

EXHIBIT 2

R.J. REYNOLDS VAPOR COMPANY,

Plaintiffs and Counterclaim Defendants,

v.

ALTRIA CLIENT SERVICES LLC; PHILIP
MORRIS USA INC.; and PHILIP MORRIS
PRODUCTS S.A.,

Defendants and Counterclaim Plaintiffs.

Case No. 1:20-cv-00393-LO-TCB

DECLARATION OF CHARLES A. LEYES

I, Charles A. Leyes, declare:

1. I am over eighteen years of age and am competent to testify to the matters stated in this declaration. The statements made herein are based on my personal knowledge, except where stated, in which case the statements are based on information and belief.

2. I am an employee of RAI Services Company, a subsidiary of Reynolds American Inc. and an affiliate of Defendant R.J. Reynolds Vapor Company (“Reynolds”). I serve as Managing Counsel and have responsibility for certain patent litigation matters within the Reynolds family of companies, including the above-captioned litigation.

3. I am aware of the implications of disclosing the confidential and competitively sensitive information produced in this matter. I am also familiar with

Trial Exhibits and Trial Transcripts (“Motion”) in the above-captioned case.

5. The confidential exhibits and expected trial testimony that Reynolds seeks to seal fall into the following categories: (a) confidential and proprietary information made available to FDA as part of the regulatory process, and Reynolds’s internal documents related to its confidential regulatory strategies; (b) CAD files and source code for the Vuse products; (c) agreements and related documents between Reynolds and non-parties Fontem and Nicoventures (and their affiliated entities); (d) technical documents from non-party suppliers; (e) financial forecasts, cost analyses, future business plans, including research and development, and historical financial data on the individual Vuse products; and (f) testimony related to these categories.

6. I am informed and believe that the Pre-Market Tobacco Product Applications (“PMTAs”) were submitted confidentially to FDA and that the agency maintains the confidentiality of the PMTAs to the extent the information contained in the PMTAs is exempt from public disclosure under federal law. The PMTAs contain confidential technical details and specifications for the four Vuse products. In addition to the product-related details, the structure and content of Reynolds’s PMTA submissions are also confidential and competitively sensitive, because they provide insight into Reynolds’s decisions and strategy regarding scientific content, tests, and data and the organization of

formulations, regulatory strategy, marketing decisions, and business practices. Reynolds's decisions regarding regulatory submissions are held in strict confidence as disclosure could allow competitors to outmaneuver Reynolds in the regulatory process.

7. Attached hereto as Exhibit A is a true and correct copy of Marketing Granted Orders from FDA dated October 12, 2021, covering the Vuse Solo power unit and Vuse replacement cartridge Original 4.8%. Reynolds was the first manufacturer to receive Marketing Granted Orders from FDA for an electronic nicotine delivery system ("ENDS") product. FDA has since granted marketing authorization for tobacco-flavored Vuse Vibe and Vuse Ciro. Exhibit B is a true and correct copy of Marketing Granted Orders from FDA dated May 12, 2022, covering the Vuse Vibe power unit and Vibe replacement tank Original 3.0% and Vuse Ciro power unit and Ciro replacement cartridge Original 1.5%, respectively. In issuing the Marketing Granted Orders to Reynolds, FDA determined, based on its review of Reynolds's PMTAs, that permitting the marketing of these Vuse Solo, Vibe, and Ciro products is appropriate for the protection of the public health. Disclosure of Reynolds's intellectual property, technical product details, and technical know-how described in Reynolds's PMTAs would give Reynolds's competitors an unfair advantage by giving them insight into Reynolds's confidential technical capabilities, product development, and trade secrets, such as the e-liquid composition, without making

(RX-0784, RX-0785, RX-0966, RX-0835, RX-1163, RX-1725, PX-312 (slides 59-61), PX-314 (slides 40-45), PX-316, PX-317, PX-325, PX-515). Reynolds's regulatory strategy is held in strict confidence as disclosure could allow competitors to outmaneuver Reynolds in the regulatory process.

9. I am informed and believe that the CAD files and source code for the Vuse products remain confidential and provide a level of technical detail regarding the Vuse products that are not attainable through a physical tear down of the products. For example, I am informed and believe that the CAD files reveal internal dimensions of the product, manufacturing tolerances, manufacturing notes, material compositions, version revision history, and design notes, among other highly confidential technical information, and that the source code provides the control algorithms for the Vuse products. Disclosure of the CAD files or source code of the Vuse products would give Reynolds's competitors an unfair advantage by giving them insight into Reynolds's confidential technical capabilities, product development, and trade secrets, without making the same investment in the development of their own products.

10. I am informed and believe that the agreement between Reynolds and Fontem (and their affiliated entities) concern the acquisition of certain intellectual property rights and that the parties agreed to treat the terms of the agreements as confidential. I am

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