

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

RAI STRATEGIC HOLDINGS, INC. AND R.J.  
REYNOLDS VAPOR COMPANY

Plaintiffs-Counterclaim  
Defendants,

v.

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

Defendants-Counterclaim  
Plaintiffs.

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

**ALTRIA CLIENT SERVICES LLC AND PHILIP MORRIS USA INC.’S ANSWER TO  
PLAINTIFFS’ COUNTERCLAIM TO DEFENDANTS’ AMENDED COUNTERCLAIMS**

Altria Client Services LLC (“ACS”) and Philip Morris USA Inc. (“PM USA”) respectfully submit their Answer in response to Plaintiffs RAI Strategic Holding, Inc. (“RAI”) and R.J. Reynolds Vapor Company’s (“RJR”) (collectively, “RJR”) Counterclaim. To the extent not specifically admitted herein, the allegations of the Counterclaim are denied, including any allegations contained in the headings of the Counterclaim.

**COUNTERCLAIM I: INEQUITABLE CONDUCT (’545 PATENT)**

1. Denied.<sup>1</sup>

1. ACS and PM USA admit that the face of the ’545 patent states that U.S. Patent Application No. 10/161,639 was filed on June 5, 2002, and that the face of the ’545 patent states

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<sup>1</sup> RJR’s counterclaims have labeled two paragraphs as paragraph 1 of their allegations. This refers to RJR’s allegation labeled paragraph 1 on page 20 of their counterclaims.

it has an issue date of October 12, 2004. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 1.<sup>2</sup>

2. ACS and PM USA admit that the face of the '545 patent lists the Attorney, Agent or Firm as Burns, Doane, Swecker & Mathis, LLP. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 2.

3. ACS and PM USA admit that the face of the '545 patent states the '545 patent was assigned to Philip Morris Incorporated. ACS and PM USA admit that PM USA is the current assignee of the '545 patent and owns the entire right, title and interest in and to the '545 patent. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 3.

4. ACS and PM USA admit that the face of the '545 patent lists the inventors as Clinton E. Blake, John R. Hairfield, Jr., Charles T. Higgins, H. Neal Nunnally, and Robert L. Ripley. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 4.

5. Paragraph 5 contains a legal standard to which no answer is required. To the extent an answer is required, ACS and PM USA state that 37 C.F.R. § 1.56 speaks for itself. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 5.

6. ACS and PM USA admit that during the prosecution of the '545 patent, each of the inventors listed on the face of the '545 patent signed a document titled "Combined Declaration and Power of Attorney for Utility Patent Application" which states in part "I acknowledge the duty to disclose to the office all information known to me to be material to patentability as defined in Title 37, Code of Federal Regulations, Sec. 1.56 (as amended effective March 16, 1992)." Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 6.

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<sup>2</sup> This refers to RJR's counterclaim labeled paragraph 1 on page 21 of their counterclaims.

7. ACS and PM USA are without knowledge or information sufficient to admit or deny the allegations in paragraph 7 of the Complaint and, on that basis, deny them.

8. Denied. Corporations do not owe a duty of candor to the United States Patent and Trademark Office. *See Avid Identification Sys., Inc. v. Crystal Imp. Corp.*, 603 F.3d 967, 974 n.1 (Fed. Cir. 2010).

9. ACS and PM USA admit that the prosecution history of the '545 patent contains three documents titled "Information Disclosure Statement." ACS and PM USA admit that these documents titled "Information Disclosure Statement" were dated September 17, 2002, October 24, 2003, and April 30, 2004, respectively, and contain an electronic signature "/s/ Peter K. Skiff." Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 9.

10. Denied.

11. Paragraph 11 contains legal conclusions to which no answer is required. To the extent an answer is required, ACS and PM USA admit that Exhibit A is a document that purports to be a copy of U.S. Patent No. 4,947,874. Exhibit A states on its face that it was filed on September 8, 1988 and issued on August 14, 1990. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 11.

12. ACS and PM USA admit that U.S. Patent No. 4,947,874 was cited on the face of U.S. Patent Nos. 5,060,671; 5,095,921; 5,144,962; 5,179,966; 5,224,498; 5,249,586; 5,261,424; 5,269,327; 5,322,075; 5,372,148; 5,388,594; 5,498,850; 5,505,214; 5,573,692; 5,649,554; 5,665,262; 5,666,976; and 5,692,525. ACS and PM USA admit that EP 0358002 A2 was cited on the face of U.S. Patent Nos. 5,095,921; 5,179,966; 5,224,498; 5,249,586; 5,261,424; 5,269,327; 5,322,075; 5,372,148; 5,388,594; 5,573,692; 5,649,554; 5,665,262; 5,666,976; and 5,692,525. ACS and PM USA admit that U.S. Patent No. 5,322,075 states that the named inventors are

Seetharama C. Deevi, Mohammad R. Hajaligol, Herbert Herman, Charles T. Higgins, Michael L. Watkins, Bruce E. Waymack, and Sung Yi. ACS and PM USA admit that U.S. Patent No. 5,372,148 states that the named inventors are Hugh J. McCafferty, Charles T. Higgins, and William L. Lucas, Sr. ACS and PM USA admit that U.S. Patent No. 5,388,594 states that the named inventors are Mary E. Counts, Seetharama C. Deevi, Grier S. Fleischhauer, Mohammad R. Hajaligol, Patrick H. Hayes, Charles T. Higgins, Willie G. Houck, Jr., Billy J. Keen, Jr., Bernard C. LaRoy, Peter J. Lipowicz, Donald E. Miser, Constance H. Nichols, William H. Stevens, Mantharam Subbiah, Michael L. Watkins, and Susan E. Wrenn. ACS and PM USA further state that the documents cited in paragraph 12 speak for themselves. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 12.

13. ACS and PM USA state that the U.S. Patent No. 6,040,560 cited in paragraph 13 speaks for itself. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 13.

14. Paragraph 14 contains legal conclusions to which no answer is required. To the extent an answer is required, ACS and PM USA admit that U.S. Patent No. 4,947,874 is not listed as a reference cited on the face of the '545 patent. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 14.

15. Denied.

16. ACS and PM USA admit that the quoted language in paragraph 16 appears in claim 1 of the '545 patent and that the document speaks for itself.

17. Paragraph 17 contains legal conclusions to which no answer is required. ACS and PM USA state that the quote in paragraph 17 appears in Ex. A, which purports to be U.S. Patent

No. 4,947,874 (“Brooks”), and that the document speaks for itself. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 17.

18. Paragraph 18 contains legal conclusions to which no answer is required. ACS and PM USA state that the document cited in paragraph 18 speaks for itself. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 18.

19. Paragraph 19 contains legal conclusions to which no answer is required. ACS and PM USA state that the document cited in paragraph 19 speaks for itself. Except as admitted herein, ACS and PM USA otherwise deny the allegations in paragraph 19.

20. ACS and PM USA admit that U.S. Patent No. 4,947,874 is not listed as a reference cited on the face of the ’545 patent. Except as admitted herein, ACS and PM USA otherwise deny the allegations of paragraph 20.

21. Denied.

22. Paragraph 22 contains legal conclusions to which no answer is required. To the extent an answer is required, ACS and PM USA admit that Exhibit C purports to be a copy of U.S. Patent No. 5,372,148 and U.S. Patent No. 5,372,148 states on its face that it issued on December 13, 1994 and was filed on February 24, 1993. Except as admitted herein, ACS and PM USA otherwise deny the allegations of paragraph 22.

23. ACS and PM USA admit that U.S. Patent No. 5,372,148 states on its face that it was assigned to Philip Morris Incorporated. The face of U.S. Patent No. 5,372,148 lists Hugh J. McCafferty, Charles T. Higgins, and William L. Lucas Sr. as inventors. The ’545 patent states on its face that it was assigned to Philip Morris Incorporated. Except as admitted herein, ACS and PM USA otherwise deny the allegations of paragraph 23.

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