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.)
)
	,

BRIEF IN SUPPORT OF MOTION TO DISMISS COUNTERCLAIM AND AFFIRMATIVE DEFENSES BY PLAINTIFFS RAI STRATEGIC HOLDINGS, INC. AND R.J. REYNOLDS VAPOR COMPANY



TABLE OF CONTENTS

	Page
INTRODUCTION	1
BACKGROUND	1
ARGUMENT	3
CONCLUSION	6



TABLE OF AUTHORITIES

	Page
CASES	
Auto Servs. Co. v. KPMG, LLP, 537 F.3d 853 (8th Cir. 2008)	5
Bond Opportunity Fund II, LLC v. Heffernan, 340 F. Supp. 2d 146 (D.R.I. 2004)	4
City of New York v. A-1 Jewelry & Pawn, Inc., 247 F.R.D. 296 (E.D.N.Y. 2007)	3, 4
David's Bridal, Inc. v. House of Brides, Inc., No. 06-5660 (SRC), 2010 WL 323306 (D.N.J. Jan. 20, 2010)	5
Davis v. USX Corp., 819 F.2d 1270 (4th Cir. 1987)	4
DirecTV, Inc. v. Benson, 333 F. Supp. 2d 440 (M.D.N.C. 2004)	4
Ellett Bros., Inc. v. U.S. Fid. & Guar. Co., 275 F.3d 384 (4th Cir. 2001)	4
In re Fid. Tube Corp., 167 F. Supp. 402 (D.N.J. 1958), aff'd, 278 F.2d 776 (3d Cir. 1960)	5
Skinner v. First Am. Bank, 64 F.3d 659 (4th Cir. 1995) (per curiam)	3, 4
TecSec, Inc. v. Adobe Sys. Inc., 326 F. Supp. 3d 105 (E.D. Va. 2018) (O'Grady, J.)	5
Whitfield v. Forest Elec. Corp., 772 F. Supp. 1350 (S.D.N.Y. 1991)	4
STATUTES	
18 U.S.C. § 2512	4
35 U.S.C. § 286	2



TABLE OF AUTHORITIES (continued)

	Page
35 U.S.C. § 287	2
OTHER AUTHORITIES	
Fed. R. Civ. P. 1	6
Fed. R. Civ. P. 15	1, 3, 4
Fed. R. Civ. P. 41	1, 3, 4, 5
Fed. R. Civ. P. 54	1, 4, 5
5 James Wm. Moore, et al., Moore's Federal Practice ¶ 41.06-1 (1995)	3

INTRODUCTION

Plaintiffs RAI Strategic Holdings, Inc. and R.J. Reynolds Vapor Company (collectively, Plaintiffs) move to dismiss their own counterclaim and certain defenses, as permitted by Federal Rules of Civil Procedure 41(c), 41(a)(2), and 15(a)(2). Plaintiffs have notified Altria Client Services LLC (Altria), Philip Morris USA, Inc. (PM USA), and Philip Morris Products S.A. (PMP) (collectively, Defendants) of their intent to withdraw a counterclaim and certain defenses, and they have attempted to resolve this matter without the Court's intervention by proposing a stipulation of dismissal. But Defendants rejected the stipulation of dismissal and insisted on a stipulation of *judgment*—replete with numerous unnecessary recitals. Because judgment is improper under Federal Rule of Civil Procedure 54(a), and because Defendants have refused to dispose of Plaintiffs' abandoned counterclaim and defenses amicably by agreement, Plaintiffs now seek this Court's permission to dismiss their own counterclaim and certain defenses with prejudice. A proposed amended answer to PMP's counterclaims withdrawing the defenses is attached as Exhibit A, and a proposed amended response to Altria's and PM USA's counterclaims withdrawing Reynolds counterclaim and the defenses are attached as Exhibit B.¹

BACKGROUND

Plaintiffs brought this action on April 9, 2020, alleging that Defendants' IQOS heat-not-burn tobacco system infringed Plaintiffs' patents. Defendants brought counterclaims alleging, among other things, that Plaintiffs' VUSE e-cigarette products infringed five patents held by Defendants and that the infringement was willful, such that Defendants are entitled to enhanced damages.

On June 2, 2021, both parties moved for summary judgment. *See* Pls.' Partial Mot. for Summary Judgment, Doc. 688 (June 2, 2021); Mot. for Summary Judgment by Altria Client Services LLC, Philip Morris Products S.A. & Philip Morris USA, Inc., Doc. 695 (June 2, 2021). The

¹ Mark-ups showing the defenses and counterclaim Reynolds no longer is pursuing in its amended answers are attached as Exhibits L and M.



Find authenticated court documents without watermarks at docketalarm.com.

DOCKET

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.

