

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY,
Petitioners

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner

Case **IPR2016-01268**
Patent No. **8,365,742**

**PATENT OWNER'S REPLY TO
PETITIONER'S OPPOSITION TO MOTION TO EXCLUDE
PURSUANT TO 37 C.F.R. §§ 42.62 AND 42.64**

Petitioner characterizes its expert's Reply Declaration opinions as legitimate responses to Patent Owner's arguments rather than new *prima facie* evidence. As shown below, the record contradicts Petitioner.

I. Axial Displacement “With Respect To” the Porous Body

Patent Owner did not “mischaracterize” Dr. Sturges's opinion. Paper 42 at 8. Dr. Sturges's Petition Declaration recites that the cavity wall prevents “axial displacement when the porous body 27 is forcibly inserted” into the liquid supply. Ex. 1015 ¶ 44. When asked at cross-examination what he meant “in paragraph 44 by axial displacement,” Dr. Sturges confirmed there is “displacement in the direction of the axis, meaning bringing the *porous body* and the *liquid supply bottle* into relative motion.” Ex. 2016 at 117:7–14 (emphasis added). He elaborated:

Q. So axial displacement means that the *atomizer* would move *along the long axis of the e-cigarette* when the liquid supply bottle is inserted into the e-cigarette; is that what you mean?

A: Relative to each other, yes.

Id. at 117:15–19 (emphasis added). In response, Patent Owner's expert explained that the cavity wall cannot prevent Dr. Sturges's purported axial displacement of the porous body because the cavity wall is entirely inside the porous body. Ex. 2015 ¶¶ 51–55. So, in reply, Dr. Sturges admitted the cavity wall “will not prevent the axial movement of porous body 27 with respect to shell 14,” and claimed for

the first time that he meant “axial displacement of porous body 27 with respect to cavity wall 25.” Ex. 1027 ¶ 25. Petitioner’s and Dr. Sturges’s changing the meaning of “axial displacement” for the first time on reply deprives Patent Owner a full opportunity to respond with evidence.

II. Deformation

Petitioner asserts that Patent Owner’s Opposition “challenged Dr. Sturges’ opinion about deformation.” Paper 42 at 8. But Patent Owner’s Opposition explained that Dr. Sturges *never offered* an opinion on deformation as follows: “Petitioner’s brief and two expert declarations say nothing about deformation prevention.” Paper 24 at 1.

Tacitly admitting that its Petition did not rely on deformation, Petitioner argues Patent Owner “elicited” Dr. Sturges’s opinion during cross-examination. *Id.* at 9. But Patent Owner did not question Dr. Sturges about deformation. Instead, Patent Owner asked Dr. Sturges about his opinion that the cavity wall prevents axial displacement described in Section I above. *See* Ex. 1015 ¶ 44. To Patent Owner’s surprise, Dr. Sturges said the cavity wall does not prevent axial displacement, and for the first time opined about deformation:

Q. And the purpose of this cavity wall is to prevent axial displacement; is that correct?

A. It's not to prevent the axial displacement. It's to prevent the porous body from deforming....

Ex. 2016 at 117:20–118:4. Petitioner cannot rely on its expert's unsolicited cross-examination testimony to introduce a new theory of “support” for the first time in reply, now that Patent Owner has no opportunity to respond with evidence.

III. Sag and Weight-Bearing Support

Petitioner argues Dr. Sturges's new opinions about “sag” due to “low rigidity” are appropriate because Patent Owner “alleged that Hon 043's cavity wall does not provide weight-bearing support for the porous body” and “disputed the rigidity of Hon 043's porous body.” Paper 42 at 8. But it is the *Petition*—not Patent Owner—that cited the Board's previous findings that “support” means “bear all or part of the weight of: hold up,” and that Hon '043's cavity wall is not “supported” by the porous body. Paper 2 at 14–15; Ex. 1011 at 15–16. Instead of disputing those findings, the *Petition* said the “cavity wall 25 provides support for porous body 27 in several ways” *besides* bearing its weight. Paper 2 at 15. Patent Owner pointed out that Petitioner relies on the plain meaning of “supported by” because the *Petition* did not set forth a specific construction, and that Petitioner's proposed “several ways” of support are not encompassed by the plain meaning. Paper 24 at 19. If Petitioner wanted to dispute the Board's previous finding about

weight-bearing support, it should have done so in the Petition, not for the first time in reply.

IV. Misalignment

Petitioner admits Dr. Sturges’s “misalignment” opinion is new, but argues it is proper because it is “replying to Meyst’s opinion” that there is no friction fit or bonding material disclosed in Hon ’043. But in the Petition, Petitioner and Dr. Sturges alleged the porous body was attached to the cavity wall “by a friction fit or with a bonding material to prevent axial displacement of the porous body,” with no mention of preventing angular displacement or misalignment. Paper 2 at 15–16; Ex. 1015 ¶ 45. In response, Patent Owner’s expert explained that the cavity wall could not prevent axial displacement even with a friction fit or bonding material because, as noted in Section I above, the cavity wall is completely within the porous body. Ex. 2015 ¶ 55. So Dr. Sturges changed his opinion again, now alleging for the first time in reply that the cavity wall would “rattle around” and become “misaligned.” Ex. 1027 ¶¶ 18–19. That reply opinion should be excluded because Patent Owner has no opportunity to respond with evidence.

V. The Requested Relief is Appropriate

Petitioner cites CBM2012-00003 to assert that Patent Owner’s request to exclude the Sturges Reply Declaration is “over-reaching.” Paper 42 at 6–7. But in

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