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Paper 12
Entered: March 23, 2017

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 IPR2016-01532
Patent 8,365,742 B2

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

KOKOSKI, *Administrative Patent Judge.*

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)

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On February 28, 2017, R. J. Reynolds Vapor Company ("Petitioner") filed a Request for Rehearing (Paper 10, "Request" or "Req. Reh'g") of our Decision (Paper 9, "Decision" or "Dec.") denying institution of *inter partes* review of claims 2 and 3 of U.S. Patent No. 8,365,742 B2 ("the '742 patent," Ex. 1001). According to Petitioner, the Decision "is based on a key factual error with respect to the disclosure of [U.S. Patent Application Serial No. 12/226,818 ("the '818 Application," Ex. 1009)], which led the Board to erroneously conclude that claims 2 and 3 of the 742 patent are entitled to the filing date of the 818 application." Req. Reh'g 13.

A request for rehearing must identify specifically all matters the party believes we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. 37 C.F.R. § 42.71(d). Petitioner, as the party challenging the Decision, has the burden of showing it should be modified. *Id.* When rehearing a decision on a petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined "if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors." *Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004) (citing *In re Gartside*, 200 F.3d 1305, 1315–16 (Fed. Cir. 2000)).

Petitioner argues that the Decision is not supported by substantial evidence because "contrary to the Board's implicit holding, the 818 Application does not contemplate embodiments where the battery assembly and the atomizer assembly are merely located anywhere within a housing that is purportedly formed by shells (a) and (b)." Req. Reh'g 7.

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Specifically, Petitioner argues that the only embodiment "described in the 818 application is one in which the battery assembly and the atomizer assembly are located in the ***same shell*** (*i.e.*, shell (a)) of a housing that is purportedly formed by shells (a) and (b)," and, therefore, the 818 Application "cannot provide written description support for claims 2 and 3, which permit the battery assembly and the atomizer assembly to be located in ***separate*** shells." *Id.* (citing Pet. 2, 36, 42–44; Ex. 1012 ¶¶ 50–54). We are not persuaded by Petitioner's argument.

As set forth in the Decision, we compared the '742 patent claims to the '818 Application to determine whether the '818 Application provides written description support for the "a battery assembly and an atomizer assembly within a housing" limitation of claims 2 and 3. Dec. 14–15. In that regard, we stated that

> the '818 Application discloses that the electronic cigarette includes a battery assembly connected to an atomizer assembly within shell (a), and a cigarette bottle assembly that fits with the atomizer assembly located in a detachable end of the shell. Ex. 1009, 18–19. The '818 Application describes an embodiment where "the battery assembly and atomizer assembly are mutually connected and then installed inside the integrally formed shell (a) to form a one piece part," which is plugged into the cigarette bottle assembly contained within shell (b). *Id.* at 20.

Id. at 13.

Claims 2 and 3 of the '742 patent only require that the battery assembly and the atomizer assembly are within a housing, and we determined that "housing" is not limited to a one-piece shell. *See id.* at 7–9, 14; Ex. 1001, 6:27–52. Because the '818 Application describes a battery assembly and an atomizer assembly within shell (a) that is plugged into shell (b) to form a housing for an electronic cigarette, we were not persuaded by

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Petitioner's argument that the "a battery assembly and an atomizer assembly within a housing" limitation recited in the challenged claims lacks written description support in the '818 Application. Dec. 14. We fully considered the arguments and evidence presented in the Petition and deemed it insufficient to create a reasonable likelihood that claims 2 and 3 are not entitled to claim priority to the filing date of the '818 Application. Petitioner does not persuasively show in the Request that this conclusion is unsupported by substantial evidence. It is not an abuse of discretion to have made an analysis or conclusion with which a party disagrees.

Petitioner also argues that "the Board erred in concluding that the disclosures of the 742 patent and the 818 application are similar; they are vastly different in key respects." Req. Reh'g 8. As described above, however, the relevant inquiry is whether the '818 Application provides written description support for claims 2 and 3 of the '742 patent, which requires a comparison of the claims to the '818 Application's disclosure, not a comparison of the '818 Application's disclosure to the '742 patent specification. *See* Dec. 14–15. The differences between the '742 specification and the '818 Application's disclosure do not change our analysis with respect to the comparison of the claims of the '742 patent and the disclosure of the '818 Application. As a result, we did not abuse our discretion in denying institution of *inter partes* review of claims 2 and 3 on the asserted ground of unpatentability.

Petitioner's Request for Rehearing is *denied*.

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