

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

RAI STRATEGIC HOLDINGS, INC. and)
R.J. REYNOLDS VAPOR COMPANY,)
)
Plaintiffs and Counterclaim Defendants,)

v.)

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

ALTRIA CLIENT SERVICES LLC; PHILIP)
MORRIS USA, INC.; and PHILIP MORRIS)
PRODUCTS S.A.,)
)
Defendants and Counterclaim Plaintiffs.)

**[PROPOSED] ORDER DISMISSING
REYNOLDS’S COUNTERCLAIM AND DEFENSES**

This matter is before the Court on a motion by Plaintiffs RAI Strategic Holdings, Inc. and R.J. Reynolds Vapor Company (collectively, “Reynolds”) to dismiss with prejudice Reynolds’s counterclaim and certain of Reynolds’s defenses to the counterclaims of Altria Client Services LLC, (“ACS”), Philip Morris USA Inc. (“PM USA”), and Philip Morris Products S.A. (“PMP”) (collectively, “Counterclaim Plaintiffs”). Reynolds seeks to dismiss the following:

- 1) Its 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”). 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. *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.
- 7) The defense that the allegations of infringement as to the ’545 and ’374 Patents are barred to the extent they are founded on activities occurring outside the territorial reach of U.S. patent laws. Doc. 274 at 20.

UPON CONSIDERATION of Reynolds’s motion,

IT IS HEREBY ORDERED that Reynolds’s motion is **GRANTED** and the above-listed counterclaim and defenses are **DISMISSED** with prejudice.

ENTERED this ____ day of _____, 2021.

Alexandria, Virginia
