

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VMR PRODUCTS LLC,  
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,  
Patent Owner.

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Case IPR2015-00859  
Patent 8,365,742 B2

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Before JACQUELINE WRIGHT BONILLA, BRIAN J. McNAMARA, and  
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

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

## I. INTRODUCTION

VMR Products LLC (“Petitioner”) filed a Petition (“Pet.”) to institute an *inter partes* review of claims 1–3 of U.S. Patent No. 8,365,742 B2 (“the ’742 patent,” Ex. 1001). Paper 2. Fontem Holdings 1 B.V. (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.”). Paper 5. We have jurisdiction under 35 U.S.C. § 314.

Upon consideration of the Petition and Preliminary Response, we determine that Petitioner has not established a reasonable likelihood of prevailing with respect to claims 1–3 of the ’742 patent. Accordingly, we deny the Petition, and do not institute an *inter partes* review.

### A. *Related Proceedings*

Petitioner indicates that the ’742 patent is asserted in numerous cases pending in the Central District of California, including *Fontem Ventures B.V. v. VMR Products LLC*, Case No. 2:14-cv-01655 (“the District Court Action”). Pet. 1–2. Patent Owner states that the ’742 patent is also the subject of IPR2015-01587, filed by JT International SA on July 14, 2015. Paper 7, 1.

### B. *The ’742 Patent (Ex. 1001)*

The ’742 patent, titled “Electronic Cigarette,” is directed to an aerosol electronic cigarette having a battery assembly, an atomizer assembly, a cigarette bottle assembly, and a hollow, integrally-formed shell. Ex. 1001, Abstract. According to the ’742 patent, prior art devices had various disadvantages, including low atomizing efficiency, being structurally complicated, and not providing ideal aerosol effects. *Id.* at 1:21–24.

Figure 1 of the '742 patent is reproduced below:

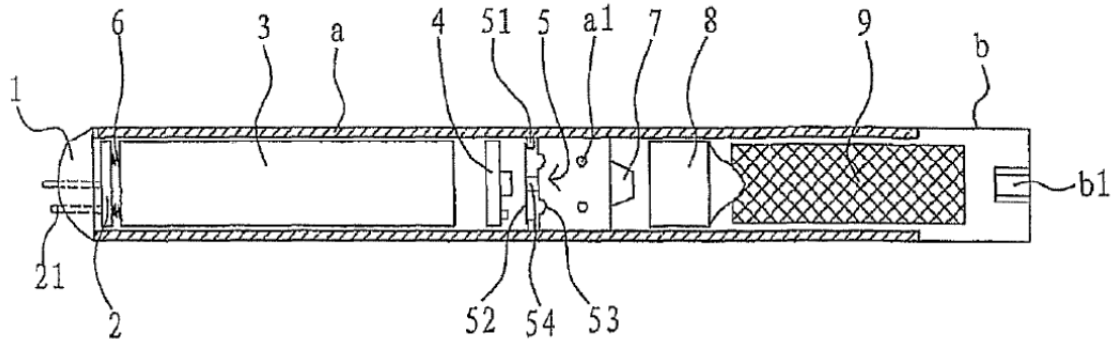


Figure 1

Figure 1 is a side section view of an electronic cigarette. *Id.* at 1:45. Hollow, integrally-formed shell “a” includes a battery assembly, atomizer assembly, and cigarette bottle assembly. *Id.* at 2:30–33. The battery assembly connects to the atomizer assembly in shell “a,” and the detachable cigarette body assembly (which fits with the atomizer assembly) is located in one end of shell “a.” *Id.* at 2:33–37. Shell “a” also includes through-air-inlets a1. *Id.* at 2:37–38. The battery assembly includes operating indicator 1, battery 3, electronic circuit board 4, and airflow sensor 5. *Id.* at 2:39–45. The atomizer assembly is atomizer 8, which includes a porous component and a heating rod. *Id.* at 3:6–8. The cigarette bottle assembly includes hollow cigarette shell holder “b,” and perforated component for liquid storage 9. *Id.* at 3:49–51. Air channel b1 is located in the center on the surface of one end of cigarette shell holder “b,” and extends inward. *Id.* at 3:59–62.

Figures 5, 6, and 7 of the '742 patent are reproduced below:

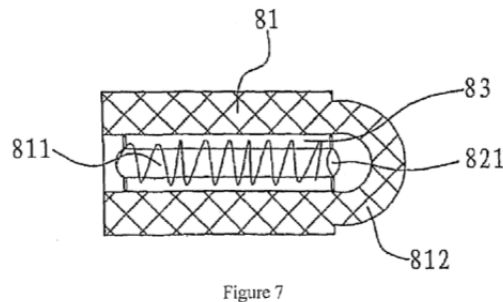
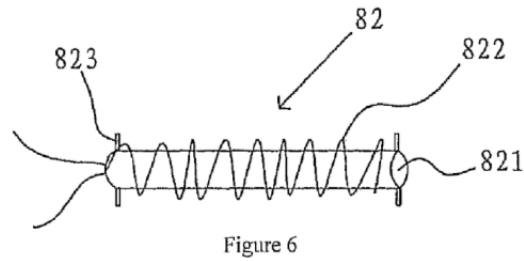
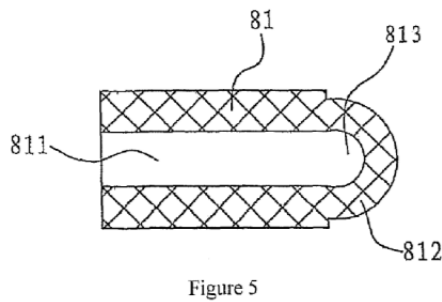


Figure 5 is a side-section view of the porous component of atomizer 8, Figure 6 is a diagram of the structure of a heating rod in atomizer 8, and Figure 7 is a side-section view of atomizer 8. *Id.* at 1:53–59. Atomizer 8 includes porous component 81 and heating rod 82. *Id.* at 3:6–8. Heating rod 82 includes heating wire 822 wound on the wall of cylinder 821. *Id.* at 3:28–30. Porous component 81 contains run-through atomizing chamber 811. *Id.* at 3:8–9. Heating rod 82 enters run-through atomizing chamber 811, and the space between heating rod 82 and the interior wall of run-through atomizing chamber 811 creates negative pressure cavity 83. *Id.* at 3:11–15. One end of porous component 81 fits with the cigarette bottle assembly, with protuberance 812 at the other end connecting to atomizing chamber 811 with run-through hole 813. *Id.* at 3:16–19.

*C. Illustrative Claim*

Petitioner challenges claims 1–3 of the '742 patent. Each of claims 1–3 is independent. Claim 1 is illustrative, and recites as follows:

1. An aerosol electronic cigarette, comprising:

- a battery assembly, an atomizer assembly and a cigarette bottle assembly, and a shell that is hollow and integrally formed;
- the battery assembly electrically connected with the atomizer assembly, and both are located in the shell;
- the cigarette bottle assembly is detachably located in one end of the shell, and fits with the atomizer assembly inside of it;
- the shell has through-air-inlets;
- the atomizer assembly is an atomizer, which includes a porous component and a heating body;
- the heating body is a heating wire;
- the atomizer includes a frame;
- the porous component is supported by the frame;
- the heating wire is wound on the porous component;
- the frame has a run-through hole;
- a heating wire wound on a part of the porous component that is substantially aligned with the run-through hole; and with the porous component also positioned substantially within the cigarette bottle assembly.

*D. The Prior Art*

Petitioner relies on the following prior art references:

<b>Reference</b>	<b>Patent</b>	<b>Date</b>	<b>Exhibit No.</b>
Whittemore	US 2,057,353	Sept. 27, 1935	1013
Counts	US 5,144,962	Sept. 8, 1992	1011
Susa	EP 0 845 220 A1	June 3, 1998	1010
Abhulimen	WO 03/034847 A1	May 1, 2003	1012
Hon '043	Chinese Patent No. CN 2719043 Y	Aug. 24, 2005	1004 and 1005 (English translation)

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