IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

| RAI STRATEGIC HOLDINGS, etal |) |
|-----------------------------------|--------------------------|
| Plaintiff, |) |
| v. |) CIVIL ACTION 1:20ev393 |
| ALTRIA CLIENT SERVICES, LLC, etal |) |
| Defendant. |) |

ORDER

Before the Court are RAI's Motion to Dismiss with prejudice its counterclaims and certain affirmative defenses pursuant to F.R.C.P. 41 and 41(A)(2) and (15)(a)(2), and PMP's Motion for Summary Judgment on the same counterclaims and certain affirmative defenses.

The Court has reviewed the pleadings and considered the argument of the parties and grants RAI's Motion to Dismiss the following counterclaims and defenses as listed below with prejudice as requested. The Court denies PMP's Motion for Summary Judgment.

- 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") and U.S. Patent No. 10,555,556 ("the '556 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") and U. S. Patent No. 9,814,265 ("the '265 Patent"). See Doc. 274 at 19; Dkt. 523 at 18.

- 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.
- 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.

RAI shall file the proposed amended answer to PMP's counterclaims withdrawing the defenses and its proposed amended response to Altria's and PM USA's counterclaims and certain defenses.

Liam O'Grady
United States District Judge

Alexandria, Virginia August _____, 2021

