

**UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.**

**In the Matter of**

**CERTAIN TOBACCO HEATING  
ARTICLES AND COMPONENTS  
THEREOF**

**Inv. No. 337-TA-1199**

**NOTICE OF INSTITUTION OF INVESTIGATION**

Institution of Investigation Pursuant to 19 U.S.C. 1337

**AGENCY:** U.S. International Trade Commission

**ACTION:** Notice

**SUMMARY:** Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on April 9, 2020, under section 337 of the Tariff Act of 1930, as amended, on behalf of RAI Strategic Holdings, Inc. of Winston-Salem, North Carolina, R.J. Reynolds Vapor Company of Winston-Salem, North Carolina, and R.J. Reynolds Tobacco Company of Winston-Salem, North Carolina. A letter supplementing the complaint was filed on April 16, 2020. The complaint alleges violations of section 337 based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain tobacco heating articles and components thereof by reason of infringement of certain claims of U.S. Patent No. 9,839,238 (“the ’238 patent”); U.S. Patent No. 9,901,123 (“the ’123 patent”); and U.S. Patent No. 9,930,915 (“the ’915 patent”). The complaint further alleges that an industry in the United States exists as required by the applicable Federal Statute.

The complainant requests that the Commission institute an investigation and, after the investigation, issue a limited exclusion order and cease and desist orders.

**ADDRESSES:** The complaint, except for any confidential information contained therein, may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email [EDIS3Help@usitc.gov](mailto:EDIS3Help@usitc.gov). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>.

<p>RAI Strategic Holdings, Inc. Exhibit 2027 Philip Morris Products, S.A. v. RAI Strategic Holdings, Inc. IPR2020-00919</p>
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**FOR FURTHER INFORMATION CONTACT:** Pathenia Proctor, Office of Unfair Import Investigations, U.S. International Trade Commission, telephone (202) 205-2560.

**SUPPLEMENTARY INFORMATION:**

**AUTHORITY:** The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in section 210.10 of the Commission's Rules of Practice and Procedure, 19 C.F.R. 210.10 (2019).

**SCOPE OF INVESTIGATION:** Having considered the complaint, the U.S. International Trade Commission, on May 11, 2020, **ORDERED THAT** –

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain products identified in paragraph (2) by reason of infringement of one or more of claim 19 of the '238 patent; claims 27-30 of the '123 patent; and claims 1, 2, and 5 of the '915 patent; and whether an industry in the United States exists as required by subsection (a)(2) of section 337;

(2) Pursuant to section 210.10(b)(1) of the Commission's Rules of Practice and Procedure, 19 C.F.R. 210.10(b)(1), the plain language description of the accused products or category of accused products, which defines the scope of the investigation, is "electric tobacco heating device systems and the associated tobacco sticks sold for use with the device systems";

(3) Pursuant to Commission Rule 210.50(b)(1), 19 C.F.R. § 210.50(b)(1), the presiding administrative law judge shall take evidence or other information and hear arguments from the parties or other interested persons with respect to the public interest in this investigation, as appropriate, and provide the Commission with findings of fact and a recommended determination on this issue, which shall be limited to the statutory public interest factors set forth in 19 U.S.C. §§ 1337(d)(1), (f)(1), (g)(1);

(4) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainants are:

RAI Strategic Holdings, Inc.  
401 North Main Street  
Winston-Salem, NC 27101

R.J. Reynolds Vapor Company  
401 North Main Street  
Winston-Salem, NC 27101

R.J. Reynolds Tobacco Company  
401 North Main Street  
Winston-Salem, NC 27101

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Altria Client Services LLC  
6601 W. Broad Street  
Richmond, VA 23230

Altria Group, Inc.  
6601 W. Broad Street  
Richmond, VA 23230

Philip Morris USA, Inc.  
6601 W. Broad Street  
Richmond, VA 23230

Philip Morris International Inc.  
120 Park Avenue  
New York, NY 10017

Philip Morris Products S.A.  
Quai Jeanrenaud 3  
2000 Neuchâtel  
Switzerland

(c) The Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street, S.W., Suite 401, Washington, D.C. 20436; and

(5) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 C.F.R. 210.13. Pursuant to 19 C.F.R. 201.16(e) and 210.13(a), as amended in 85 FR 15798 (March 19, 2020), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the

complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.



Lisa R. Barton  
Secretary to the Commission

Issued: May 11, 2020

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

In the Matter of

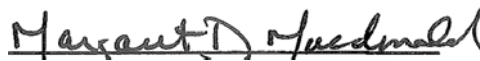
CERTAIN TOBACCO HEATING ARTICLES  
AND COMPONENTS THEREOF

Inv. No. 337-TA-1199

DESIGNATION OF OUII ATTORNEY  
FOR SERVICE OF PROCESS

The Office of Unfair Import Investigations (“OUII”) hereby designates Sarah Sladic, Esq. (202) 205-2202, sarah.sladic@usitc.gov, as OUII's lead attorney for service of process. It is requested that all documents served by the Commission or filed by the parties in the above-referenced investigation be served upon this attorney.

Respectfully submitted,



Margaret Macdonald, Director

**OFFICE OF UNFAIR IMPORT INVESTIGATIONS**

U.S. International Trade Commission  
500 E Street, S.W., Suite 401  
Washington, D.C. 20436  
(202) 205-2560  
(202) 205-2158 (facsimile)

May 11, 2020

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