

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

RAI STRATEGIC HOLDINGS, INC. and)	
R.J. REYNOLDS VAPOR COMPANY,)	
)	Civil No. 1:20-cv-00393-LO-TCB
Plaintiffs and Counterclaim Defendants,)	
)	
v.)	
)	
ALTRIA CLIENT SERVICES LLC; PHILIP)	
MORRIS USA, INC.; and PHILIP MORRIS)	
PRODUCTS S.A.,)	
)	
Defendants and Counterclaim Plaintiffs.)	
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**MOTION TO DISMISS COUNTERCLAIM AND AFFIRMATIVE DEFENSES
BY PLAINTIFFS RAI STRATEGIC HOLDINGS, INC.
AND R.J. REYNOLDS VAPOR COMPANY**

Plaintiffs RAI Strategic Holdings, Inc. and R.J. Reynolds Vapor Company (collectively, Plaintiffs) hereby move to dismiss their own counterclaim and certain defenses to the counterclaims of Defendants Altria Client Services LLC, Philip Morris USA, Inc., and Philip Morris Products S.A., as permitted by Federal Rules of Civil Procedure 41(c), 41(a)(2), and 15(a)(2):

- 1) A counterclaim and affirmative defense that U.S. Patent No. 6,803,545 (“the ’545 Patent”) is unenforceable for inequitable conduct before the U.S. Patent and Trademark Office. *See Pls.’ Am. Answer & Counterclaim to Defs. Altria Client Servs. LLC & Philip Morris USA, Inc.’s Am. Counterclaims*, Doc. 274 at 19-26 (Oct. 30, 2020).
- 2) The equitable defenses of estoppel, acquiescence, waiver, and unclean hands as to allegations that Plaintiffs infringed U.S. Patent No. 10,104,911 (“the ’911 Patent”), U.S. Patent No. 10,555,556 (“the ’556 Patent”), and U.S. Patent No. 9,814,265 (“the ’265 Patent”). *See Pls.’ Answer to Def. Philip Morris Products S.A.’s Second Am. Counterclaims*, Doc. 523 at 18 (Mar. 26, 2021).

- 3) The equitable defenses of estoppel, waiver and acquiescence as to allegations that Plaintiffs infringed U.S. Patent No. 10,420,374 (“the ’374 Patent”). *See* Doc. 274 at 19.
- 4) The equitable defense of unclean hands as to allegations that Plaintiffs infringed U.S. Patent No. 6,803,545 (“the ’545 Patent”).¹ Doc. 274 at 19.
- 5) The defense that damages are statutorily limited by a failure to satisfy the requirements of 35 U.S.C. §§ 286 and 287 as to the infringement allegations for the ’911, ’556, and ’265 Patents.² *See* Doc. 523 at 18.
- 6) The defense that the allegations of infringement as to the ’911, ’556, and ’265 Patents are barred to the extent they are founded on activities occurring outside the territorial reach of U.S. patent laws. *Id.* at 19.

As explained in Plaintiffs’ brief in support of this motion, dismissing the counterclaim and defenses is warranted and appropriate.

¹ Plaintiffs are not withdrawing their equitable defenses of estoppel, acquiescence, or waiver as to the ’545 Patent. *See* Doc. 274 at 19.

² Plaintiffs are not withdrawing their defense as to ’545 and ’374 Patents, which is covered by a stipulation. *See* Joint Pre-Trial Stipulation, Doc. 549 (Apr. 9, 2021).

Dated: June 16, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of June, 2021, a true and correct copy of the foregoing was served using the Court's CM/ECF system, with electronic notification of such filing to all counsel of record.

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