

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NJOY, LLC and NJOY HOLDINGS, INC.,
Petitioner,

v.

JUUL LABS, INC.,
Patent Owner.

IPR2024-00267
Patent 11,134,722 B2

Before CHRISTOPHER M. KAISER, KIMBERLY MCGRAW, and
AVELYN M. ROSS, *Administrative Patent Judges*.

ROSS, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)

INTRODUCTION

NJOY, LLC and NJOY Holdings, Inc. (collectively, “Petitioner”) requests rehearing of our Decision Denying Institution of Inter Partes Review (Paper 15, “Decision”) determining, in relevant part, that Petitioner had not demonstrated a reasonable likelihood that claims 1, 5, 7, 9–13, 15–16, and 18–21 of U.S. Patent No. 11,134,722 B2 (Ex. 1001, “the ’722 patent”) would have been unpatentable in view of certain references. Request for Rehearing 1 (Paper 16, “Rehearing Request” or “Request”); Decision 33–40. For the reasons set forth below, the Rehearing Request is denied.

STANDARD OF REVIEW

Pursuant to 37 C.F.R. § 42.71(d):

A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

When reconsidering a decision on institution, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion exists where a “decision [i]s based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988).

ANALYSIS

Petitioner requests rehearing of the Board’s determination that Petitioner failed to establish a reasonable likelihood that claims 1, 5, 7, 9–13, 15–16, and 18–

21 of the '722 patent are unpatentable in view of the combined teachings of Thorens788¹, Thorens231², and Levin.^{3,4} Request 2. Petitioner contends that “the Board abused its discretion by applying the wrong legal standard and failing to recognize the reasonable expectation of success established implicitly by the evidence.” *Id.* Petitioner, however, acknowledges that

the Board recognized that “a reasonable expectation of success can be ‘implicit’ and may be ‘intertwined’ with motivation to combine,” it nevertheless found that it could not “reasonably discern any implicit argument in Petitioner’s arguments directed to common inventors, same alleged invention, and possible injury to the consumer, and the evidence discussed above that supports motivation to combine fails to support a reasonable expectation of success.”

Id. (citing Decision 39 (quoting *Eleкта Ltd. V. ZAP Surgical Sys. Inc.*, 81 F.4th 1368, 1376 (Fed. Cir. 2023))). Petitioner contends that “the similarities in disclosure and inventorship between Thorens788 and Thorens231 support an implicit finding of reasonable expectation of success” (*id.* at 5), “the Board gave no consideration to the illustrations provided in the Petition” (*id.*), “the Petition demonstrated that a reasonable expectation of success is supported” by the references (*id.* at 9), and “the knowledge of one of ordinary skill in the art supports

¹ Thorens et al., WO 2011/160788 A1, published Dec. 29, 2011 (Ex. 1004, “Thorens788”).

² Thorens et al., U.S. Patent No. 8,794,231 B2, issued Aug. 5, 2014 (Ex. 1002, “Thorens231”).

³ Levin et al., U.S. Patent No. 9,427,022 B2, issued Aug. 30, 2016 (Ex. 1003, “Levin”).

⁴ Petitioner does not challenge the Board’s decision to deny institution of an inter partes review of claims 1, 5, 7, and 9–21 over challenges based on Pan and Levin (with or without Tucker) or claims 14 and 17 over a challenge based on Thorens788, Thorens231, Levin, and Tucker.

a reasonable expectation of success” (*id.*).⁵ We address Patent Owner’s arguments below.

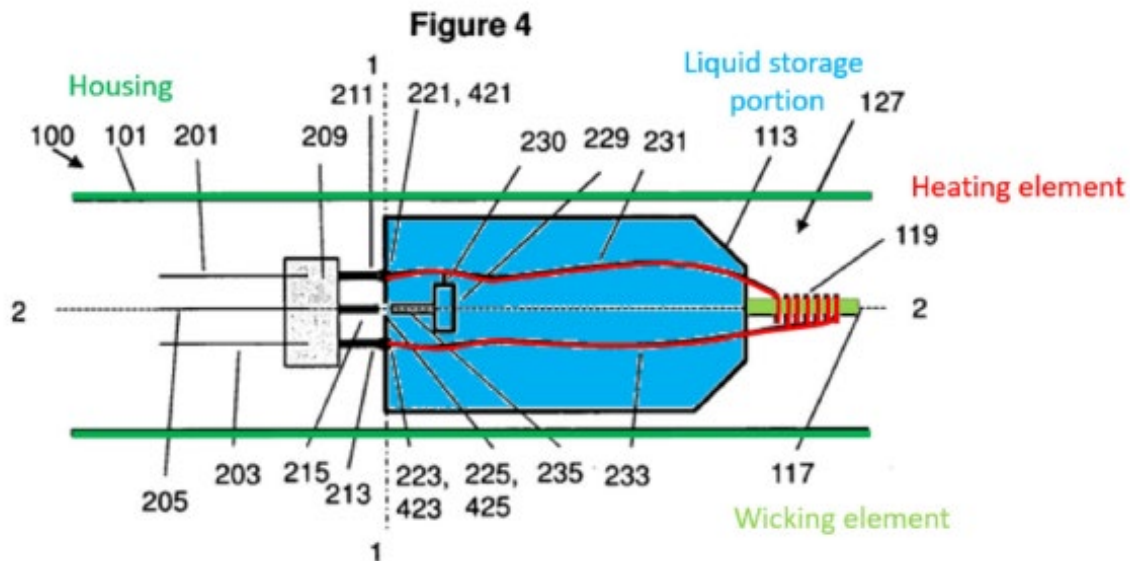
Petitioner argues that Thorens788 describes (but does not depict) a mouthpiece and that “[t]he Petition nonetheless combined Thorens788 and Thorens231 out of an abundance of caution because Thorens231 provided an ***illustration*** of the mouthpiece.” Request 3. Petitioner explains that it is not modifying a device without a mouthpiece to include a mouthpiece but is taking an existing, non-depicted mouthpiece and giving it form.” *Id.* Petitioner asserts that the Board gave no consideration to the illustrations provided which “unequivocally show[] how trivial it would have been for a [person of ordinary skill in the art] to combine Thorens788 and Thorens231.” *Id.* at 5. Petitioner argues that “the simple modification proposed in the Petition is nearly identical in modified form to that of Thorens231, which reinforces the reasonable expectation of success.” *Id.* at 7.

We are not persuaded by Petitioner. Though Thorens788 and Thorens231 may have some similarities, neither Petitioner nor its declarant, Dr. Janet, persuasively account for several dissimilarities existing between the two

⁵ Petitioner also asserts that the instant situation is similar to the issues present in *Fanduel, Inc. v. Winview, Inc.*, IPR2022-01306, Paper 22 (P.T.A.B. Jan. 29, 2024), and *Captioncall, L.L.C., v. Ultratec, Inc.*, IPR2015-01358, Paper 75 (P.T.A.B. Dec. 9, 2016), and that the Board erred in not treating the instant case similarly. Request 4. Neither *Fanduel* nor *Captioncall* are designated as precedential or informative decisions and are therefore exemplary of an outcome based on particular facts. A reasonable expectation of success is a factual inquiry and *Fanduel* and *Captioncall* present facts not present here—including, e.g., robust declarant testimony. *OSI Pharm., LLC, v. Apotex Inc.*, 939 F.3d 1375, 1382 (Fed. Cir. 2015) (stating that reasonable expectation of success is a factual inquiry); *see also Par Pharm., Inc. v. TWI Pharm., Inc.*, 773 F.3d 1186, 1196 (Fed. Cir. 2014) (“The presence or absence of a reasonable expectation of success is also a question of fact.”).

references. For example, Petitioner states that the only differences between Thorens788 and Thorens231 include: (1) “Thorens788 describes a ‘mouthpiece’ . . . [but] does not provide an illustration of the mouthpiece” and “Thorens231, however, provides such an illustration” (Pet. 62–63) and (2) “Thorens788 discloses that its heating element is fully contained within the shell” where “Thorens231, in contrast, discloses that the heating element is outside the shell” (*id.* at 63).

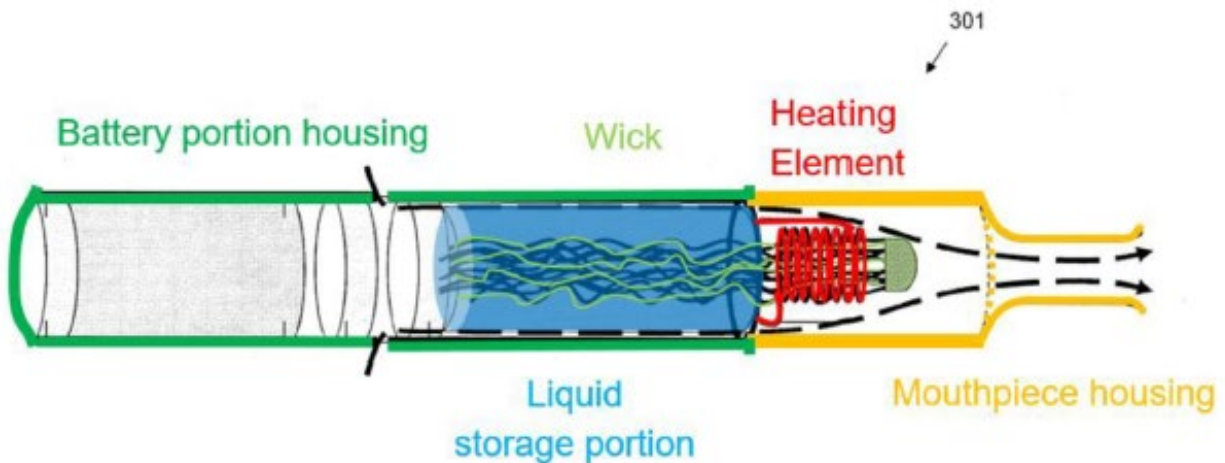
We disagree with Petitioner. Consideration of Petitioner’s illustrations further shows the differences between Thorens788 and Thorens231. Petitioner’s annotated version of Thorens788 Figure 4 is reproduced below.



Pet. 63 (“Annotated Figure 4” or “Ann. Fig. 4”). Annotated Figure 4 is a sectional view of housing 101 (dark green). Ex. 1004, 11:18–11:20. As shown in Annotated Figure 4, “liquid storage portion 113 [(light blue)], wick 117 [(light green)], heating element 119 [(red)], [electrical] contacts 221, 223, 225, 421, 423, 425 and electrically conductive portions 230, 231, 233, 235, and subsystem 229 may form a single unit which is disposable. *Id.* at 16:4–6. These electrical

contacts and electrically conductive portions “allow electrical energy to be supplied to the heating element 119 from a battery or other power source [107].” *Id.* at 14:14–18. Annotated Figure 4 shows liquid storage portion 113 and heating element 119 are contained within housing 101.

Petitioner’s annotated version of Thorens231 Figure 3 is reproduced below.



Pet. 64 (“Annotated Figure 3” or “Ann. Fig. 3”). Annotated Figure 3 depicts constructed electrically heated smoking system 301. Ex. 1002, 6:27–29, 6:54–57. Annotated Figure 3 shows shell (dark green), divided into a battery portion (left) and a liquid storage portion (blue, center) with mouthpiece housing (yellow, right), attached to the end of the liquid storage portion, to form electrically heated smoking system 301. *Id.* at 6:54–56.

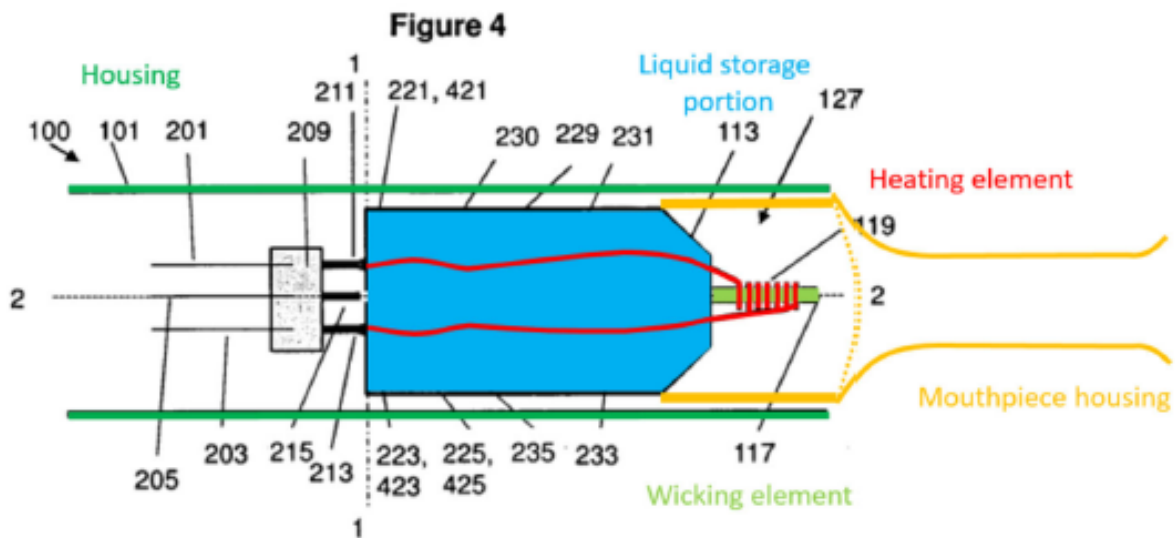
A comparison of Annotated Figure 4 and Annotated Figure 3, above, shows additional differences. Specifically, the size, placement, and structure of the heating elements and the wicks, differ between Annotated Figure 4 and Annotated Figure 3. *Compare* Ann. Fig. 4, with Ann. Fig. 3; *see also* Prelim. Resp. 46 (same). According to Patent Owner, “[t]he size of the heating element

is related to energy consumption, rate of liquid consumption, temperature of vapor, amount of vapor, particle size of the aerosol, material selection, battery life, and airflow” and “wick placements . . . alters the characteristics of the device, such as the airflow path, draw resistance, and placement of components.” Prelim.

Resp. 50; Ex. 2001 ¶¶ 132–133. Therefore, while Thorens788 and Thorens231 have some similarities, the references have additional dissimilarities that impact the overall function and performance of the device that neither Petitioner, nor its declarant, take into account.

Next, Petitioner’s contention that it merely proposes a simple modification to add a mouthpiece to a device that *has* but does not *depict* mouthpiece understates Petitioner’s actual proposed combination. *See* Request 6–8.

Petitioner’s modification of Thorens788 to include the mouthpiece of Thoren231 is depicted below in Petitioner’s combined version of Thorens788 Figure 4.



Pet. 65 (“Combined Figure 4” or “Combined Fig. 4”). Combined Figure 4 includes a mouthpiece housing (yellow)—in the same shape as the mouthpiece housing of Annotated Figure 3—that is located at one end of the housing (dark

green, left), placed *inside* the housing between the housing and heating element (red), and surrounding the heating element and portions of the liquid storage portion (blue). Otherwise, Combined Figure 4 is nearly the same as Annotated Figure 4. *Compare* Combined Fig. 4, *with* Ann. Fig. 4. Thus, Petitioner does not propose a simple substitution to include the mouthpiece housing of Thorens231 in the device of Thorens788 in the same manner as used in Thorens231. Rather, Petitioner proposes including the mouthpiece housing of Thorens231 in the device of Thorens788 and then further modifying its placement by inserting it into the housing. *See* Combined Fig. 4. Neither Petitioner nor Dr. Janet persuasively explain why this arrangement would be expected to be successful nor do they allege that such a modification would have been within the skill set of the ordinarily skilled artisan. In contrast, Patent Owner explains that

Petitioner's [Combined] Figure 4 appears to block any airflow through the device and out of the mouthpiece. Petitioner and its expert do not account for how the mouthpiece would be secured to the liquid storage portion in Thorens788. Moreover, as drawn by Petitioner, the wick touches what is presumably the air inlet for the mouthpiece (although Petitioner does not discuss where the air inlet is), which could adversely impact performance or user experience, such as draw resistance[.]

Prelim. Resp. 50–51. Because Petitioner did not direct our attention to any argument or testimony to account for whether or how the modified device would function, Petitioner did not meet its initial burden of proof of showing that a person of ordinary skill in the art would have had an expectation of success in the combination. *See Eli Lilly & Co. v. Teva Pharms. Int'l GmbH*, 8 F.4th 1331, 1348–49 (Fed. Cir. 2021) (explaining that it is “at all times, [petitioner’s] burden to show that the claims would have

been obvious, including that the skilled artisan would have had a reasonable expectation of success in achieving the claimed invention”).

Petitioner also argues that the express teachings of Thorens788 and Thorens231 demonstrate a reasonable expectation of success. Request 9. In particular, Petitioner directs our attention to Thorens788 which described “a mouthpiece wherein, ‘[p]referably, the liquid storage portion, capillary wick, the at least one heater and the air outlet are contained in the mouthpiece.’” *Id.* (quoting Pet. 78 (citing Ex. 1004, 10:28–29)). But, Petitioner’s citation to portions of the Thorens788 Specification to describe the arrangement of elements contemplated in Thorens788 does not establish a reasonable expectation of success in combining the limitations of Thorens788 and Thorens231 in the manner suggested in Combined Figure 4. Neither Thorens788 nor Thorens231 describe the further structural modification proposed in Combined Figure 4.

Lastly, Petitioner asserts that the knowledge of the person of ordinary skill in the art supports a finding of a reasonable expectation of success. Request 9. Petitioner argues that the “Board adopted Petitioner’s definition of a person of ordinary skill” and that “[i]t would have been trivial to such a person of ordinary skill to take the existing mouthpiece of Thorens788 and making it look similar to the mouthpiece of Thorens231.” *Id.*

Though Petitioner alleges that the proposed modifications would be “simple” and “trivial,” Petitioner does not direct our attention to any argument or testimony that suggests the proposed modifications would have been within the knowledge and skill of the person of ordinary skill in the art. We acknowledge Petitioner’s argument—relying on *KSR*—that a person of ordinary skill in the art would have improved Thorens788 in the same manner as Thorens231. Request 9 (citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 401 (2007) (“[I]f a technique

has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond that person’s skill.”)). But, Petitioner has not shown where Thorens231 suggests a mouthpiece positioned inside a housing and surrounding the heating element, that such an arrangement improved the device of Thorens231, or that would be trivial to “improve” Thorens788 or any other known device in the manner proposed.

Therefore, for the preceding reasons, we are not persuaded that we overlooked or misapprehended any evidence or arguments Petitioner presented in its briefing.

CONCLUSION

We conclude the outcome of this Decision on Rehearing:

Claims	35 U.S.C.	Basis	Granted	Denied
1, 5, 7, 9–13, 15–16, 18–21	§ 103	Thorens788, Thorens231, Levin		1, 5, 7, 9–13, 15–16, 18–21
Overall Outcome				1, 5, 7, 9–13, 15–16, 18–21

ORDER

Accordingly, it is:

ORDERED that Petitioner’s Request for Rehearing is denied.

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Patent 11,134,722 B2

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