

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner.

Case IPR2016-01268
Patent 8,365,742 B2

Before BRIAN J. McNAMARA, JEREMY M. PLENZLER, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

R.J. Reynolds Vapor Company (“Petitioner”) filed a Petition (“Pet.”) to institute an *inter partes* review of claims 2 and 3 of U.S. Patent No. 8,365,742 B2 (Ex. 1001, “the ’742 patent”). Paper 2. On January 3, 2017, we instituted an *inter partes* review of claims 2 and 3 based on our determination that the information presented in the Petition demonstrated a reasonable likelihood that Petitioner would prevail in challenging claims 2 and 3 as unpatentable under 35 U.S.C. § 103 as obvious over the combined teachings of Hon ’043¹ and Whittemore.² Paper 10 (“Dec. on Inst.”). Fontem Holdings 1 B.V. (“Patent Owner”) filed a Patent Owner Response (Paper 24, “PO Resp.”), and an Errata in support of its Patent Owner Response (Paper 27). Petitioner filed a Reply (Paper 30, “Reply”) and an Errata in support of its Reply (Paper 34).

Petitioner supports its Petition with the Declaration of Dr. Robert H. Sturges (Ex. 1015), the Supplemental Declaration of Dr. Robert H. Sturges (Ex. 1020), and the Reply Declaration of Dr. Robert H. Sturges (Ex. 1027). Patent Owner relies on the First and Second Declarations of Richard Meyst (Ex. 2001; Ex. 2015).

On September 14, 2017, we authorized the parties to file supplemental briefing regarding the deposition testimony of Dr. Sturges and Mr. Meyst taken in *R.J. Reynolds Vapor Co. v. Fontem Holdings 1 B.V.*, Case IPR2016-01692 (“the 1692 IPR”). Paper 45. Specifically, Petitioner filed a

¹ Hon ’043, Chinese Patent No. CN 2719043 Y, published Aug. 24, 2005 (Exs. 1002 and 1003 (English translation)). Petitioner provided an affidavit attesting to the accuracy of the translation. Ex. 1019; *see* 37 C.F.R. § 42.63(b).

² Whittemore, US 2,057,353, published Sept. 27, 1935 (Ex. 1004).

Supplemental Brief Regarding Cross-Examination Testimony of Mr. Meyst in the 1692 IPR (Paper 51), and Patent Owner filed Brief Regarding Testimony from Dr. Robert H. Sturges in the 1692 IPR (Paper 52).

Thereafter, Patent Owner filed a Reply to Petitioner's Supplemental Brief (Paper 57), and Petitioner filed a Reply to Patent Owner's Brief (Paper 56).

Patent Owner filed a Motion to Exclude (Paper 37) Exhibits 1005–1008, 1022, and 1027–1032. Petitioner filed an Opposition (Paper 42) and Patent Owner filed a Reply (Paper 47).

An oral hearing was held on October 10, 2017. A transcript of the hearing is included in the record (Paper 62, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has not established by a preponderance of the evidence that claims 2 and 3 of the '742 patent are unpatentable.

A. *Related Proceedings*

The parties indicate that the '742 patent is asserted in numerous cases pending in the Central District of California, including *Fontem Ventures B.V. v. R.J. Reynolds Vapor Company*, Case No. 2:16-cv-02286. Pet. 2–3; Paper 4, 1–5; Paper 6, 2.

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.

Figure 1 of the '742 patent is reproduced below:

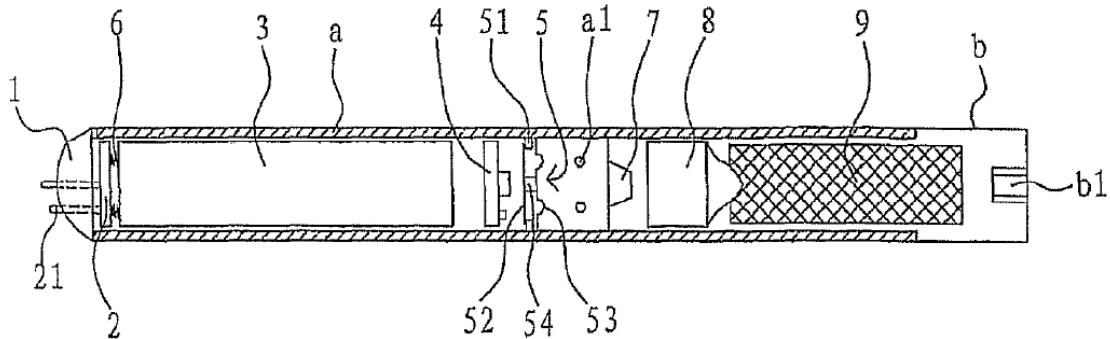


Figure 1

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 17 and 18 of the '742 patent are reproduced below:

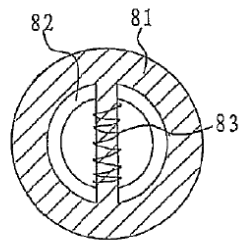


Figure 17

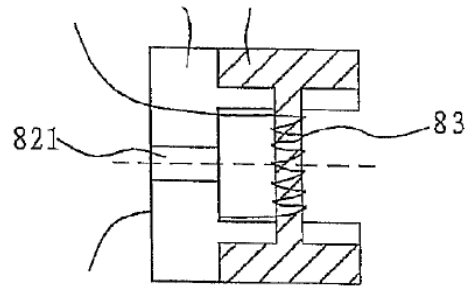


Figure 18

Figure 17 is a diagram of the axial structure of one embodiment of atomizer 8, and Figure 18 is a side-section view the atomizer shown in Figure 17. *Id.* at 2:11–14. Atomizer 8 includes frame 82, porous component 81 set on frame 82, and heating wire 83 wound on porous component 81. *Id.* at 5:42–46. Frame 82 has run-through hole 821, and porous component 81 is wound with heating wire 83 in that part that is on the side in the axial direction of run-through hole 821. *Id.* at 5:46–49. One end of porous component 81 fits with the cigarette bottle assembly. *Id.* at 5:49–50.

Claims 2 and 3 are independent claims, and are reproduced below:

2. An electronic cigarette, comprising:

a battery assembly and an atomizer assembly within a housing with the battery assembly electrically connected to the atomizer assembly;

a liquid storage component in the housing;

with the housing having one or more through-air-inlets;

the atomizer assembly including a porous component supported by a frame having a run-through hole;

a heating wire wound on a part of the porous component in the path of air flowing through the run-through hole; and

the porous component substantially surrounded by the liquid storage component.

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.