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UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN VAPORIZER DEVICES,
CARTRIDGES USED THEREWITH, AND
COMPONENTS THEREOF**

INV. NO. 337-TA-1372

ORDER NO. 51: REGARDING THE PARTIES' MOTIONS IN LIMINE

(May 29, 2024)

This order addresses the parties' motions in limine.

NJOY Motion in Limine No. 1 (Motion Docket No. 1372-040)

NJOY's motion in limine no. 1 seeks to "to exclude evidence, argument, and testimony regarding prior art obviousness combinations not preserved in Respondent JUUL Labs, Inc.'s ('Respondent') Pre-Hearing Brief ('RPHB')." Motion No. 1372-040 at 1 (EDIS Doc. ID 821574). JLI opposes. (EDIS Doc. ID 822114). The Staff opposes.¹ Staff Resp. at 2–3.

NJOY contends that JLI's "pre-hearing brief largely fails to identify the specific, unique obviousness combination of references it intends to address at the hearing and identifies groups of references using the prohibited 'and/or' and 'or' nomenclature." Mot. at 2. This is not the first time NJOY has raised this issue. At a discovery conference on April 25, I directed JLI to provide a specific identification for each claim what prior art references and combinations are being asserted. 04/25/2024 Tr. at 19:11–23 (EDIS Doc. ID 819776). The following day, JLI submitted correspondence in which it identified what references it intended to rely on for anticipation:

¹ The Staff filed a single response, addressing the parties' motions in limine. Staff Resp. (EDIS Doc. ID 822275).

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|--------------|---------------------------|
| 1. Xia '610 | 5. Cigarette Electronique |
| 2. Fang '044 | 6. NJOY NPRO |
| 3. Wang '927 | 7. NJOY NCIG |
| 4. Han '364 | 8. Fuma prototype |

Mot. Ex. 8 at 1–2. JLI also identified its obviousness combinations:

1. Wang '554 in combination with Xia '610, Fang '044, and Smoke Fifty-One Duo
2. Xia '610 in combination with Wang '554, Fang '044, and Smoke Fifty-One Duo
3. Fang '044 in combination with Xia '610, Wang '554, and Smoke Fifty-One Duo
4. Wang '927 in combination with Wang '554 and NPRO Style
5. Han '364 in combination with Fang '044, Smoke Fifty-One Duo, Red Dragon, and NJOY NPRO Style
6. Smoke Fifty-One Duo in combination with Fang '044 and Wang '927
7. Red Dragon in combination with Fang '044 and Wang '927
8. Cigarette Electronique in combination with Wang '554 and Fang '044
9. NJOY NPRO in combination with Wang '554, Fang '044 and Wang '927
10. NJOY NCIG in combination with Wang '554, Fang '044 and Wang '927
11. Fuma prototype

Mot. Ex. 8 at 2.² In its motion, NJOY excerpts a portion of JLI's pre-hearing brief in which, apparently with respect to item 2 above, JLI contends:

To the extent that Xia '610 does not disclose this feature, Xia '610 alone, Xia '610 in view of Wang '554, and Xia '610 in view of Fang '044, Xia in view of Smoke Fifty-One Duo, and Xia '610 in view of Wang '554 and Fang '044 and Smoke Fifty-One Duo render it obvious. For example, Mr. Leinsing will opine it would have been obvious to modify Xia '610 alone, in view of Wang '554, in view of Fang '044, and in view of Smoke Fifty-One Duo to move Xia '610's central aperture that is annotated in the above figures to the left of the cartridge, such that it is located at the end.

Mot. at 2, *citing* JLI Pre-hearing Br. at 514. With respect to item 1, NJOY excerpts another portion

² JLI's correspondence did not comply with my order, which directed JLI to identify "for each claim" the prior art and combinations it was relying on.

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of JLI's pre-hearing brief in which JLI states, "In addition to being motivated to modify Wang '554 to have a horizontally-oriented coil based on their knowledge and skill, Mr. Leinsing will opine that a POSITA would be motivated to modify Wang '554 to have a horizontally-oriented coil in view of Xia '610 *and/or* Fang '044 *and/or* Smoke Fifty-One Duo." Mot. at 6, *citing* JLI Pre-hearing Br. at 601. NJOY excerpts similar and/or examples with respect to every other of items 2–10. Mot at 6–9, *citing* JLI Pre-hearing Br. *passim*.

These articulations of JLI's invalidity positions are not the same as what JLI represented as its invalidity positions in its April 26 correspondence. In addition, JLI's articulations in its pre-hearing brief are unacceptable because they do not comply with Ground Rule 11.2, which states that "[o]bviousness arguments using 'and/or' or 'or' nomenclature to combine references are not preserved." There is a reason for the Ground Rule: a party's prior art positions must be stated clearly and unequivocally so that each can be responded to and decided.

Because JLI's obviousness combinations in its pre-hearing brief are beyond those identified in its representation of what it would present in its April 26 correspondence and do not comply with the Ground Rules, Motion No. 1372-040 is GRANTED. At this time, however, I will not strike portions of JLI's pre-hearing brief. Instead, JLI is ORDERED to file an identification, on a claim by claim basis, of the prior art invalidity positions it will present at the evidentiary hearing by May 30, 2024. JLI's failure to do so may result in invalidity arguments that are inconsistent with its April 26 representation and/or that do not comply with the Ground Rules being stricken. To the extent this issue needs to be further addressed, the parties should raise it at the pre-hearing conference.

NJOY's Motion in Limine No. 2 (Motion Docket No. 1372-041)

NJOY's motion in limine no. 2 seeks to preclude JLI "from presenting testimony and

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argument that it would have been obvious to modify Xia 610, the NPRO, the NCIG, and the Cigarette Electronique such that the separate, reusable atomizer part and the separate, disposable liquid-holding cartridge taught by the prior art would be redesigned as an integrated, disposable cartridge comprising both the heating element and liquid storage.” Motion No. 1372-041 at 1 (EDIS Doc. ID 821575). JLI opposes. (EDIS Doc. ID 822109). The Staff opposes. Staff Resp. at 3–4.

NJOY contends that JLI’s expert presented analyses of the Xia 610, Cigarette Electronique, NPRO, and NCIG prior art, which have a 3-piece construction. Mot. at 2–4. NJOY states that its expert responded, opining that the asserted patents distinguish two-piece from three-piece devices. Motion at 4–6. NJOY contends that in its pre-hearing brief, JLI stated for the first time that it would contend that “the disclosure of a three piece design at least renders obvious a two-piece design because of the known benefits of two-piece designs, including increased convenience for users, disposal of atomizers as they lose functionality due to repeated use, and more.” Mot. at 6, *citing* JLI Pre-hearing Br. at 620; *see also* Mot. at 7.

NJOY notes that JLI’s expert identified advantages of two-piece devices in the “Technology Background” section of his report but did not contend that one of skill “would have been motivated to redesign Xia 610, the Cigarette Electronique, the NPRO, or the NCIG to have a single cartridge with both the solution holding medium and the heating element” so that NJOY was not on notice that JLI would be making those arguments. Mot. at 7–8.

In opposition, JLI points to pages 50–57 of its invalidity contentions in which it identified 140 claim charts with its invalidity positions. Opp. at 1, *citing* JLI Second Supplemental Invalidity Contentions at 50–57. On page 87 of its contentions, JLI stated, “It was also well-known in the art to combine the e-liquid storage and the atomizer of a three-piece device to form a two-piece

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device.” JLI also points to paragraph 48 [sic, 49] of its expert’s report in the background section, stating that “[i]t was also well-known in the art to combine the e-liquid storage and the atomizer of a three-piece device to form a two-piece device.” Opp. at 3.

The Staff notes that JLI’s expert did not specifically contend that one of skill would have been motivated to “redesign Xia 610, the Cigarette Electronique, the NPRO, or the NCIG to have a single cartridge with both the solution holding medium and the heating element” but contends that the expert’s statements “appear to the Staff to be broad enough to encompass” that allegation. Staff Resp. at 4.

Given NJOY’s extensive invalidity arguments, a one-sentence broad and inchoate statement in the technology section of its expert’s report regarding the obviousness of modifying a three-piece device into a two-piece device did not provide adequate notice to NJOY that it would be arguing that it would be obvious to so modify the specific structures disclosed in the Xia 610, NPRO, NCIG, or Cigarette Electronique prior art.

Motion No. 1372-041 is GRANTED.

NJOY’s Motion in Limine No. 3 (Motion Docket No. 1372-043)

NJOY’s motion in limine no. 3 seeks to “to exclude Respondent Juul Labs, Inc. (‘Respondent’) from introducing expert opinion testimony from lay witnesses.” Motion No. 1372-043 at 1 (EDIS Doc. ID 821582). JLI opposes. (EDIS Doc. ID 822104). The Staff opposes. Staff Resp. at 4–6.

NJOY’s motion relates to testimony from Jose Bonet (an NJOY corporate witness), Greg Conley (an inventor), and Daniel Hillenbrandt (an inventor). Opp. at 1. The Staff states that Mr. Bonet “should be permitted to testify about his understanding of the products at issue based on, *inter alia*, his personal knowledge and professional experience” and that “Mr. Conley and Mr.

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Hillenbrandt should be permitted to testify about their understanding of their alleged invention(s) based on, *inter alia*, their personal knowledge and professional experience.” Staff Resp. at 5. I agree with the Staff. That said, examples provided in NJOY’s motion demonstrate that JLI was attempting at least at times to elicit expert testimony from these witnesses. *See* Mot. at 3–13.

JLI states that the motion is premature because “all three of these witnesses . . . are expected to testify live at the Hearing.” Opp. at 2. Based on that representation, Motion No. 1372-043 is DENIED. Because Mr. Conley and Mr. Hillenbrand will be appearing at the hearing, their deposition designations will not be received in evidence. Any issues with respect to Mr. Bonet’s deposition designations should be addressed at the pre-hearing conference. *See* 19 C.F.R. 210.28(h).

NJOY’s Motion in Limine No. 4 (Motion Docket No. 1372-045)

NJOY’s motion in limine no. 4 seeks to “to exclude RX-0127 (‘Wang Deposition’), RX-0129C (‘Wang Declaration’)³, and RX-0130C (‘Yardimci [sic] Declaration’)⁴ (collectively, ‘Wang Materials’), as well as any testimony based on the same, at the evidentiary hearing.” Motion No. 1372-045 at 1 (EDIS Doc. ID 821589). JLI opposes. (EDIS Doc. ID 822101). The Staff supports the motion. Staff Resp. at 6–7.

The Yardimci Declaration

Dr. Yardimci was a senior manager at Exponent and retained by RJR Vapor Company in a patent litigation initiated by Fuma International LLC against RJR in the Middle District of North Carolina (Nos. 1:19-cv-260 and 1:19-cv-660) “to provide engineering and consulting services.”

³ The Wang Declaration appears to also have been marked as RX-0143 and RX-0147 of JLI’s exhibit list, attached to its pre-hearing statement.

⁴ The Yardimci Declaration appears to also have been marked as RX-0044 and RX-1174 of JLI’s exhibit list.

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RX-0130 at ¶¶ 1–2. The Yardimci declaration relates to testing Dr. Yardimci performed or oversaw relating to Mr. Wang’s alleged product and attaches CT analyses (tabs 1 and 3) and claim charts, including Ex. J, a claim chart (Preliminary Invalidity Contentions) for claim 1 of the ’881 patent (tab 2).⁵

Ground Rule 13.6.1 requires all direct testimony in this investigation to be given by a live, in-person witness unless leave is otherwise granted. Ground Rule 13.6.2 requires all direct testimony to be subject to cross-examination. Based on my review of the Yardimci declaration, I find that Dr. Yardimci is being used as a fact witness for JLI. As a result, JLI was required to identify Dr. Yardimci as a witness. It did not—either in its witness list (EDIS Doc. ID 813877) or in its pre-hearing statement (EDIS Doc. ID 820651). JLI’s failure to identify Dr. Yardimci on its witness list prevented NJOY from having notice that Dr. Yardimci’s testimony may be relevant in this investigation. As a result, I conclude that JLI is precluded from relying on the Yardimci declaration. *Certain Electronic Devices, Including Mobile Phones and Tablet Computers, and Components Thereof*, Inv. No. 337-TA-847, Order No. 21 at 2 (Mar. 29, 2013) (excluding declaration because it circumvented the Ground Rules by, among other things, not identifying the declarant on a witness list) (EDIS Doc. ID 510071); *Certain Replacement Automotive Lamps*, 337-TA-1291, Order No. 32 (Aug. 10, 2022) (EDIS Doc. ID 777598). I also conclude that none of JLI’s witnesses may characterize or rely on the Yardimci declaration or its content, including JLI’s expert. *Certain RF Capable Integrated Circuits and Products Containing the Same*, Inv. No. 337-TA-982, Order No. 23 at 5 (Mar. 9, 2017) (EDIS Doc. ID 606353). As to the Yardimci declaration,

⁵ It appears that Dr. Yardimci did not create the claim charts. In any event, those claim charts represent expert opinion of Dr. Yardimci or some other unidentified expert witness. The claim charts in tab 2 of the Yardimci declaration will not be permitted for the additional independent reason that those charts reflect expert opinion by someone who has not been identified as an expert in this investigation. *See* Ground Rule 9.

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Motion No. 1372-045 is GRANTED.⁶

The Wang Transcript

Mr. Wang was deposed in the North Carolina litigation in September 2021 about a prior art patent document in his name as well as a product he is said to have designed, developed, and sold, and which JLI's expert relies on as prior art in this investigation. Mr. Wang is a resident of China, was not deposed in this investigation, and was not issued a trial subpoena because of his location. Based on correspondence from the parties and a case management conference, counsel for both NJOY and JLI have been in contact with Mr. Wang but he has chosen to not participate in this investigation. 02/16/2024 Tr. at 59:20–86:3 and in particular 72:19–24 (EDIS Doc. ID 814417).

As noted, Ground Rule 13.6.1 requires all direct testimony in this investigation to be given by a live, in-person witness unless leave is otherwise granted. Ground Rule 13.6.2 requires all direct testimony to be subject to cross-examination.

Notwithstanding that, JLI contends that Mr. Wang's deposition transcript should be permitted under 19 C.F.R. §§ 210.28(h)(3)(ii), (iv), or (v). Opp. at 18. As to § 210.28(h)(3)(ii), JLI appears to be correct that Mr. Wang is outside the United States. As to § 210.28(h)(3)(iv), JLI is correct that it has not been able to procure the attendance at trial of Mr. Wang by subpoena. As to § 210.28(h)(3)(v), it is less clear that "such exceptional circumstances exist as to make it desirable in the interest of justice and with due regard to the importance of presenting the oral testimony of witnesses at a hearing, to allow the deposition to be used." NJOY contends that 19 C.F.R. § 210.37(b) requires the exclusion of all evidence found to be unreliable and contends that the

⁶ JLI contends that NJOY's motion as to the Yardimci declaration is premature because it obtained a trial subpoena. Opp. at 19–20. Whether or not Dr. Yardimci testifies at trial, however, does not render the declaration admissible or inadmissible.

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deposition transcript of Mr. Wang is unreliable. Mot. at 2.

I conclude that Mr. Wang's deposition transcript is inadmissible under Commission Rule 210.37 because it is not reliable. Although hearsay may be admitted in Commission proceedings even when otherwise inadmissible under the Federal Rules of Evidence, Federal Rule of Evidence 807 is helpful in analyzing the admissibility of the Wang transcript. Mr. Wang's conduct in this investigation, which is not disputed by the parties, has demonstrated that his testimony is not reliable. 02/16/2024 Tr. at 59:20–86:3. He demonstrated the same at his deposition. There, among other things, he testified that all e-cigarettes in the United States use his patents (Mot. Ex. 1 (Wang Dep.) at 87:4–9), told counsel to “do his own search” when asked whether one of his patent applications issued as a patent in China or anywhere else (*id.* at 90:13–22), and in reiterating that counsel for Fuma should “conduct his own search,” said he was “no longer interested in the patents,” that “not only in China, but in the US patents are not protected” and that “[y]ou guys are all the same.” *Id.* at 91:7–13. Mr. Wang asked counsel for Fuma “[w]hat right do you have to question my patent, regardless of who you represent?” (*id.* at 94:18–21) and asked whether it wasn't “shameful” that “your products are infringing on my products” and “[y]our patent is infringing on my patent, and you still pretend that you have the patent.” *Id.* at 96:6–10. Mr. Wang further stated that he had “no obligation to respond to [Fuma's counsel]” and that Fuma was “using a fake patent and tr[ying] to be pretentious.” *Id.* at 97:12–14.

Based on his conduct related to this investigation, 02/16/2024 Tr. at 59:20–86:3, and his conduct at his deposition in the North Carolina litigation, as detailed above, I conclude that Mr. Wang's deposition testimony is not reliable. For this reason, JLI is precluded from relying on the Wang transcript. I also conclude that JLI's expert is precluded from relying on the Wang transcript. Although experts are permitted to rely on inadmissible evidence in forming their opinions, it

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generally must be the type of evidence that an expert in the field would “reasonably rely on.” FED. R. EVID. 703. JLI has not shown that an expert in the field would reasonably rely on this type of evidence. Accordingly, I find that it would be highly prejudicial to NJOY to allow JLI’s expert to rely on inadmissible evidence in support of JLI’s case, when NJOY cannot cross-examine Mr. Wang or rebut his testimony. For these reasons, JLI’s expert is precluded from relying on the Wang transcript.

As to the Wang transcript, Motion No. 1372-045 is GRANTED.

The Wang Declaration

The Wang declaration describes a product Mr. Wang allegedly developed in China and sold in the United States. Mot. Ex. 2. Attached to the declaration are a patent publication of Mr. Wang, technical drawings, scan results of the product provided to RJR’s lawyers in the North Carolina litigation, a drawing of components, an invoice, and an internet web page of a posting supposedly made by a user identified as “udave” on www.e-cigarette-forum.com. *Id.* Having reviewed Mr. Wang’s declaration, there is no other conclusion but that JLI intends to use it in lieu of testimony, which is not permitted by the Ground Rules. *See* Ground Rules 13.6.1 and 13.6.2. In addition, for the reasons explained above with respect to Mr. Wang’s deposition transcript, I conclude that Mr. Wang’s declaration is inadmissible under Commission Rule 210.37 because it is not reliable. In addition, with the exception of the patent publication attached to Mr. Wang’s declaration, JLI’s expert will not be permitted to rely on the Wang declaration, or the materials attached to that declaration.

As to the Wang declaration, Motion No. 1372-045 is GRANTED.

JLI’s Motion in Limine No. 1 (Motion Docket No. 1372-042)

JLI’s motion in limine no. 1 seeks to to preclude NJOY’s witnesses “including its technical

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expert, Dr. Glenn Vallee, from relying on CX-2839C (Ex. 1), or otherwise presenting through its witnesses any testimony regarding the same (either on direct, cross, re-direct, or rebuttal testimony), and to strike NJOY's related reliance on the document as set forth on pages 362–363, 391, 409, 1048–1049, 1066–1067, 1084–1085, and 1103 of its pre-hearing brief." Motion No. 1372-042 at 1 (EDIS Doc. ID 821579). NJOY opposes (EDIS Doc. ID 822116). The Staff opposes. Staff Resp. at 8–9.

CX-2839C is a document produced by JLI in November 2023, titled "JUUL Pod Flow Updated Reduced 04-2018" and contains "results from computer simulations of temperature and airflow" of the JUUL pod in which "due to software limitations wick flow and vaporization are not considered." Mot. at 2–3. The opening and rebuttal reports of NJOY's expert, Dr. Vallee, did not analyze CX-2839C, did not identify it as being considered, and Dr. Vallee did not testify about CX-2839C at his deposition. *Id.* at 4. JLI states that "NJOY did not thereafter supplement or serve any errata to either of the expert reports by Dr. Vallee." *Id.* JLI states that at the deposition of JLI's expert, Dr. Dahm, NJOY offered CX-2839C as an exhibit. *Id.* at 5.

JLI contends that in its pre-hearing brief, NJOY "for the first time sought to rely on CX-2839C for a wide array of purposes relating to its infringement allegations, such as alleging for the first time that CX-2839C shows how air actually flows in the JUUL Pod at issue in this Investigation, and how and where aerosol is allegedly actually generated." *Id.* JLI identifies multiple portions of NJOY's pre-hearing brief which it alleges sets "forth multiple new infringement allegations and theories" relating to CX-2839C. *Id.* at 5–6.

JLI states that when the parties initially met and conferred on this motion, "NJOY stated that it does not intend to use CX-2839C with its fact or expert witnesses on direct examination, but it may seek to use the document for other purposes." *Id.* at 6. In a follow-on meet and confer,

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JLI stated that it “sought unequivocal confirmation that NJOY will not in any way reserve rights to discuss, use, or reference the document with any of its own witnesses, either on direct, cross, or rebuttal (or in any follow-on testimony in the event a witness testifies more than once), or in response to any testimony provided by other witnesses concerning the same,” but that “NJOY has refused to make that confirmation.” *Id.* JLI thus seeks to “preclude Complainant NJOY and its witnesses, including its technical expert, Dr. Vallee, from relying on CX-2839C (Ex. 1), or otherwise presenting any direct testimony regarding the same (either on direct, cross, re-direct, or rebuttal testimony).” *Id.* at 11.

In opposing this motion, NJOY represents that it will not “introduce or otherwise use CX-2839C, a JUUL Pod airflow analysis, with any of its witnesses during direct examination.” NJOY Opp. at 1. NJOY contends, however, that it should be permitted to adduce testimony from witnesses on cross-examination and redirect examination if JLI “opens the door” for such testimony. *Id.* at 2–4.

Because NJOY’s expert did not analyze, consider, or testify about CX-2839C, he will not be permitted to testify about that document (or its contents) on direct examination. *See* Ground Rules 9 and 13.6. The Staff states that “what happens with the examinations of witnesses at the evidentiary hearing remains to be seen. And, if the door is opened to CX-2839C on cross examination of Complainant’s expert, Dr. Vallee, then Respondent [sic, Complainant] should be permitted to use CX-2839C on their redirect examination.” Staff Resp. at 9. I agree. In addition, to the extent that the subject matter of CX-2839C is raised in the direct examination of JLI’s expert, Dr. Dahm, NJOY will be permitted to cross examine Dr. Dahm on CX-2839C and/or its content.⁷

⁷ To be clear, JLI does not have to use CX-2839C itself on direct examination for cross examination to be appropriate. The question will be whether the subject matter of CX-2839C is addressed on direct examination. To the extent NJOY contends that cross examination is appropriate and JLI objects, NJOY will be expected to explain why the subject matter of CX-2839C was within the

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To the extent identified above, Motion No. 1372-042 is GRANTED.

JLI's Motion in Limine No. 2 (Motion Docket No. 1372-044)

JLI's motion in limine no. 2 seeks to to preclude NJOY "from arguing that the asserted claims preclude a cartridge from having multiple components, which NJOY terms as resulting in a 'three piece' device, including, *e.g.*, regarding the NPRO, Xia '610, NCIG, and Cigarette Electronique prior art." Motion No. 1372-044 at 1 (EDIS Doc. ID 821583). JLI opposes. (EDIS Doc. ID 822123). The Staff opposes. Staff Resp. at 9–11.

This motion relates to the subject matter of NJOY's motion in limine no. 2. JLI contends that NJOY's validity contentions did not allege that cartridges comprising multiple components (i.e., three-piece devices) are outside the scope of the claims. Mot. at 1–2. JLI contends that this argument was first made in the rebuttal report of NJOY's expert. *Id.* at 2. JLI contends that "NJOY was aware of JLI's invalidity contentions, and its current theories, well before NJOY's final validity contentions, as they had been disclosed during invalidity contentions multiple times." Mot. at 3.⁸

The Staff points to multiple places in NJOY's validity contentions in which NJOY stated that the asserted claims were distinguished from the prior art, including Xia '610, Cigarette Electronique, and "non-cartomizer devices," which had a disposable liquid storage element. Staff Resp. at 10–11. As a result, according to the Staff, JLI was on notice of NJOY's argument.

I agree. NJOY's validity contentions put JLI on notice of NJOY's position on this issue.

scope of the direct examination.

⁸ As detailed above with respect to NJOY's motion in limine no. 2, JLI's invalidity theory was not clearly articulated.

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Motion No. 1372-044 is DENIED.

SO ORDERED.



Doris Johnson Hines
Administrative Law Judge