

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ECTO WORLD, LLC and SV3, LLC,
Petitioners,

v.

RAI STRATEGIC HOLDINGS, INC.,
Patent Owner.

Case PGR2024-00049
Patent 11,925,202

PATENT OWNER PRELIMINARY RESPONSE

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I. INTRODUCTION

In this proceeding, Ecto World, LLC and SV3, LLC (“Petitioners”) request institution of post-grant review (PGR) of claims 1-30 of U.S. Patent No. 11,925,202 (the ’202 patent), which is owned by RAI Strategic Holdings, Inc. (“Patent Owner” or “RAI”). Petitioners also filed a petition for *inter partes* review (IPR) of the ’202 patent on the same day that they filed the PGR petition. IPR2024-01280, Paper 1. Neither petition should be instituted.

Petitioners argue that the ’202 patent is eligible for PGR because its claims allegedly are overbroad and lack support in any parent application having a filing date before March 16, 2013. The petition specifically argues that the claims encompass a *tobacco-less* smoking article, whereas the ’202 patent application and its parents only provide support for smoking articles that use tobacco. Petition (Pet.) at 7-10, 125-29.

Patent Owner is currently asserting the ’202 patent against Petitioners and other Respondents in the ITC. After Petitioners filed the PGR petition, an ITC administrative law judge (ALJ) issued an order tentatively construing the claim term “smoking article” as being “limited to devices incorporating tobacco, including tobacco-derived components.” Ex. 2003 at 34. The ITC ALJ accordingly rejected Respondents’ written description challenge in view of this construction of “smoking article” and held that Reynolds “carried its burden to

show that Respondents’ written description arguments lack substantial merit.” *Id.* at 153. Following the ITC ALJ’s order, Patent Owner stated that it “accepts the [temporary-exclusion order (TEO) initial determination (ID)’s] tentative construction for purposes of the permanent phase of this Investigation.” Ex. 2009 at 12.

The Board should adopt the ITC ALJ’s construction of “smoking article” and deny institution of PGR. Under this construction, Petitioners’ arguments that the ’202 patent is a post-AIA patent eligible for PGR fail. So construed, the ’202 patent claims are indisputably supported by the specification, thus overcoming Petitioners’ PGR eligibility arguments. Adopting the ITC’s construction of “smoking article” avoids inconsistent rulings between the Board and the ITC and promotes judicial economy by narrowing the issues to the prior-art unpatentability grounds presented in Petitioners’ IPR petition. Further, Petitioners have proposed constructions of “smoking article” here and in the ITC that require tobacco, consistent with the ITC ALJ’s construction “limited to devices incorporating tobacco, including tobacco-derived components,” and Patent Owner stated that it accepts the ITC ALJ’s construction for the permanent phase of the ITC investigation. These facts further support the Board’s adoption of the ITC construction.

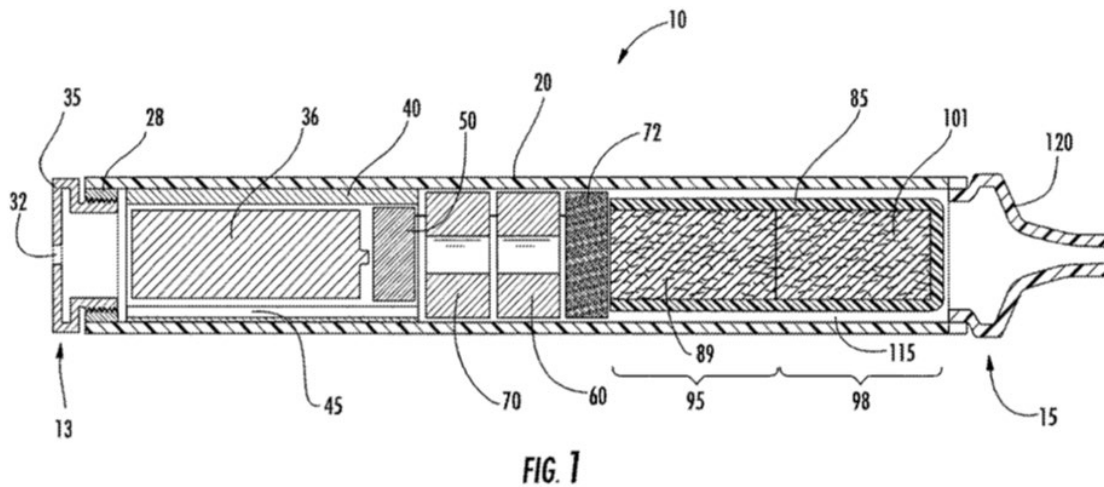
Institution of PGR should be denied.

II. BACKGROUND

A. The '202 Patent

The '202 patent is entitled “Tobacco-Containing Smoking Article,” and claims priority through a series of continuation applications to U.S. Patent App. No. 11/550,634, filed on October 18, 2006. Ex. 1001 at 1:8-24. The '202 patent describes embodiments of a smoking article that includes an electrical power source that powers an electrical resistance heater. *See, e.g., id.* at 6:4-14. The electrical resistance heater is configured to heat an aerosol-forming material in a storage compartment (*id.* at 5:65-6:29), and the storage compartment is arranged such that the liquid aerosol-forming material can be wicked into contact with the electrical resistance heater to volatilize the liquid aerosol-forming material. *Id.* at 33:1-6. Embodiments of the smoking article additionally include a controller configured to activate current flow through the heater in response to a draw on the smoking article. *Id.* at 5:29-36.

Figure 1, reproduced below, shows a longitudinal cross-sectional view of one embodiment of a representative smoking article 10 of the '202 patent:



Id. at Fig. 1. The smoking article 10 has an overall shape that is generally rod-like or tubular in nature, generally akin to a cigarette-type or cigar-type smoking article. *Id.* at 19:53-55. The smoking article 10 includes a distal end 13 and a mouth-end 15. *Id.* at 19:56-57.

The smoking article 10 further includes an outer container or housing 20. *Id.* at 19:58-59. Although the dimensions and shape of the outer container 20 can vary, a representative outer housing generally has a greater length than diameter and can be provided using a variety of materials. *Id.* at 19:59-64. As shown, the mouth-end 15 includes an opening adapted for egress of an aerosol generated within the smoking article, and the distal end 13 includes an opening adapted for intake of air into the smoking article 10. *Id.* at 20:4-9.

B. Other Proceedings On The '202 Patent

On June 11, 2024, RAI, R.J. Reynolds Vapor Company, R.J. Reynolds Tobacco Company, and RAI Services Company (collectively “Complainants”)

filed an ITC complaint, seeking institution of a Section 337 investigation against Petitioners and other Respondents for, *inter alia*, infringement of the '202 patent. *See Certain Disposable Vaporizer Devices*, Inv. No. 337-TA-1410. Ex. 2001. The ITC instituted the investigation on July 17, 2024. Ex. 2002.

Complainants also filed a Motion for Temporary Relief in the ITC on the same day that they filed the complaint. Ex. 1009. In the motion, Complainants requested a temporary exclusion order and cease-and-desist orders directed to each of the Respondents. *Id.* On November 19, 2024, Administrative Law Judge (ALJ) Monica Bhattacharyya denied Complainants' motion. Ex. 2003. The ITC ALJ's order also tentatively construed terms of the '202 patent, including the term "smoking article," as detailed further below. *Id.* at 34. The hearing for the permanent phase of the ITC investigation is scheduled to start on April 7, 2025, and the Commission is expected to issue its Final Determination in November 2025.

As noted above, Petitioners filed an IPR petition against the '202 patent on the same day that they filed the PGR petition. IPR2024-01280, Paper 1. The IPR petition presents the same prior-art grounds as the PGR petition. *Compare id.* at 15-109 to Pet. at 28-125.

C. Level Of Ordinary Skill In The Art

Petitioners propose a definition of a person of ordinary skill in the art (POSA). Pet. at 16-17. Patent Owner reserves the right to dispute Petitioners' definition if a PGR is instituted. For purposes of this Preliminary Response, Patent Owner maintains that the '202 patent is ineligible for PGR even under Petitioners' POSA definition.

D. Claim Construction – “Smoking Article”

Claim terms are to be construed in accordance with the standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc).

The petition proposes claim constructions for two terms of the '202 patent: “wicked into contact with the electrical resistance heater” and “smoking article.” Pet. at 17-20. Patent Owner addresses the construction for “smoking article” below. The term “wicked into contact with the electrical resistance heater” does not need to be construed in order for the Board to reach its institution decision. None of Patent Owner's arguments against institution requires construction of the “wicked into contact” term. Patent Owner reserves its right to put forth a construction of this or any other terms if the Board institutes PGR.

Claims 1-30 of the '202 patent recite the term “smoking article.” Ex. 1001 at 32:58-35:7. The Board should adopt the ITC's construction of “smoking article” as being “limited to devices incorporating tobacco, including tobacco-derived

components.” Ex. 2003 at 34. Adopting this construction promotes consistency between the co-pending Board and ITC proceedings, and is also appropriate in view of (i) Petitioners’ requests for constructions requiring tobacco here and in the ITC, and (ii) Patent Owner’s statement that it “accepts the TEO ID’s tentative construction for purposes of the permanent phase of [the ITC] Investigation.” Ex. 2009 at 12.

1. Petitioners’ Positions On The Term “Smoking Article”

The petition argues that the term smoking article “must be limited to a ‘tobacco containing smoking article.’” Pet. at 19. Though presented as a contingent construction, Petitioners argue that it “is commensurate with: (i) the title of the ’202 patent; (ii) the entirety of the specification; (iii) the figures; (iv) the alleged point of novelty; and (v) the claim scope in at least seven of the parent/grandparent patents to the ’202 patent (which each recite ‘A tobacco containing ... smoking article’ in some form or another).” *Id.* (citing Ex. 1032 (U.S. Patent No. 11,758,936) at claim 1, and Ex. 1036 (U.S. Patent No. 9,801,416) at claim 1).

Likewise, in the ITC, Petitioners and other Respondents argued that the term “smoking article” should be construed as “[a] smoking device that possesses tobacco.” Ex. 2010 at 16. Respondents argued, among other things, that “[t]he specification clearly and unequivocally states that the smoking article of the

‘present invention’ requires the presence of tobacco. The specification then describes every embodiment of the invention consistent with this characterization, informing a POSA and the public that the claimed ‘smoking article’ requires tobacco.” *Id.* (emphasis by Respondents).

2. The ITC ALJ’s Tentative Construction Requiring Tobacco, Including Tobacco-Derived Components

As noted above, an ITC ALJ construed the term “smoking article” as being “limited to devices incorporating tobacco, including tobacco-derived components.” Ex. 2003 at 34.

Applying this construction, the ITC ALJ rejected Respondents’ written description arguments regarding the alleged lack of support for tobacco-less smoking articles as lacking substantial merit. *Id.* at 153.

3. Patent Owner’s Statement That It Accepts The ITC ALJ’s Construction For The Permanent Phase Of The ITC Investigation

Following the ITC ALJ’s determination, Patent Owner stated in the ITC that it “accepts the TEO ID’s tentative construction for purposes of the permanent phase of this Investigation.” Ex. 2009 at 12.

4. The Board Should Adopt The ITC ALJ’s Construction

In view of the foregoing, Patent Owner requests that the Board adopt the ITC ALJ’s construction of “smoking article” as being “limited to devices incorporating tobacco, including tobacco-derived components” for purposes of this

PGR proceeding. Ex. 2003 at 34. Adopting this construction “promotes consistency in claim construction rulings and patentability determinations” between different forums, the importance of which has been recognized by the Federal Circuit. Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340, 51,347 (Oct. 11, 2018); *see also* 51,349-50 (citing *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1360-61 (Fed. Cir. 2017) (citing *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995))).¹

As explained above, in adopting the tentative construction limiting the term “smoking article” to “devices incorporating tobacco, including tobacco-derived components” (Ex. 2003 at 34), the ITC ALJ rejected Respondents’ argument that the ’202 patent’s claims lack written description support. *Id.* at 153. Petitioners

¹ The standard for claim construction in an IPR is the same standard as that used in the ITC. Consolidated Trial Practice Guide (“CTPG”) (Nov. 2019) at 45-46; 37 C.F.R. § 42.100(b). This standard was adopted to avoid decisions that construe the same or similar claims of a patent inconsistently across the different forums. 83 Fed. Reg. 51,340, 51,342. “Minimizing differences between claim construction standards used in the various fora will lead to greater uniformity and predictability of the patent grant, improving the integrity of the patent system.” *Id.* at 51,342.

make the same written description argument in this PGR, asserting that the '202 patent and its parent applications lack support for a smoking article that does not contain tobacco. Pet. at 125-29. Adopting a construction of “smoking article” that requires tobacco moots Petitioners’ written description arguments in this PGR and thus promotes consistency between this proceeding and the ITC investigation. *See In re Baxter, Int’l., Inc.*, 678 F.3d 1357, 1365 (Fed. Cir. 2012) (when a party loses in a court proceeding challenging a patent, “the PTO ideally should not arrive at a different conclusion” on the same presentations and arguments). Adopting the ITC ALJ’s construction also serves the interests of judicial economy because it would render the '202 patent ineligible for PGR, as explained in Section III below, thus simplifying the issues by narrowing them to the prior-art unpatentability grounds presented in Petitioners’ IPR petition.

The Board often adopts constructions rendered by district courts or the ITC, including preliminary constructions. *See, e.g., Google LLC v. Traxcell Techs., LLC*, IPR2022-00442, Paper 7 at 8-9 (PTAB July 11, 2022) (decision denying IPR adopting “reasonable” district court claim construction when both parties applied it in their briefs); *Sercomm Corp. v. Atlas Global Techs., LLC*, IPR2022-01520, Paper 25 at 17-18 (PTAB Apr. 11, 2023) (“We have reviewed the District Court’s reasoning ... and agree that for reasons given by the District Court[,] the [claim term] should be given the same construction as determined by the District Court.”);

FTC Solar, Inc. v. FCX Solar, LLC, IPR2022-01101, Paper 8 at 6-7 (PTAB Nov. 28, 2022) (adopting district court claim constructions for purposes of decision denying institution); *Facebook, Inc. v. BlackBerry Ltd.*, IPR2019-00924, Paper 15 at 8-9 (PTAB Oct. 9, 2019) (decision denying IPR adopting district court claim constructions because they are “reasonable”); *Rockwell Automation, Inc. v. Automation Middleware Solutions, Inc.*, IPR2017-00049, Paper 12 at 9-10 (PTAB Apr. 21, 2017) (adopting district court’s preliminary claim construction). Indeed, the Patent Office instructs that “[p]arties should submit a prior claim construction determination by a federal court or the ITC in an AIA proceeding as soon as that determination becomes available,” and indicates that the Board will give such parallel constructions “appropriate weight.” CTPG at 47.

The Board’s adoption of the ITC ALJ’s construction is also appropriate in view of the parties’ positions taken here and in the ITC. As noted above, the petition argued that the term smoking article “must be limited to a ‘tobacco containing smoking article’” (Pet. at 19), and Petitioners and other Respondents argued in the ITC that the term should be construed as “[a] smoking device that possesses tobacco.” Ex. 2010 at 16. Patent Owner stated in the ITC that it “accepts the TEO ID’s tentative construction for purposes of the permanent phase of this Investigation.” Ex. 2009 at 12. The statements by the parties—each of which argues for or accepts a construction requiring tobacco—support adopting the

ITC ALJ’s construction limiting the term “smoking article” to “devices incorporating tobacco, including tobacco-derived components.” Ex. 2003 at 34. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“[W]e need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

For these reasons, the Board should adopt the ITC ALJ’s construction of “smoking article.”

III. THE BOARD SHOULD DENY INSTITUTION BECAUSE THE ’202 PATENT IS NOT ELIGIBLE FOR PGR REVIEW

The Board should adopt the ITC ALJ’s construction of “smoking article” limiting the term to “devices incorporating tobacco, including tobacco-derived components” (Ex. 2003 at 34) for the reasons explained above in Section II.D. Under this construction, Petitioners’ arguments that the ’202 patent is eligible for PGR review fail.

The petition argues that it identifies “at least one reason” why the challenged claims are allegedly not “entitled to a filing date earlier than the ’202 application’s March 31, 2023, filing date: ... [T]he inventors removed ‘tobacco’ from the originally-filed claims [of the ’202 patent], and as a result, impermissibly broadened the claims beyond what is supported by any specification in the ’202

patent family.” Pet. at 8-9; *see also id.* at 125 (“Neither the original specification of the ’202 patent nor any parent/grandparent thereto (all of which have identical specifications, and thus are subject to the same written-description analysis below) contains written-description support for a ‘smoking article’ that does not contain tobacco.”). Under the ITC ALJ’s construction, however, the ’202 patent’s claims require a smoking article that incorporates tobacco, including tobacco-derived components (Ex. 2003 at 34), and are supported by the specification, thus mooting Petitioners’ PGR eligibility argument. Petitioners identify no other limitations allegedly lacking support in the ’202 patent family’s applications dating back to U.S. App. No. 11/550,634, filed on October 18, 2006. *See* Pet. at 7-10, 125-29.

Accordingly, under the ITC ALJ’s construction of “smoking article,” Petitioners’ PGR-eligibility arguments fail. The ’202 patent is entitled to an effective filing date of October 18, 2006 and is therefore ineligible for PGR review.

IV. CONCLUSION

For the reasons set forth above, the Board should deny institution of PGR.

Respectfully submitted,

Date: December 11, 2024

By: /David M. Maiorana/
David M. Maiorana, Reg. No. 41,449
Kenneth S. Luchesi, Reg. No. 58,673
Robert M. Breetz, Reg. No. 75,550
JONES DAY
North Point, 901 Lakeside Avenue
Cleveland, OH 44114
(216) 586-7499

John A. Marlott (Reg. No. 37,031)
Jones Day
110 North Wacker Drive, Suite 4800
Chicago, IL 60606
(312) 782-3939

Joshua R. Nightingale, Reg. No. 67,865
JONES DAY
500 Grant Street, Suite 4500
Pittsburgh, PA 15219

CERTIFICATE OF WORD COUNT

The undersigned hereby certifies that the foregoing Patent Owner Preliminary Response complies with the type-volume limitations of 37 C.F.R. § 42.24(b). Excluding the items listed in 37 C.F.R. § 42.24(a) as not included in the word count, and using the word count of the word-processing system used to prepare the paper (Microsoft Word), the Patent Owner Preliminary Response contains 2,670 words.

Dated: December 11, 2024

/David M. Maiorana/
Counsel for Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Patent Owner Preliminary Response was served via email on the date below, upon the following:

Ryan C. Richardson (Reg. No. 67,254)
Daniel E. Yonan (Reg. No. 53,812)
Kyle Conklin (Reg. No. 59,425)
Christopher R. O'Brien (Reg. No. 63,208)

rrichardson-PTAB@sternekessler.com
dyonan-PTAB@sternekessler.com
kconklin-PTAB@sternekessler.com
cobrien-PTAB@sternekessler.com

Dated: December 11, 2024

/David M. Maiorana/
Counsel for Patent Owner