

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

PHILIP MORRIS PRODUCTS S.A.

*Plaintiff,*

v.

R.J. REYNOLDS VAPOR COMPANY

*Defendant.*

Case No. 1:20-cv-00393-LMB-WEF

**ORAL ARGUMENT REQUESTED**

**PHILIP MORRIS PRODUCTS S.A.'S RESPONSE TO R.J. REYNOLDS VAPOR  
COMPANY'S MOTION FOR ENTRY OF JUDGMENT UNDER RULE 54(b) AND  
CROSS-MOTION TO LIFT THE STAY AS TO U.S. PATENT NO. 9,901,123**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
I. INTRODUCTION .....	1
II. BACKGROUND .....	2
A. RJRV’s Asserted Patents .....	2
B. The ’123 Patent IPRs .....	3
C. PMP’s Counterclaims In This Case .....	5
III. LEGAL STANDARD.....	5
A. Federal Rule of Civil Procedure 54(b).....	5
B. The Court’s Authority To Lift A Stay .....	5
IV. ARGUMENT.....	6
A. Lifting The Stay On The ’123 Patent Is Proper Under 28 U.S.C. § 1659(a) Because The ITC Determination Is Final .....	6
B. Judgment Of Invalidity In District Court Is Immediately Binding On The ITC .....	7
C. Equity And Fairness Favor Lifting The Stay .....	8

**TABLE OF AUTHORITIES**

**CASES**

*Almubarak v. Shahin*,  
 No. 1:19-cv-00358, 2021 WL 1846823 (E.D. Va. Mar. 26, 2021) ..... 5, 9

*Boyle v. Cty. of Kern*,  
 No. 03-cv-05162, 2008 WL 220413 (E.D. Cal. Jan. 25, 2008)..... 6

*Braswell Shipyards, Inc. v. Beazer E., Inc.*,  
 2 F.3d 1331 (4th Cir. 1993) ..... 5

*Certain Composite Wear Components & Products Containing the Same*,  
 Inv. No. 337-TA-644, Comm’n Op. (Feb. 10, 2011) ..... 7, 9

*Core Lab’ys LP v. Spectrum Tracer Servs., L.L.C.*,  
 532 F. App’x 904 (Fed. Cir. 2013) ..... 6

*In re Princo Corp.*,  
 486 F.3d 1365 (Fed. Cir. 2007) ..... 7

*In the Inter Partes Review: of U.S. Patent No. 9,901,123*,  
 2020 WL 2510349 (Sept. 18, 2020) ..... 3

*In the Matter of Certain Monoclonal Antibodies*,  
 Inv. No. 337-TA-323, Order No. 2 (Mar. 1991) ..... 8

*In the Matter of Certain Tobacco Heating Articles & Components Thereof*,  
 Inv. No. 337-TA-1199, 2021 WL 2333742 (May 14, 2021)..... 3, 9

*Kirsch Rsch. & Dev., LLC v. Epilay, Inc.*,  
 No. 20-cv-03773, 2021 WL 4732578 (C.D. Cal. May 7, 2021),  
*reconsideration denied*, 2021 WL 4704721 (C.D. Cal. Aug. 18, 2021) ..... 10

*Nken v. Holder*,  
 556 U.S. 418 (2009) ..... 6

*Oyster Optics, LLC v. Ciena Corp.*,  
 No. 17-cv-05920, 2019 WL 4729468 (N.D. Cal. Sept. 23, 2019) ..... 10

*Pathway Innovations and Technologies, Inc. v. Adesso, Inc.*,  
 No. 15-cv-01538, Dkt. 17 (S.D. Cal. Jan. 11, 2016) ..... 7

*Philip Morris Prods. S.A. v. Int’l Trade Comm’n*,  
 63 F.4th 1328 (Fed. Cir. 2023) ..... 3

*Pro Stage Gear, LLC v. Guangzhou Rantion Trading Co.*,  
No. 17-cv-30, 2019 WL 10960473 (E.D. Tenn. Nov. 19, 2019) ..... 6

*SSIH Equip. S.A. v. U.S. Int’l Trade Comm’n*,  
718 F.2d 365 (Fed. Cir. 1983) ..... 8, 9

*Ultravision Tech., LLC v. CreateLED Elecs. Co.*,  
No. 2:18-cv-00148, Dkt. 14 (E.D. Tex. Apr. 10, 2019) ..... 7

*United States ex rel. AI Procurement, LLC v. Thermcor, Inc.*,  
173 F. Supp. 3d 320 (E.D. Va. 2016) ..... 6, 7

*Zee Co. v. Williams, Mullen, Clark & Dobbins, P.C.*,  
No. 1:11-cv-00458, 2012 WL 12902711 (E.D. Va. May 31, 2012) ..... 5

**STATUTES**

28 U.S.C. § 1659(a) ..... 5, 6

28 U.S.C. §1659(b) ..... 11

## I. INTRODUCTION

R.J. Reynolds Vapor Company (“RJR”) asks the Court to exercise its discretion to enter a Rule 54(b) partial judgment to avoid the purported “harm” of paying an ongoing royalty for its *infringing* post-verdict sales while related proceedings conclude. Yet, at the same time, RJR contends that the Court should hold RJR’s infringement claim regarding U.S. Patent No. 9,901,123 (“the ’123 patent”) in abeyance while Philip Morris Products S.A.’s (“PMP”) flagship heat-not-burn (“HNB”) products are barred from the United States market, even though the related ITC proceeding on the ’123 patent is *final*. That is not an equitable result. RJR cannot have it both ways. If the Court grants RJR’s Motion For Entry of Judgment Under Rule 54(b) (“Motion,” Dkt. Nos. 1478-1480), the Court should also grant PMP’s cross-motion to lift the stay as to the ’123 patent (“Cross-Motion”). As RJR concedes—and as the statute requires—that stay was entered *only* “until the determination of the Commission becomes final.” That occurred when the Federal Circuit affirmed the ITC’s determination on March 31, 2023. Lifting the stay is thus warranted under 28 U.S.C. § 1659(a).<sup>1</sup>

Any delay in lifting the stay on RJR’s ’123 patent would unfairly prejudice PMP. The ITC’s determination excluded PMP’s flagship IQOS products from the United States market based on a finding of infringement of the ’123 patent. PMP should be allowed to prove the invalidity of the ’123 patent to a jury in this district and, once proven, reintroduce its IQOS HNB Products in the United States. This is particularly true because PMP (i) has successfully invalidated every other asserted RJR patent and (ii) was only able to present a limited subset of invalidity arguments as to the ’123 patent at the ITC. At the very least, RJR should not be allowed to use

---

<sup>1</sup> Although the certiorari deadline is June 29, 2023, PMP will not seek review of the Federal Circuit’s decision.

# 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.