In *Kloster Speedsteel*, the Federal Circuit noted the importance of binding a third party that acquires rights involved in pending litigation to the final judgment of that litigation. 793 F.2d at 1583. That reasoning applies equally here. Petitioner acquired Lectrosonics as a wholly-owned subsidiary. Lectrosonics was previously subject to a suit alleging infringement of the '902 patent in the Lectrosonics litigation and previously challenged the patentability of claims of the '902 patent in the Lectrosonics IPR. In acquiring Lectrosonics, Petitioner acquired its rights and obligations with respect to the '902 patent, which includes § 315(b)'s time bar. If we were to determine otherwise, Petitioner would be able to serve as a proxy to re-challenge the '902 patent to the benefit of Lectrosonics, its wholly-owned subsidiary. As explained by the Federal Circuit in *Power Integrations*, "Congress 'chose language that bars petitions where proxies or privies would *benefit* from an instituted IPR, even where the petitioning party might separately have its own interest in initiating an IPR.'" 926 F.3d at 1316 (quoting *AIT*, 897 F.3d at 1347) (emphasis in *Power Integrations*).

Thus, even if Petitioner has a separate interest in initiating an IPR, given the totality of the circumstances, we determine that the relationship between Lectrosonics and Petitioner (Freedman and RØDE) is sufficiently close such that both should be bound by the Lectrosonics IPR outcome and related estoppels. In particular, at the time of institution on June 16, 2025, Lectrosonics was a wholly-owned subsidiary of RØDE (which is a wholly-

owned subsidiary of Freedman). Ex. 1041 ¶¶ 3, 13–14; *cf. WesternGeco*, 889 F.3d at 1320 (finding no privity between two "distinct and unrelated corporate entities"). Management was also aligned between Petitioner and Lectrosonics. Three board members of Freedman, two of which are also board members of RØDE, joined the board of Lectrosonics as a result of the acquisition. Ex. 1041 ¶¶ 15–16. One of those individuals, the CEO of Freedman, became Secretary and Treasurer of Lectrosonics. *Id.* ¶ 15. In June 2024, prior to the filing of the Petition and acquisition of Lectrosonics, a RØDE employee introduced Lectrosonics's EVP to Freedman's CEO, stating that Lectrosonics's EVP had been "asking some questions with regards [to] Zaxcom." Ex. 2030, 3. The email includes an attachment referencing Zaxcom's "patents" and "the Rode vs Zaxcom lawsuit." *Id.* at 4. And in "February/early March, 2025," Lectrosonics provided to Freedman's CEO a claim chart for a related Zaxcom patent that Lectrosonics had previously challenged in a different proceeding before the Board (IPR2018-00972). Ex. 1041 ¶ 19. Therefore, at least *Taylor* factors 2 and 5 show that Lectrosonics and Petitioner were in privity. Petitioner has not met its burden to establish that Lectrosonics is not a privy and that the Petition is not time-barred pursuant to § 315(b).

Because we determine that Lectrosonics was a privy of Petitioner, we need not determine whether Lectrosonics is also a real party in interest in this proceeding.

III. CONCLUSION

For the foregoing reasons, we conclude on this record that at the time of institution, Lectrosonics was a privy of Petitioner. Furthermore, we determine that Lectrosonics was served with a complaint alleging

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infringement of the ’902 patent more than one year before the Petition was filed. Therefore, based on the circumstances of this case, the Petition is barred under 35 U.S.C. § 315(b). Accordingly, pursuant to 35 U.S.C. § 315(b) and 37 C.F.R. §§ 42.71(a) and 42.72, we dismiss the Petition, vacate our Decision to Institute (Paper 23), and terminate the *inter partes* review without rendering a final written decision under 35 U.S.C. § 318(a).

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *dismissed*;

FURTHER ORDERED that the Decision to Institute (Paper 23) is *vacated*; and

FURTHER ORDERED that this *inter partes* review is *terminated*.

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