

EXHIBIT 14

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

PHILIP MORRIS PRODCUTS S.A.,)
)
Counterclaim Plaintiff,) Civil Action
) No. 1:20-cv-00393-LMB/TCB
)
v.) June 8, 2022
) 8:51 a.m.
R.J. REYNOLDS VAPOR COMPANY,)
)
Counterclaim Defendant.)
)
)

VOLUME 1 - MORNING SESSION
TRANSCRIPT OF JURY TRIAL PROCEEDINGS
BEFORE THE HONORABLE LEONIE M. BRINKEMA,
UNITED STATES DISTRICT COURT JUDGE

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C O N T E N T S

<u>EXAMINATIONS</u>	<u>Page</u>
OPENING STATEMENT ON BEHALF OF THE PLAINTIFF	120
OPENING STATEMENT ON BEHALF OF THE DEFENDANT	131
DIRECT EXAMINATION OF MOIRA GILCHRIST BY MR. GRANT	140

EXHIBITS

<u>DESCRIPTION</u>	<u>Page</u>
--------------------	-------------

12:31PM 1 Philip Morris's patented technology. Now, to be clear, this

12:31PM 2 \$37 million figure is a conservative figure that's based on

12:31PM 3 conservative assumptions that you'll hear about, and that if you

12:31PM 4 believe a higher royalty is supported by the evidence, you're

12:31PM 5 entitled to award more.

12:31PM 6 Now, Reynolds used this technology in Philip Morris's

12:32PM 7 patents without our permission, without even asking, despite

12:32PM 8 their executives admitting that they knew about each patent or

12:32PM 9 published application before the lawsuit was filed and before

12:32PM 10 they started producing the devices. The timeline I'm showing you

12:32PM 11 here shows the dates that Reynolds admits it knew about our

12:32PM 12 patents and applications and the dates it came out with the Vuse

12:32PM 13 products in the United States.

12:32PM 14 Now, as the judge told you, your job here is an important

12:32PM 15 one, Philip Morris, us, has to prove by what's called a

12:32PM 16 preponderance of the evidence that Reynolds used devices that

12:32PM 17 meet each specific element set forth in our patent claim.

12:32PM 18 What's Reynolds' response? The evidence is going to show

12:32PM 19 its excuses, a bunch of excuses. There's an old saying that the

12:32PM 20 best defense is a good offense, and I think you should prepare to

12:32PM 21 hear that next.

12:32PM 22 Reynolds says the Patent Office, for example, made

12:33PM 23 mistakes when the Patent Office approved the patent, but as you

12:33PM 24 saw in the patent video, before a patent issues, expert examiners

12:33PM 25 study an invention for years, they must conclude that the

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12:33PM 1 invention is new, not obvious, and that the patent properly

12:33PM 2 describes the invention.

12:33PM 3 Only then will they issue a patent, which the Patent

12:33PM 4 Office is just a couple of blocks away, two separate times, and

12:33PM 5 that effort that the patent examiners and the Patent Office take

12:33PM 6 to vet inventions to ensure they're warranted before handing them

12:33PM 7 out doesn't get short shrift here.

12:33PM 8 As the judge told you, because the Patent Office examiners

12:33PM 9 are presumed to have done their job, someone challenging a patent

12:33PM 10 has to show that the Patent Office was wrong by clear and

12:33PM 11 convincing evidence, a higher standard of proof, but you're not

12:33PM 12 going to see any strong evidence from Reynolds that the Patent

12:33PM 13 Office made any mistake or that Philip Morris's patents are not

12:34PM 14 novel or somehow obvious.

12:34PM 15 Now, after you've seen the evidence, I'm going to ask that

12:34PM 16 you return a verdict of infringement in Philip Morris's favor

12:34PM 17 and, because Reynolds admits that it knew about our patents

12:34PM 18 before the devices were sold, that this infringement was

12:34PM 19 intentional and we will ask you to find that Reynolds'

12:34PM 20 infringement was willful.

12:34PM 21 After the evidence is closed, I'll have an opportunity to

12:34PM 22 speak to you again. I thank you for your patience this

12:34PM 23 afternoon.

12:34PM 24 THE COURT: Thank you. All right. We'll have our opening

12:34PM 1 **OPENING STATEMENT ON BEHALF OF THE DEFENDANTS**

12:34PM 2 MS. PARKER: May it please the Court, and counsel. Let me

12:34PM 3 introduce myself again. My name is Stephanie Parker, and I'm

12:34PM 4 really proud to be here today representing Reynolds.

12:34PM 5 Now, ya'll have heard about the Patent Office both in the

12:35PM 6 video and Mr. Grant mentioned it also. The Patent Office is

12:35PM 7 right around the corner here.

12:35PM 8 The evidence at trial is going to show that when Philip

12:35PM 9 Morris was at the Patent Office, they made very narrow claims to

12:35PM 10 get the patent. They went in and they had narrow, limited

12:35PM 11 restrictions in the patent in their application that they sent

12:35PM 12 in, but now we're here in the courthouse, and in the courthouse

12:35PM 13 they're trying to interpret those claims more broadly to try to

12:35PM 14 cover the Reynolds products. That's what we're here about.

12:35PM 15 Reynolds does not infringe. They don't -- these patents

12:35PM 16 are not valuable, they're not meaningful. They don't even use

12:35PM 17 them. They don't even have a product in the United States at

12:35PM 18 all.

12:35PM 19 And you're going to hear at trial that Reynolds has been

12:35PM 20 the true innovator. Reynolds is the first company that ever got

12:36PM 21 FDA authorization to sell an e-cigarette. That will be the

12:36PM 22 evidence that you hear at trial.

12:36PM 23 Now, let me stop and talk to you a little bit more about

12:36PM 24 what the evidence is going to be about these specific

12:36PM 25 requirements that are in the patent. So, the way it works, and a

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12:36PM 1 good bit of this was discussed on the Patent Office video also,

12:36PM 2 but the way it works is someone who wants to get a patent, they

12:36PM 3 draft up, they fill out that application, they send it to the

12:36PM 4 Patent Office, and here their own lawyers reviewed what they sent

12:36PM 5 in.

12:36PM 6 So this is their language. It's not language from the

12:36PM 7 Patent Office; it's their language on their application that they

12:36PM 8 sent in to the Patent Office, and you're going to see -- if we

12:36PM 9 could pull this up -- you're going to see at trial that the

12:36PM 10 patents that they're talking about here have very specific

12:36PM 11 requirements. They have requirements about the shapes, the

12:36PM 12 materials, the sizes, the positions and the functions of these

12:37PM 13 products and this technology.

12:37PM 14 And if a product doesn't meet any one of those

12:37PM 15 requirements in the patent, that means it does not infringe.

12:37PM 16 So a lot of the evidence that you're going to hear about

12:37PM 17 in the case is about whether these products fit in those narrow,

12:37PM 18 strict requirements in the patent.

12:37PM 19 Now, the video also talked about a property deed and about

12:37PM 20 a patent being like a property deed. Well, that's correct, and

12:37PM 21 to use that in the case here, what's happening is Philip Morris

12:37PM 22 has their deed, they have their patent, but they're trying to

12:37PM 23 expand it. They're trying to get it to cover the property next

12:37PM 24 door and the property down the street as opposed to being limited

01:01PM **1 United States. It's a science-based process and it's overseen**
 01:01PM **2 by the Food and Drug Administration.**
 01:01PM **3 Q.** How does a smoke-free product like a heat-not-burn or
 01:01PM **4 e-vapor, how does that obtain that authorization?**
 01:01PM **5 A. So what a manufacturer has to do is first of all, create**
 01:01PM **6 the technology and create the scientific evidence, and that can**
 01:01PM **7 take years, and then put it all together in a file which is then**
 01:01PM **8 submitted to the FDA, who then makes a decision about whether**
 01:02PM **9 the product is what they call appropriate for the protection of**
 01:02PM **10 public health.**
 01:02PM **11** THE COURT: Since you mentioned food and drugs, it is
 01:02PM **12** 1:00, so that's our time for lunch. So, folks, we're on recess
 01:02PM **13** now until 2:00. You're free to purchase lunch around here.
 01:02PM **14** There are lots of small cafeterias or even downstairs in the jury
 01:02PM **15** assembly room. You need to all be back here promptly in your
 01:02PM **16** seats ready to go by 2:00. Please remember my cautions about --
 01:02PM **17** and also leave your notebooks and everything here in the
 01:02PM **18** courtroom.
 01:02PM **19** Remember my cautions about not discussing the case with
 01:02PM **20** anyone, including yourselves, and we'll see you all back here at
 01:02PM **21** 2:00. Thank you.
 01:02PM **22** (Jury out at 1:02 p.m.)
23 (Thereupon, a luncheon recess was had beginning at 1:02
24 p.m.)
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C E R T I F I C A T E

I, Scott L. Wallace, RDR-CRR, certify that
 the foregoing is a correct transcript from the record of
 proceedings in the above-entitled matter.

/s/ Scott L. Wallace ----- Scott L. Wallace, RDR, CRR	6/8/22 ----- Date
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