

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY,
Petitioner,

v.

ALTRIA CLIENT SERVICES LLC,
Patent Owner.

IPR2021-00793
Patent 10,420,374 B2

Before GRACE KARAFFA OBERMANN, JAMES J. MAYBERRY, and
ELIZABETH M. ROESEL, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

R.J. Reynolds Vapor Company, (“Petitioner”), filed a Petition (“Pet.”) requesting *inter partes* review of claims 1–10 and 16–25 (the “Challenged Claims”) of U.S. Patent No. 10,420,374 B2 (Ex. 1001, the “’374 patent”). Paper 2. Altria Client Services LLC (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.”) to the Petition. Paper 6.

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2021) (permitting the Board to institute trial on behalf of the Director). To institute an *inter partes* review, we must determine that the information presented in the Petition shows “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). For the reasons set forth below, upon considering the Petition, Preliminary Response, and evidence of record, we do not institute an *inter partes* review.

B. *Real Parties-in-Interest*

Petitioner identifies itself and RAI Innovations Company, R.J. Reynolds Tobacco Company, and Reynolds Asia-Pacific Limited as real parties-in-interest. Pet. 76.

Patent Owner states that it “is a wholly owned subsidiary of Altria Group, Inc.” Paper 4, 1.

C. *Related Matters*

The parties identify, as a matter related to the ’374 patent, ongoing litigation in the U.S. District Court for the Eastern District of Virginia, in a case styled *RAI Strategic Holdings, Inc. v. Altria Client Services LLC*, No. 1:20-cv-00393, filed on April 9, 2020. Pet. 76, Paper 4, 1. Petitioner asserts

that petitions for *inter partes* review “have been filed or may be filed on the other asserted patents in this litigation.” Pet. 76.

D. The '374 Patent

The '374 patent, titled “Electronic Smoke Apparatus,” issued September 24, 2019, from an application filed July 7, 2015. Ex. 1001, codes (54), (45), (22). For purposes of our analysis, we accept Petitioner’s view that “the priority date is June 29, 2010.” Pet. 13; Ex. 1001, code (63).

E. Challenged Claims

The Petition challenges claims 1–10 and 16–25, with claims 1 and 16 independent. Pet. 14; Ex. 1001, 12:61–16:25.

F. Prior Art and Asserted Grounds

Petitioner asserts that the Challenged Claims are unpatentable based on two grounds:¹

Claims Challenged	35 U.S.C. §	References/Basis
1–10	103(a) ²	Liao, ³ McLaughlin ⁴
16–25	103(a)	Liao, McLaughlin, Gourlay ⁵

¹ Petitioner characterizes the two grounds as “Ground 1a” and “Ground 1b,” Pet. 15.

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103, effective March 16, 2013. Because the parties have assumed, for this Petition, that the '374 patent was issued on an application entitled to priority before this date, the pre-AIA version of § 103 applies. See Pet. 13.

³ Liao Laiying, CN 200920151031.1, published May 26, 2010 (Ex. 1002, “Liao”).

⁴ McLaughlin et al., US 8,661,910 B2, issued March 4, 2014 (Ex. 1003, “McLaughlin”).

⁵ Gourlay, US 2005/0081639 A1, published April 21, 2005 (Ex. 1005, “Gourlay”).

Petitioner relies on the declaration testimony of Dr. Travis Blalock (Ex. 1010) in support of these grounds.

II. WHETHER LIAO IS PRIOR ART

Both of Petitioner's challenges rely on Liao. Pet. 14–15. Liao (Ex. 1002) is a Chinese patent publication. Petitioner's Exhibit 1002 includes both an original Chinese language document (*id.* at 9–15), a certified English translation (*id.* at 1–7), and certification of the translation (*id.* at 8). Liao published May 26, 2010. Ex. 1002, code (45). On this record, there is no dispute that Liao published less than one year before the priority date of the '374 patent, which Petitioner asserts is June 29, 2010. Pet. 13; Ex. 1001, code (63); Ex. 1002, code (45).

Petitioner contends that Liao is prior art “at least under 35 U.S.C. § 102(a).” Pet. 14. Patent Owner counters that “Liao is not prior art under § 102(a) because it is not ‘by another,’” as required by the statute. Prelim. Resp. 29. Patent Owner argues that the sole inventor of Liao is the same sole inventor of the '374 patent—Mr. Loi Ying Liu. *Id.* at 30. Patent Owner notes that Petitioner's translation of Exhibit 1002 translates the inventor's name as “Liao Laiying.” *Id.* Patent Owner argues that “there is more than one way to romanize the characters that make up [the inventor's] name, e.g., Mandarin and Cantonese romanizations.” *Id.* (referencing Ex. 2015 (Liu Declaration)⁶). Patent Owner explains that the '374 patent uses the Cantonese romanization of the inventor's name (“Loi Ying Liu”), and

⁶ Exhibit 2015 was filed in the parallel district court litigation. See Prelim. Resp. 30; Ex. 2015.

Exhibit 1002 uses the Mandarin romanization (“Liao Laiying”). *Id.* at 30–31.

Mr. Lui confirms this difference in romanization of his name. Ex. 2015 ¶ 5 (“The translation [in Exhibit 1002] identifies the inventor as ‘Liao Laiying.’ This appears to be based on a Mandarin romanization of my name. Had the translation been done with a Cantonese romanization, the name would be ‘Loi Ying Liu.’”). Mr. Lui also confirms that he is the sole inventor of both the ’374 patent and Exhibit 1002. Ex. 2015 ¶¶ 3–4 (“I am the sole inventor of U.S. Patent No. 10,420,374[, and] . . . I confirm that I am the sole inventor of [Exhibit 1002].”). Mr. Lui also declares that he was employed, from 2003 to 2019, by Minilogic Device Co., Ltd. Ex. 2015 ¶ 2. Minilogic Device Co., Ltd. is identified as the patentee of the patent provided in Exhibit 1002. Ex. 1002, 1, code (73).

In addition, Patent Owner provides its own certified translation of the Chinese language document of Exhibit 1002, with a Cantonese romanization of the inventor’s name as “Loi Ying Liu.” Ex. 2016, 2 (providing inventor’s name at code (72)), 9 (providing certification).

On this record, we agree with Patent Owner that Liao does not qualify as prior art under § 102(a). The pre-AIA version of § 102(a) states, “A person shall be entitled to a patent unless—(a) the invention was known or used *by others* in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent.” 35 U.S.C. § 102(a) (emphasis added). This statutory language has been interpreted to mean that “a printed publication cannot stand as a reference under [§] 102(a) unless it is describing the work of *another*.” *In re Katz*, 687 F.2d 450, 454 (CCPA 1982) (emphasis added). In other words, “[an inventor’s] own work is not prior art under [§] 102(a) even

though it has been disclosed to the public in a manner or form which otherwise would fall under [§] 102(a).” *Id.* Deciding whether a reference qualifies as prior art under § 102(a) as the work of “another” involves a determination of “whether the portions of the reference relied on as prior art, and the subject matter of the claims in question, represent the work of a common inventive entity.” *EmeraChem Holdings, LLC v. Volkswagen Grp. of Am., Inc.*, 859 F.3d 1341, 1345 (Fed. Cir. 2017) (emphasis added).

The record evidence persuasively demonstrates that the ’374 patent and Exhibit 1002 have a common inventive entity. We credit Mr. Lui’s declaration testimony, which is corroborated by two separate certified translations of the Chinese version of Exhibit 1002. Ex. 1002, 1 (providing inventor’s name at code (72)), 8 (providing certification); Ex. 2016, 2 (providing inventor’s name at code (72)), 9 (providing certification). Also, the file history for the ’374 patent demonstrates that Minilogic Device Corporation, Ltd.—the company that employed Mr. Lui from 2003 to 2019⁷—was the applicant of the application that matured into the ’374 patent. Ex. 1006, 72; Ex. 2015 ¶ 2. As further corroboration, the file history for the ’374 patent includes a Chinese language foreign priority document (CN 200920179316.6) that contains the same three character sequence for the inventor’s name (“廖来英”) as shown in the original Chinese language document of Exhibit 1002. *Compare* Ex. 1006, 85, *with* Ex. 1002, 9.

Accordingly, we determine that Exhibit 1002 does not describe a work of another and, as such, does not qualify as prior art under § 102(a). Because both of Petitioner’s challenges rely on Laio, we determine, on the

⁷ The U.S. and foreign priority dates for the ’374 patent fall within this date range. Ex. 1001, codes (30), (63).

record before us, that the information in the Petition fails to show a reasonable likelihood that Petitioner would prevail with respect to any of the claims challenged in the Petition.

III. DISCRETIONARY DENIAL

Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 314(a) and not institute trial, given the state of the parallel district court litigation. Prelim. Resp. 4–18. In view of our determination that Petitioner has not met the threshold for instituting review on the merits, we need not consider Patent Owner’s arguments for a discretionary denial of institution.

IV. CONCLUSION

Based on the information presented, we determine Petitioner has not established a reasonable likelihood that it would prevail with respect to any of the challenged claims. Accordingly, we do not institute an *inter partes* review.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petition is *denied*.

IPR2021-00793
Patent 10,420,374 B2

For PETITIONER:

Matthew W. Johnson
David B. Cochran
JONES DAY
mwjohnson@jonesday.com
dcochran@jonesday.com

For PATENT OWNER:

Elizabeth Weiswasser
Brian E. Ferguson
William S. Ansley
Stephanie Adamakos
Adrian C. Percer
Robert S. Magee
WEIL, GOTSHAL & MANGES LLP
elizabeth.weiswasser@weil.com
brian.ferguson@weil.com
sutton.ansley@weil.com
stephanie.adamakos@weil.com
adrian.percer@weil.com
robert.magee@weil.com