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November 19, 2020

The Honorable MaryJoan McNamara
Administrative Law Judge
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: *Certain Vaporizer Cartridges and Components Thereof, Inv. No. 337-TA-1211*

Dear Hon. Judge McNamara:

Please find attached Complainant Juul Labs, Inc. and Respondent Aqua Haze LLC's public version of the parties' joint motion to terminate the investigation. In the Office of Unfair Import Investigations' ("OUII") Response to the parties' joint motion to terminate, OUII indicated that it supports the motion "*provided* that the parties file a revised public version of their settlement agreement with redactions limited only to information that is properly confidential business information ("CBI") under Commission Rule 201.6(a)." (Commission Investigative Staff's Response to Joint Motion to Terminate the Inv. as to Aqua Haze LLC). JLI has conferred with OUII, and OUII does not object to the scope of the proposed redactions.

Respectfully submitted,

/s/ S. Alex lasher
S. Alex lasher

Counsel for Complainant Juul Labs, Inc.

cc: Enclosures

UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

Before the Honorable MaryJoan McNamara
Administrative Law Judge

In the Matter of

CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF

Investigation No. 337-TA-1211

**JOINT MOTION TO TERMINATE THE INVESTIGATION AS TO
AQUA HAZE LLC**

Pursuant to 19 U.S.C. § 1337(c) and 19 C.F.R. § 210.21(c)(1)(ii), Complainant Juul Labs, Inc. (“Complainant,” or “JLI”) and Respondent Aqua Haze LLC (“Respondent” or “Aqua Haze LLC”), jointly move to terminate the investigation as to Aqua Haze LLC.

JLI and Aqua Haze LLC submit that the attached Consent Order Stipulation (Exhibit A) and Proposed Consent Order (Exhibit B) satisfy the requirements of Rule 210.21(c) and that termination is in the public interest. A copy of the parties’ confidential settlement agreement is also attached as confidential Exhibit C. JLI and Aqua Haze LLC state that there are no other agreements, written or oral, express or implied, relating to the subject matter of this Investigation. Accordingly, JLI and Aqua Haze LLC request that the Administrative Law Judge issue an initial determination terminating this investigation with respect to Respondent Aqua Haze LLC on the basis of the consent order pursuant to 19 C.F.R. § 210.21(c).

I. FACTUAL BACKGROUND

The Commission instituted this Investigation and named Aqua Haze LLC as a Respondent on August 14, 2020, by publication in the Federal Register based on a complaint filed by JLI on July 10, 2020. *See* 85 FR 49679. JLI’s complaint alleged a violation of Section 337 of the Tariff Act of 1930, as amended, by reason of the importation into the United States,

sale for importation, or sale within the United States after importation of certain vaporizer cartridges and components thereof (the “Accused Products”) that infringe each of the sole claims of U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868.

Aqua Haze LLC executed a Consent Order Stipulation that meets the requirements of 19 C.F.R. § 210.21(c). Aqua Haze LLC agrees that upon entry of the Proposed Consent Order by the Commission, it will not sell for importation, import into the United States, or sell in the United States after importation, directly or indirectly, or aid, abet, encourage, participate in, or induce the sale or importation of the Accused Products, except under consent or license by JLI. JLI and Aqua Haze LLC executed a settlement agreement that is attached as confidential Exhibit C.

II. ARGUMENT

It is in the interest of the public and administrative economy to grant the present motion. Commission policy and the public interest generally favor resolving litigation through mechanisms such as consent orders to conserve both public and private resources. *See, e.g., Certain Height-Adjustable Desk Platforms and Components Thereof*, Inv. No. 337-TA-1125, Order No. 13 at 4 (Sept. 24, 2018) (finding termination of respondent based on a consent order “in the public interest, which favors settlement to avoid needless litigation and to conserve public resources”); *Certain Air Mattress Bed Systems and Components Thereof*, Inv. No. 337-TA-999, Order No. 9 at 4 (Nov. 18, 2016) (noting the “significant public interest benefits” in resolving the litigation through the proposed consent order).

JLI and Aqua Haze LLC submit that entry of the Proposed Consent Order (Exhibit B) and termination of this Investigation with respect to Aqua Haze LLC are in the public interest. Entering the Consent Order will promote administrative economy by obviating the need for a

determination with respect to Aqua Haze LLC's activities as they concern the Accused Products. Moreover, entering the attached Consent Order will not impose an undue burden on the public health and welfare, competitive conditions in the U.S. economy, production of like or directly competitive articles in the United States, or U.S. consumers. Commission policy and the public interest generally favor resolving litigation, which preserve resources for both the Commission and the private parties

Moreover, JLI and Aqua Haze LLC are not aware of any adverse effects that their settlement agreement would have on the public interest. *See Certain Lithium Silicate Materials and Products Containing the Same*, Inv. No. 337-TA-911, Order No. 16 at 2 (Nov. 10, 2014) (finding that termination based on settlement would not be contrary to the public interest, and that "termination of litigation under these circumstances as an alternative method of dispute resolution is generally in the public interest and will conserve public and private resources").

III. CONCLUSION

For the foregoing reasons, JLI and Aqua Haze LLC request that the Investigation be terminated with respect to Aqua Haze LLC based on consent order pursuant to Commission Rule 210.21(c).

GROUND RULE 2.2 CERTIFICATION

Pursuant to Ground Rule 2.2, counsel for JLI informed all Respondents who have entered an appearance in this case—2nd Wife Vape, Aqua Haze LLC, EZFumes, Price Point NY, Vaperistas, LLC, Wireless N Vapor Citi, LLC, Tobacco Alley of Midland, Tobacco Club & Gifts, Inc. d/b/a Carytown Tobacco, Midwest Goods Inc., eJuiceDB, Smoker's Express—and the Commission Investigative Staff of this Motion at least two days before filing. Respondents 2nd Wife Vape, Aqua Haze LLC, EZFumes, Vaperistas, LLC, eJuiceDB, and Tobacco Club & Gifts,

Inc. d/b/a Carytown Tobacco do not oppose this motion. The Staff indicated it will take a position on the papers. JLI received no response from Respondents Price Point NY, Wireless N Vapor Citi, LLC, Tobacco Alley of Midland, Midwest Goods Inc., and Smoker's Express.

Dated: November 12, 2020

Respectfully submitted,

/s/ Michael F. Reeder II

/s/ S. Alex Lasher

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**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable MaryJoan McNamara
Administrative Law Judge**

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1211

**REQUEST FOR CONFIDENTIAL TREATMENT OF EXHIBIT C AND LIMITED
SERVICE THEREOF**

Pursuant to Ground Rule 1.6, Complainant and Respondent Aqua Haze LLC request that the parties' settlement agreement, attached as Exhibit C to this Motion, be treated in its entirety as confidential information, and that service of the parties' unredacted agreement be limited to Complainant, Respondent Aqua Haze LLC and the Staff.

I certify that this settlement agreement should be considered confidential business information pursuant to 19 C.F.R. § 201.6(a) at least because:

1. Substantially-identical information is not available to the public;
2. The disclosure of this information would cause substantial competitive harm to Complainant and Aqua Haze LLC;
3. The disclosure of this information would breach existing nondisclosure agreements between Complainant and Aqua Haze LLC; and,
4. The disclosure of this information would likely impede the Commission's efforts and ability to obtain similar information in the future.

Indeed, settlement agreements are routinely treated as confidential business information pursuant to 19 C.F.R. § 201.6(a), and service is frequently limited only to the signatories of the agreement and the Staff. *See, e.g., Certain Power Covered Plates*, Inv. No. 337-TA-1124, Order No. 36 at 5 (April 11, 2019) (granting the parties' request to limit service of an unredacted settlement agreement to the signatories and the Staff); *Certain Machine Vision Software, Machine Vision Systems, and Products Containing the Same*, Inv. No. 337-TA-680, Order No. 17 (Initial Determination) (October 26, 2009) (holding that counsel for non-settling respondents were not entitled to receive unredacted financial terms of settlement).

Please do not hesitate to contact me with any questions about this request.

/s/ S. Alex Lasher

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EXHIBIT A

Consent Order Stipulation

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable MaryJoan McNamara
Administrative Law Judge**

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1211

CONSENT ORDER STIPULATION

WHEREAS, the United States International Trade Commission on August 10, 2020 (85 Fed. Reg. 49,679 (Aug. 14, 2020)), instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1337) based upon complaint filed by Complainant Juul Labs, Inc. (“JLI”), which alleged unfair acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain vaporizer cartridges and components thereof, by, among others, Respondent Aqua Haze LLC, (“Aqua Haze LLC”), in violation of Section 337 with respect to the sole claim of each of U.S. Patent Nos. D842,536 (“‘536”), D858,870 (“‘870”), D858,869 (“‘869”), D858,868 (“‘868”) (collectively the “Asserted Claims”);

WHEREAS, Aqua Haze LLC is willing to accept entry of the Consent Order submitted concurrently herewith by the International Trade Commission and agrees to all waivers and other provisions as required by 19 C.F.R. § 210.21; and

WHEREAS, Aqua Haze LLC agrees to all terms set forth in the Consent Order.

IT IS HEREBY STIPULATED by Aqua Haze LLC in support of the Joint Motion for an Order Terminating the Investigation as to Aqua Haze LLC by Entry of a Consent Order as follows:

1. The Commission has subject matter jurisdiction over this investigation. The Commission has *in rem* jurisdiction over the accused vaporizer cartridges and components thereof that are the subject of the complaint in this investigation. The Commission also has *in personam* jurisdiction over Aqua Haze LLC for purposes of this Stipulation and the proposed Consent Order by virtue of Aqua Haze LLC having appeared in this proceeding. Nothing in this Stipulation or the proposed Consent Order shall be construed as meaning that Aqua Haze LLC has submitted to the jurisdiction of any other court.

2. Aqua Haze LLC, including its officers, directors, employees, agents, and any entity or individual acting on its behalf and with its authority, agrees, upon entry of the Consent Order, that it will not sell for importation, import into the United States or sell in the United States after importation, directly or indirectly, or aid, abet, encourage, participate in, or induce the sale for importation, importation into the United States or sale in the United States after importation of vaporizer cartridges and components thereof that infringe any of the claims of the Asserted Claims, except under consent or license from JLI.

3. Aqua Haze LLC does not have any existing U.S. inventories of vaporizer cartridges and components thereof.

4. Aqua Haze LLC expressly waives all right to seek judicial review or otherwise challenge the validity of the Consent Order.

5. Aqua Haze LLC will cooperate with and will not seek to impede by litigation or other means the Commission's efforts to gather information under Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Subchapter C, Part 210.

6. The enforcement, modification and revocation of the Consent Order will be carried out pursuant to Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Subchapter C, Part 210.

7. The signing of this Stipulation is for settlement purposes only and does not constitute admission by Aqua Haze LLC that an infringement of the Asserted Claims and/or an unfair act has been committed.

8. The Consent Order shall have the same force and effect and may be enforced, modified, or revoked in the same manner as is provided in section 337 of the Tariff Act of 1930 and this part for other Commission actions, and the Commission may require periodic compliance reports pursuant to subpart I of this part to be submitted by Aqua Haze LLC.

9. The Consent Order shall not apply if any asserted patent claim has expired or is held invalid or unenforceable by a court or agency of competent jurisdiction or if any article has been found or adjudicated not to infringe the asserted right in a final decision, no longer subject to appeal, this Consent Order shall become null and void as to such expired, invalid, or unenforceable claim or as to any adjudicated article.

10. Aqua Haze LLC will not seek to challenge the validity or enforceability of the patents that form the basis for the complaint in any administrative or judicial proceeding to enforce the Consent Order.

11. This Consent Order Stipulation and Consent Order are in the public interest.

IT IS SO STIPULATED.

Date: 11/04/20

Aqua Haze LLC


By:  KASHAN PARDHAN
Its: Managing MEMBER

EXHIBIT B

Proposed Consent Order

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable MaryJoan McNamara
Administrative Law Judge**

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1211

[PROPOSED] CONSENT ORDER

The United States International Trade Commission on August 10, 2020 (85 Fed. Reg. 49,679 (Aug. 14, 2020)), instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1337) naming numerous respondents, including Aqua Haze LLC (“Aqua Haze LLC”), based upon the complaint filed by Complainant Juul Labs, Inc. (“JLI”) that alleged unfair acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain vaporizer cartridges and components thereof, by, among others, Respondent Aqua Haze LLC, in violation of Section 337 with respect to the sole claim of each of United States Patent Nos. D842,536 (“536”), D858,870 (“870”), D858,869 (“869”), D858,868 (“868”) (collectively the “Asserted Claims”).

Aqua Haze LLC has executed a Consent Order Stipulation in which it agrees to the entry of this Consent Order and to all waivers and other provisions as required by Commission Rule of Practice and Procedure 210.21(c) (19 C.F.R. § 210.21(c)). JLI and Aqua Haze LLC have filed a Joint Motion to Terminate the Investigation as to Aqua Haze LLC based on a Consent Order.

IT IS HEREBY ORDERED THAT:

1. Upon the entry of this Consent Order, Aqua Haze LLC shall not sell for importation, import into the United States, or sell in the United States after importation, directly or indirectly, or aid, abet, encourage, participate in, or induce the sale for importation, importation into the United States or sale in the United States after importation of certain vaporizer cartridges and components thereof that infringe any of the claims of the Asserted Claims, except under consent or license from JLI.

2. This Consent Order shall be applicable to and binding upon Aqua Haze LLC, their officers, directors, agents, servants, attorneys, employees, affiliates, and all persons, firms, or corporations acting or claiming to act on its behalf or under its direction or authority.

3. Aqua Haze LLC shall be precluded from seeking judicial review or otherwise challenging or contesting the validity of this Consent Order.

4. Aqua Haze LLC shall cooperate with and shall not seek to impede by litigation or other means the Commission's efforts to gather information under Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Part 210.

5. Aqua Haze LLC and its officers, directors, employees, agents, and any entity or individual acting on its behalf and with its authority shall not seek to challenge the validity or enforceability of the Asserted Claims in any administrative or judicial proceeding to enforce the Consent Order.

6. Aqua Haze LLC does not have any existing U.S. inventories of vaporizer cartridges and components thereof.

7. When an Asserted Patent expires, this Consent Order shall become null and void as to such expired patent.

8. This Consent Order shall become null and void as to any claim of any intellectual property right that is held invalid or unenforceable by a court or agency of competent jurisdiction or as to any article that has been found or adjudicated not to infringe the asserted right in a final decision, no longer subject to appeal.

9. The Commission has subject matter jurisdiction over this investigation. The Commission has *in rem* jurisdiction over the accused vaporizer cartridges and components thereof that are the subject of the complaint in this investigation. The Commission also has *in personam* jurisdiction over Aqua Haze LLC for purposes of this Stipulation and the proposed Consent Order by virtue of Aqua Haze LLC having appeared in this proceeding. Nothing in this Stipulation or the proposed Consent Order shall be construed as meaning that Aqua Haze LLC has submitted to the jurisdiction of any other court.

10. This investigation is hereby terminated with respect to Aqua Haze LLC, provided, however, that enforcement, modification, or revocation of the Consent Order shall be carried out pursuant to Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. part 210.

By Order of the Commission

Lisa A. Barton

Secretary to the Commission

Issued: _____, 2020

EXHIBIT C

Settlement Agreement

PUBLIC - CONTAINS REDACTED MATERIAL

CONFIDENTIAL SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) is made this 8th day of September, 2020 (the “Effective Date”), between Juul Labs, Inc. (“JLI”), a privately-held corporation organized and existing under the laws of the state of Delaware, with its principal place of business at 560 20th Street, San Francisco, California 94107, and Aqua Haze LLC, a privately-held corporation with its principal place of business at 12801 N Stemmons Fwy, Suite 809, Farmers Branch, TX 75234. JLI and Aqua Haze LLC are individually referred to herein as a “Party,” and collectively as the “Parties.”

WHEREAS, there are numerous sources for electronic nicotine delivery system (“ENDS”) cartridges and non-ENDS cartridges (including but not limited to cannabidiol (“CBD”) products, cartridges that do not contain any content when imported (“empty pods”), or others filled with non-nicotine products (such as caffeine, taurine, melatonin and chamomile)) entering the United States that infringe JLI’s U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868 (“the Asserted Patents”), and it is extremely difficult to identify the actual sources of such unauthorized infringing products because infringing entities have shown and are expected to continue to show, for example but without limitation, the ability to utilize a number of different companies, business names, and addresses for purposes of concealing their sales and importation of infringing products, and/or employ complex business arrangements, conduct business under multiple names, and/or form intricate arrays of confusingly similar affiliates;

WHEREAS, unauthorized infringing Juul-compatible cartridges are typically manufactured, marketed, sold and imported into the U.S. in violation of applicable regulations;

WHEREAS, in response to the rampant infringement of JLI’s intellectual property rights, JLI has been and remains engaged in diligent efforts to use the enforcement of its intellectual property rights when possible to disrupt and stop distribution of such infringing products, although the difficulties described above often make JLI’s efforts challenging and expensive;

WHEREAS, on July 10, 2020, JLI filed a Complaint (the “1211 Complaint”) at the United States International Trade Commission (“ITC”) requesting that the ITC investigate JLI’s allegations of patent infringement of JLI’s U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868 (“the Asserted Patents”) as a violation of Section 337 of the Tariff Act of 1930, as amended, by Aqua Haze LLC and other entities, via the manufacturing, importing, distributing, selling in the United States, and/or otherwise dealing in certain vaporizer cartridges and components thereof. On August 10, 2020, the ITC instituted the requested investigation, which was then styled as *In the Matter of Certain Vaporizer Cartridges and Components Thereof* Investigation No. 337-TA-1211 (the “1211 Investigation”);

WHEREAS, JLI named Aqua Haze LLC as a Defendant in a district court complaint, *Juul Labs, Inc. v. Aqua Haze LLC*, No. 3-20-cv-01827 (N.D. Tex.) (“the JLI District Court Case”) alleging infringement of the same Asserted Patents;

WHEREAS, Aqua Haze LLC has agreed to stipulate that products it has imported into the United States, sold after importation in the United States, and/or manufactured or sold for importation into the United States infringe the sole claim in each of the Asserted Patents;

WHEREAS, Aqua Haze LLC has agreed to settle the 1211 Investigation and the JLI District Court Case and, in so doing, Aqua Haze LLC admits that the sole claim of each of the Asserted Patents is valid and that the Juul-compatible cartridges that Aqua Haze LLC has imported into the United States, sold after importation in the United States, and/or manufactured or sold for importation into the United States infringe the sole claim in each of the Asserted Patents; and Aqua Haze LLC desires to work with JLI in an effort to resolve both the 1211 Investigation and the JLI District Court Case, and prevent products that infringe JLI's patents from being sold by or through Aqua Haze LLC;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions

The terms set forth below shall have the following meanings in the Agreement:

1.1 "Asserted Patents" means JLI's U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868, including but not limited to continuations, continuations-in-part, and divisionals of those patent and patent applications that derive therefrom regardless of when filed, to the extent they read on Infringing Juul-compatible Cartridges.

1.2 "Infringing Juul-compatible Cartridges" means any electronic nicotine delivery system ("ENDS") cartridge, or non-ENDS cartridge (including but not limited to cannabidiol ("CBD") products, cartridges that do not contain any content when imported ("empty pods"), or other filled non-nicotine product (such as caffeine, taurine, melatonin and chamomile)—including any and all components thereof—that infringes the Asserted Patents and is compatible with or works with the JUUL System. For the avoidance of doubt, for the purposes of this Agreement, Infringing Juul-compatible Cartridges include, but are not limited to, any products or any components thereof that infringe any of the claims of Asserted Patents and includes, but is not limited to, the articles listed in Appendix 1.

1.3 "Aqua Haze LLC Website" means Aqua Haze LLC's websites, namely, any websites, social media accounts, or e-commerce accounts owned or controlled by Aqua Haze LLC now or in the future.

1.4 "Third Party" or "Third Parties" means any person other than JLI or Aqua Haze LLC.

1.5 "Confidential Business Information" means any documents and things produced by Aqua Haze LLC in the 1211 Investigation and deemed produced in the JLI District Court Case, and designated as confidential by Aqua Haze LLC, subject to the parties agreements regarding use as set forth in Appendix 3.

Section 2. Termination of the Investigation and the JLI District Court Case

2.1 **Dismissal of the 1211 Investigation, Prerequisites.** Upon Aqua Haze LLC's: (1) filing with the ITC the Stipulation Regarding Infringement, Domestic Industry, and Public Interest described in Section 3.2 and Appendix 2; and (2) completion and full compliance with the Agreed Discovery Obligations set forth in Section 3.3 and Appendix 3 of this Agreement— *i.e.*, upon either (a) JLI's communication of its decision not to depose Aqua Haze LLC or (b) the adjournment of JLI's deposition of Aqua Haze LLC, as provided for in Appendix 3)—within five (5) days the Parties will jointly file in the 1211 Investigation a motion to terminate the 1211 Investigation, which shall include the Proposed Consent Order and Consent Order Stipulation as set forth in Section 3.4 of this Agreement and Appendices 4 and 5, respectively. The Parties agree, subject to Respondent's full compliance with these prerequisites, to reasonably cooperate if needed in filing all papers necessary to resolve the 1211 Investigation with respect to Aqua Haze LLC.

2.2 **Dismissal of the JLI District Court Case, Prerequisites.** Upon Aqua Haze LLC's satisfaction of all of the prerequisites set forth in Section 2.1; and subsequent to the filing in the 1211 Investigation of the Parties' joint motion to terminate pursuant to Consent Order; within three (3) business days of the termination of the 1211 Investigation; the Parties shall prepare and file a stipulation and joint motion for an order of dismissal with retained jurisdiction, or its procedural equivalent, in the JLI District Court Case with respect to Aqua Haze LLC based on this Agreement. The Parties agree that the district court presiding over the JLI District Court Case, the United States District Court for the Northern District of Texas will retain jurisdiction to enforce this Agreement. The Parties agree, subject to Respondent's compliance with the prerequisites of Section 2.1 and this paragraph, to reasonably cooperate if needed in filing all papers necessary to resolve the JLI District Court Case with respect to Aqua Haze LLC.

2.3 [REDACTED]

Section 3. Consideration and Obligations

3.1 **No Knowing Infringement of JLI Patents.** Aqua Haze LLC (1) will not knowingly manufacture for importation, market, distribute, sell for importation, import, or sell after importation into the United States any Infringing Juul-compatible Cartridge, directly or indirectly, and (2) will not knowingly aid, abet, encourage, participate in, or induce the manufacture for importation, marketing, distribution, sale for importation, importation, or sell after importation into the United States any Infringing Juul-compatible Cartridge except (as applied to (1) and (2) above) under consent or license from JLI, its successors, or assignees, or to the extent permitted by the Agreement or by law, or until the expiration, invalidation, or unenforceability of all of the Asserted Patents. Such efforts shall include:

3.1.1. **Cease and Desist Marketing, Distribution, and Infringing Juul-compatible Cartridges.** Aqua Haze LLC agrees to immediately cease and desist marketing,

distributing, and selling any Infringing Juul-compatible Cartridges into the United States, including by removing listings of any Infringing Juul-compatible Cartridges from the Aqua Haze LLC Website targeted at sale into the United States, until such time as provided by Section 3.1.

3.1.2. **Cessation of Sales.** Aqua Haze LLC attests that as of the Effective Date (a) it no longer has any Infringing Juul-compatible Cartridges in its possession, custody, and control in the United States, (b) it has ceased and desisted from manufacturing for importation, marketing, distributing, and selling for importation, or selling after importation in the U.S. of any infringing Juul-compatible Cartridges, and (c) no Infringing Juul-compatible Cartridges remain listed on the Aqua Haze LLC Website for sale into the United States or are otherwise available for sale or distribution by Aqua Haze LLC in the U.S.

3.1.3. **No Aid to Others.** Aqua Haze LLC will not aid others, including any co-Respondents in the 1211 Investigation or any party named as a defendant by JLI in any district court actions for infringement of the Asserted Patents, now or in the future, in any action against JLI.

3.2 **Stipulation Regarding Infringement, Domestic Industry, and Public Interest.** Within three (3) business days after the Effective Date, Aqua Haze LLC shall stipulate that the Infringing Juul-compatible Cartridges Aqua Haze LLC manufactured, sold, imported, or distributed infringe the Asserted Patents; that JLI's JUULpods fall within the scope of the sole claim in each of the Asserted Patents; and that any remedy issued by the Commission in the 1211 Investigation would not harm the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the U.S., or U.S. consumers, or otherwise be against the public interest, as reflected in the Stipulation Regarding Importation, Infringement, Domestic Industry, and Public Interest attached hereto as Appendix 2. The Parties shall prepare, and reasonably cooperate if needed in filing, all papers necessary to effect said Stipulation, including the Stipulation Regarding Importation, Infringement, Domestic Industry, and Public Interest attached hereto as Appendix 2. To the extent that the discovery materials produced by Aqua Haze LLC pursuant to Section 3.3.2 and Appendix 3 to this Agreement reveal additional Infringing Juul-compatible Cartridges, Respondent shall stipulate that any such additional Infringing Juul-compatible Cartridges infringe the Asserted Patents, and the Parties shall prepare, and reasonably cooperate if needed in filing, all papers necessary to effect a supplemental Stipulation to this effect.

3.3 **Aqua Haze LLC's Compliance with Discovery Obligations.**

3.3.1. **Continued Access to Confidential Business Information.** Aqua Haze LLC will allow JLI's outside counsel, JLI's legal department, and those acting on direction from the legal department, to view and act on all material, including Aqua Haze LLC's CBI, that has been produced in the 1211 Investigation or the JLI District Court Case, including all additional information as provided below, as provided for in Appendix 3 to this Agreement.

3.3.2. **Agreed Discovery Obligations.** Aqua Haze LLC agrees to provide JLI with discovery materials and verified responses in accordance with the Agreed Discovery Obligations set forth in Appendix 3. Aqua Haze LLC acknowledges that any failure to comply with the Agreed Discovery Obligations set forth in Appendix 3 constitutes a material breach of

the terms of this Agreement. Aqua Haze LLC agrees to complete its production of discovery material and fully comply with the Agreed Discovery Obligations within thirty (30) days of the Effective Date.

3.4 **Consent Order.** Upon Aqua Haze LLC's completion and full compliance with the Agreed Discovery Obligations set forth in Section 3.3 and Appendix 3 of this Agreement, Respondent shall sign the Consent Order Stipulation as described in 19 CFR 210.21(c)(3) and Appendix 5, and agree to the Proposed Consent Order as described in Appendix 4.

3.5 **Direct Contacts.** Within two (2) weeks of the Effective Date, Aqua Haze LLC and JLI will assign and identify a direct contact having sufficient authority for the purpose of communicating with the other Party to coordinate on Aqua Haze LLC's compliance with the Agreed Discovery Obligations, as well as JLI's intellectual property protection measures, including those detailed in Sections 3.1 and 3.2, to effectuate the obligations under this Agreement and to create a communication path for escalation of related issues. Such direct contacts will communicate by email, telephone or in person as necessary to discuss the current state of such issues and the effectiveness of the measures and obligations set forth under this Agreement.

3.6 **Ownership of Asserted Patents; Agreement Not to Challenge Validity.** Aqua Haze LLC hereby acknowledges, agrees, and assents to JLI's exclusive ownership of the Asserted Patents. Aqua Haze LLC represents, warrants, and covenants to JLI that it shall never directly or indirectly raise, assist a Third Party in asserting, cause to be raised, take any action, or assert any claim of any kind relating to the exclusive rights of JLI and its affiliates in and to the Asserted Patents, or the validity of the Asserted Patents.

3.6.1. **Release for Patent Infringement.** Upon Aqua Haze LLC's compliance with the Agreed Discovery Obligations, JLI and its parent entities, successors, predecessors, subsidiaries, and respective members, partners, shareholders, officers, directors, and employees, will release Aqua Haze LLC, its successors, heirs, members, partners, shareholders, assigns, officers, directors, servants, and employees, as to all claims for patent infringement of the Asserted Patents based on Aqua Haze LLC's activities that were known or reasonably could have been known prior to the date of this Agreement and could have been raised through the date of the Agreement. For the avoidance of doubt, this section does not include any claims based on future events. In the event that Aqua Haze LLC materially breaches this Agreement, including not limited to by failing to comply with the Agreed Discovery Obligations, this Section shall no longer apply.

3.7 **Right to Enforce This Agreement.** Notwithstanding Section 3 or any other provision of this Agreement, the Parties shall have the right to enforce this Agreement, including the right to seek specific performance of the terms and conditions of this Agreement.

Section 4. Representations, Warranties and Disclaimers

4.1 **Authority to Sign.** Each Party represents and warrants to the other Party as of the Effective Date that it has the full right and power to enter into this Agreement, and the person executing this Agreement has the full right and authority to enter into this Agreement on behalf

of such Party and the full right and authority to bind such Party to the terms and obligations of this Agreement.

4.2 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs, assigns, officers, directors, servants, and employees. In particular, any breach of Section 3.1 by Aqua Haze LLC, Aqua Haze LLC's successors, heirs, assigns, officers, servants or employees, now or in the future, will constitute a material breach of this Agreement. For the avoidance of doubt, should Aqua Haze LLC sell control of its business, or a substantial portion of the business related to Infringing Juul-compatible Cartridges, this Agreement will bind future owners to the effect that no future owner of Aqua Haze LLC, or any same or differently named entity using all or a substantial portion of the Aqua Haze LLC's current or future assets used to manufacture, import and sell Infringing Juul-compatible Cartridges into the United States will manufacture, import or sell Infringing Juul-compatible Cartridges into the United States.

4.3 **No License.** All Parties acknowledge and agree that no license is given or intended, explicitly or implicitly, by entering into this Agreement to any intellectual property owned or otherwise controlled by JLI, including but not limited to patents, trademarks, and trade secrets.

Section 5. Term and Termination

5.1 **Term.** The term of this Agreement shall commence as of the Effective Date and shall remain in full force and effect until the expiration, invalidation, or unenforceability of all the claims of the Asserted Patents. The following sections survive expiration or termination of this Agreement: the entirety of Section 6.

5.2 **Termination.** Either Party may seek to terminate this Agreement based on material breach by the other Party. Aqua Haze LLC acknowledges that any violation of Section 3, including but not limited to a failure to comply with the Agreed Discovery Obligations, constitutes a material breach of the terms of this Agreement. Aqua Haze LLC waives any objections and consents to JLI seeking relief before the International Trade Commission or district court without the need for any new Complaint or the institution of any new proceeding for matters alleged in the 1211 Investigation or the JLI District Court Case as of the Effective Date of this Agreement, as well as those related to the Infringing Juul-compatible Cartridges. The Parties further agree that if Aqua Haze LLC is found to have breached this Agreement, Aqua Haze LLC shall be liable for all of JLI's costs and fees that relate in any way to enforcing this Agreement.

Section 6. Miscellaneous Provisions

6.1 **Notices.** Notices and other communications regarding or under this Agreement shall be sent (i) by overnight courier or by registered or certified mail and (ii) if available, electronic mail to the following addresses:

If to JLI:

Juul Labs, Inc.
Attn: General Counsel and IP Department
560 20th Street
San Francisco CA 94107-4344

And

Quinn Emanuel Urquhart & Sullivan, LLP

S. Alex Lasher
1300 I Street, NW, Suite 900
Washington, D.C. 20005
Tel:(202)538-8000
Fax: (202) 538-8100
alexlasher@quinnemanuel.com

Andrew M. Holmes
50 California Street, 22nd Floor
San Francisco, CA 94111
Tel.: (415) 875-6600
Fax:(415) 875-6700
drewholmes@quinnemanuel.com

If to Aqua Haze LLC:

Michael F. Reeder II
Cadwell Clonts & Reeder LLP
One Riverway, Suite 1700
Houston, Texas 77056
direct: 713.360.1563
cell: 713.449.5697
mreeder@cadwellclontsreeder.com

Such notices shall be deemed to have been served when received by addressee. Either Party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such Party as above provided at such changed address.

6.2 **Confidentiality.** The Parties agree that the terms of this Agreement are confidential. No Party shall disclose the terms of this Agreement to any Third Party without the prior, written consent of each other Party to this Agreement. Notwithstanding the foregoing, a Party may disclose any information that is already publicly available, as well as the mere fact of the Agreement. Furthermore, each Party may disclose the terms of this Agreement (a) to the extent disclosure is required by court or government order or otherwise required by law, subject to a protective order and marked as Attorneys' Eyes Only or a higher confidentiality designation; (b) to the extent required to enforce its rights under this Agreement; and (c) to the extent

reasonably necessary, on a confidential basis, to any Person who, directly or indirectly, is or may be required to be bound by the terms and conditions of this Agreement.

6.3 **Publicity.** Aqua Haze LLC publicly admits to infringement of the valid claim in each of the Asserted Patents. Notwithstanding any other provision of Sections 6.2 and 6.3 of this Agreement, the Parties agree that JLI may release the information substantially as contained in Appendix 6. Aqua Haze LLC will not issue any press release or any other announcement or comment regarding this Agreement. Aqua Haze LLC agrees that JLI can make truthful representations about the subject matter of 1211 Investigation; the JLI District Court Case and the settlement thereof, except that, as noted above, the express terms of the Agreement will be confidential. Aqua Haze LLC will make no comment about the 1211 Investigation; the JLI District Court Case; the express terms of the Agreement and will not respond to or comment upon any truthful statement by JLI concerning 1211 Investigation; the JLI District Court Case; the terms of the Agreement.

6.4 **Governing Law.** The construction, validity and performance of this Agreement shall be governed in all respects (without regard to conflicts of law provisions) by the law of the State of Delaware, United States of America, as such law applies to contracts signed and fully performed in the State of Delaware. The Parties agree that the district court presiding over the JLI District Court Case, the United States District Court for the Northern District of Texas, will retain jurisdiction to enforce this Agreement, and hereby submit to the jurisdiction of, and waive any venue objections against, the United States District Court for the Northern District of Texas.

6.5 **Conflicts of Law.** Nothing in the Agreement is to be construed as requiring the commission of any act contrary to law. Wherever there is any conflict between any provision of the Agreement and any statute, law or ordinance, or a treaty and its valid regulations, the statute, law, ordinance, or treaty and its valid regulations shall prevail. In such event, the provisions of the Agreement shall be curtailed and limited only to the extent necessary to bring them within the legal requirements, and such provisions, so curtailed and limited, together with all other provisions of this Agreement shall continue in full force and effect. The Parties further agree to negotiate in good faith an enforceable substitute provision for any invalid or unenforceable provision that most nearly achieves the intent of such provision.

6.6 **Effective Date; Amendment.** This Agreement will not be binding upon the Parties until it has been signed herein below by or on behalf of each Party, in which event, it shall be effective as of the Effective Date. No amendment or modification hereof shall be valid or binding upon the Parties unless made in writing and signed as aforesaid.

6.7 **Waiver.** The failure of a Party to enforce any provision of this Agreement shall not prevent the subsequent enforcement of such provision. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver unless expressly stated in writing by the Party making the waiver. No waiver of any provision shall be binding in any event unless executed in writing by the Party making the waiver.

6.8 **Sophisticated Parties Represented by Counsel.** The Parties each acknowledge, accept, warrant and represent that (i) they are sophisticated Parties represented at all relevant

times during the negotiation and execution of this Agreement by counsel of their choice, and that they have executed this Agreement with the consent and on the advice of such independent legal counsel, and (ii) they and their counsel have determined through independent investigation and robust, arm's-length negotiation that the terms of this Agreement shall exclusively embody and govern the subject matter of this Agreement.

6.9 **Entire Agreement.** This Agreement embodies the entire understanding of the Parties and supersedes all previous communications, representations or understandings, either oral or written, between the Parties relating to the subject matter hereof. The Parties expressly state that there are no other agreements, written or oral, express or implied between the Parties concerning the subject matter of the Investigation or the JLI District Court Case.

6.10 **Construction; Language.** The language of this Agreement has been approved by counsel for each Party, and neither Party (nor their respective counsel) shall be deemed to be the draftsman of this Agreement. Thus, any rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be applied in the interpretation of this Agreement. The words "include" and "including" and variations thereof, will not be deemed to be terms of limitation in this Agreement, but rather will be deemed to be followed by the words "without limitation." The headings in this Agreement are for convenience and organization only, and not intended to constitute the substance of this Agreement and will not be referred to in connection with the construction or interpretation of this Agreement.

6.11 **Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Such counterparts may be exchanged by fax, or scanned and exchanged by electronic mail, confirmed with printed copy, or executed via electronic signature software such as DocuSign, but shall be effective upon receipt as applicable. The Parties agree that facsimile, scanned copies of signatures, or electronic signatures shall be deemed originals for all purposes hereof and that either Party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

AGREED TO:

JUUL LABS, INC.

By: _____
Its: _____
Date: _____

DocuSigned by:
Matthew J. Hult
0288D165A427437

Sr. Director, IP
21-Sep-2020

Aqua Haze LLC

By: _____
Its: _____
Date: _____

KASHAN PARDHAN
President
09/14/20

APPENDIX 1
EXAMPLES OF INFRINGING JUUL-COMPATIBLE CARTRIDGES

3X
4X Pods Empty
4X Pods
Access Vapor
Again Teel Pods
Aimé Pods
Alpha Pods
Aqvaze Pods
Atom Pods
Caesar Pods
Cali Pods
Calm Vape Pod
CigGo J Pods
Drag Pods
Eonsmoke Pods
Eonsmoke Vapable Energy
ES JUUL Compatible Pods
ES Performance Series
Fit Pods
Fruyt Pods
Jackpods
Jem Pods
JUCE
Kind Pods
Lush Pods
MNGO Pods
Mr. Fog Pods
Nic Pods
Ocity Times Empty Pods
Naturally Peaked Health Co.
Premium CBD Pod
Pin Pods
Pop Pods
Puff Pods
Shangri-La CBD
Sky Pods
Star Pods
Standard Pods
Stig Pods
Unique Pods
Vapor Citi Pods
Zalt Pods

APPENDIX 2

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

Before the Honorable MaryJoan McNamara, Administrative Law Judge

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Inv. No. 337-TA-1211

STIPULATION

Complainant Juul Labs, Inc. (“JLI”) and Respondent Aqua Haze LLC (“Aqua Haze LLC” or “Respondent”) hereby agree and stipulate to the following for the purposes of the above-captioned Investigation:

1. For the purposes of this stipulation, “Respondent’s Accused Products” refers to: “AQVAZE PODS”.
2. Respondent admits that it has paid Shenzhen Fengwu Technology Ltd. to manufacture in China for importation into the United States at least one unit of each of Respondent’s Accused Products after issuance of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.
3. Respondent represents that it no longer has in its inventory any units of “AQVAZE PODS”.
4. Respondent has imported into the United States, sold for importation into the United States, or sold within the United States after importation, within the meaning of 19 U.S.C. § 1337(a)(1)(B), at least one unit of each of Respondent’s Accused Products as of the time of execution of this Stipulation and after issuance of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.

5. In light of the stipulations set forth in paragraphs 1 through 4, Respondent shall not contest JLI's contention that the requirement of importation, sale for importation, or sale after importation into the United States under 19 U.S.C. § 1337(a)(1)(B) has been satisfied in this Investigation with respect to Respondent's Accused Products.

6. Respondent admits that it resold "AQVAZE PODS" for resale in the United States.

7. Respondent admits that it is aware that "AQVAZE PODS" were available for purchase from other suppliers using the following online stores: KKnovelty.com.

8. Respondent admits that the "AQVAZE PODS" requested be manufactured were available from the manufacturer in bulk quantities upon request.

9. Respondent admits that it purchased "AQVAZE PODS" through WeChat and WhatsApp messenger applications which have since been deleted or lost.

10. Respondent admits that it does not have any formal written agreements with its suppliers related to its purchase of "AQVAZE PODS".

11. Respondent admits that it does not keep records reflecting the identity of its purchasers.

12. Respondent admits that the packaging or advertisements accompanying "AQVAZE PODS" advertise them as JUUL compatible.

13. Respondent admits that it does not perform any testing or quality control to determine the safety or proper operation of "AQVAZE PODS" before sale.

14. Respondent admits that it has sold and/or offered for sale "AQVAZE PODS" using the following identities, brands and/or entities: Aqua Haze LLC, which had a website www.AquaHazeLites.com.

15. Respondent admits that it began selling and/or offering for sale “AQVAZE PODS” in 2018.

16. Respondent admits that “AQVAZE PODS” have the same design as JLI’s JUULpods.

17. Respondent admits that “AQVAZE PODS” have the same design as the figures of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.

18. Respondent admits that “AQVAZE PODS” are intended and sold for use with JLI’s JUUL device.

19. In light of the stipulations set forth in paragraphs 1 through 19, Respondent shall not contest JLI’s contention that Respondent’s Accused Products fall within the scope of, and therefore infringe, the sole claims of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868, at the time of importation into the United States.

20. Respondent stipulates that the following images are true and correct images of “AQVAZE PODS” that have been imported, sold for importation and/or sold after importation by Respondent:



Aqvaze Pod



Aqvaze Pod



Aqvaze Pod



Aqvaze Pod



Aqvaze Pod





21. Respondent shall not contest JLI's contention that JUULpods fall within the scope of the sole claim of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.

22. Respondent shall not contest that the sole claim of each of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868 is valid.

23. Respondent shall not contest that JLI is the exclusive owner of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.

24. For purposes of this Investigation, Respondent will not oppose a motion for summary determination that Respondent's Accused Products infringe the sole claims of United States Patent Nos. D842,536; D858,870; D858,869; and D858,868.

25. For purposes of this Investigation, Respondent will not oppose a motion for summary determination that JLI has satisfied the domestic industry requirement for U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868.

26. Respondent does not contest that any remedy issued by the Commission in this Investigation would not harm the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the U.S., or U.S. consumers, or otherwise be against the public interest.

Dated: November 2, 2020

Respectfully submitted,

/s/ S. Alex Lasher

S. Alex Lasher

QUINN EMANUEL URQUHART & SULLIVAN, LLP

1300 I Street, NW, Suite 900

Washington, D.C. 20005

Tel.: (202) 538-8000

Fax: (202) 538-8100

Kevin P.B. Johnson

Victoria F. Maroulis

QUINN EMANUEL URQUHART & SULLIVAN, LLP

555 Twin Dolphin Dr., 5th Floor

Redwood Shores, CA 94065

Tel.: (650) 801-5000

Fax: (650) 801-5100

Andrew M. Holmes

QUINN EMANUEL URQUHART & SULLIVAN, LLP

50 California Street, 22nd Floor

San Francisco, CA 94111

Tel.: (415) 875-6600

Fax: (415) 875-6700

Counsel for Complainant Juul Labs, Inc.

/s/ Michael F. Reeder II

Michael F. Reeder II
Cadwell Clonts & Reeder LLP
One Riverway, Suite 1700
Houston, Texas 77056
direct: 713.360.1563
cell: 713.449.5697
mreeder@cadwellclontsreeder.com

Counsel for Respondent Aqua Haze LLC

APPENDIX 3
AGREED DISCOVERY OBLIGATIONS

Verified Interrogatory Responses. Aqua Haze LLC agrees to provide verified responses, either in the form of a sworn and notarized statement or unsworn declaration executed under the penalty of perjury pursuant to 28 U.S.C. § 1746, to the Interrogatories which JLI has served on Aqua Haze LLC in the 1211 Investigation.

Comprehensive Document Production. Aqua Haze LLC further agrees to search for and produce all materials in its possession, custody, or control responsive to the Requests for Production which JLI has served on Aqua Haze LLC in the 1211 Investigation. Upon completing its document production, Aqua Haze LLC or its counsel shall confirm in writing that (i) Aqua Haze LLC has performed and concluded a reasonable search for all materials in its possession, custody, or control responsive to the requests for production; and (ii) that the documents produced comprise the entirety of said materials to be produced.

Deposition at JLI's Sole Discretion, Timing. Within seven (7) days of receiving Aqua Haze LLC's verified interrogatory responses and confirmation in writing that Aqua Haze LLC has completed its comprehensive document production, JLI will determine at its sole discretion the need for a deposition, and will notify Aqua Haze LLC of this decision. If JLI elects to take a deposition, Aqua Haze LLC agrees to, within fourteen (14) days of receiving notification that a deposition is necessary, provide a witness for deposition on topics including but not limited to those set forth in the Interrogatories and Requests for Production.

Cross Use and Future Use. The Parties hereby stipulate and agree that the verified interrogatory responses provided, the documents produced pursuant to this Agreement, and any deposition testimony may be used by JLI in the 1211 Investigation, the JLI District Court Case, and in future actions regarding the Infringing Juul-compatible Cartridges, which include but are not limited to: actions involving the U.S. Customs & Border Protection; the Food and Drug Administration; or any State Attorney General. Aqua Haze LLC expressly recognizes that this paragraph constitutes "written permission from the supplier" for such use, as contemplated in paragraph 3 of the protective order in the 1211 Investigation.

APPENDIX 4

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable MaryJoan McNamara
Administrative Law Judge**

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1211

[PROPOSED] CONSENT ORDER

The United States International Trade Commission on August 10, 2020 (85 Fed. Reg. 49,679 (Aug. 14, 2020)), instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1337) naming numerous respondents, including Aqua Haze LLC (“Aqua Haze LLC”), based upon the complaint filed by Complainant Juul Labs, Inc. (“JLI”) that alleged unfair acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain vaporizer cartridges and components thereof, by, among others, Respondent Aqua Haze LLC, in violation of Section 337 with respect to the sole claim of each of United States Patent Nos. D842,536 (“536”), D858,870 (“870”), D858,869 (“869”), D858,868 (“868”) (collectively the “Asserted Claims”).

Aqua Haze LLC has executed a Consent Order Stipulation in which it agrees to the entry of this Consent Order and to all waivers and other provisions as required by Commission Rule of Practice and Procedure 210.21(c) (19 C.F.R. § 210.21(c)). JLI and Aqua Haze LLC have filed a Joint Motion to Terminate the Investigation as to Aqua Haze LLC based on a Consent Order.

IT IS HEREBY ORDERED THAT:

1. Upon the entry of this Consent Order, Aqua Haze LLC shall not sell for importation, import into the United States, or sell in the United States after importation, directly or indirectly, or aid, abet, encourage, participate in, or induce the sale for importation, importation into the United States or sale in the United States after importation of certain vaporizer cartridges and components thereof that infringe any of the claims of the Asserted Claims, except under consent or license from JLI.

2. This Consent Order shall be applicable to and binding upon Aqua Haze LLC, their officers, directors, agents, servants, attorneys, employees, affiliates, and all persons, firms, or corporations acting or claiming to act on its behalf or under its direction or authority.

3. Aqua Haze LLC shall be precluded from seeking judicial review or otherwise challenging or contesting the validity of this Consent Order.

4. Aqua Haze LLC shall cooperate with and shall not seek to impede by litigation or other means the Commission's efforts to gather information under Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Part 210.

5. Aqua Haze LLC and its officers, directors, employees, agents, and any entity or individual acting on its behalf and with its authority shall not seek to challenge the validity or enforceability of the Asserted Claims in any administrative or judicial proceeding to enforce the Consent Order.

6. Aqua Haze LLC does not have any existing U.S. inventories of vaporizer cartridges and components thereof.

7. When an Asserted Patent expires, this Consent Order shall become null and void as to such expired patent.

8. This Consent Order shall become null and void as to any claim of any intellectual property right that is held invalid or unenforceable by a court or agency of competent jurisdiction or as to any article that has been found or adjudicated not to infringe the asserted right in a final decision, no longer subject to appeal.

9. The Commission has subject matter jurisdiction over this investigation. The Commission has *in rem* jurisdiction over the accused vaporizer cartridges and components thereof that are the subject of the complaint in this investigation. The Commission also has *in personam* jurisdiction over Aqua Haze LLC for purposes of this Stipulation and the proposed Consent Order by virtue of Aqua Haze LLC having appeared in this proceeding. Nothing in this Stipulation or the proposed Consent Order shall be construed as meaning that Aqua Haze LLC has submitted to the jurisdiction of any other court.

10. This investigation is hereby terminated with respect to Aqua Haze LLC, provided, however, that enforcement, modification, or revocation of the Consent Order shall be carried out pursuant to Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. part 210.

By Order of the Commission

Lisa A. Barton

Secretary to the Commission

Issued: _____, 2020

APPENDIX 5

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable MaryJoan McNamara
Administrative Law Judge**

In the Matter of

**CERTAIN VAPORIZER CARTRIDGES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1211

CONSENT ORDER STIPULATION

WHEREAS, the United States International Trade Commission on August 10, 2020 (85 Fed. Reg. 49,679 (Aug. 14, 2020)), instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1337) based upon complaint filed by Complainant Juul Labs, Inc. (“JLI”), which alleged unfair acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain vaporizer cartridges and components thereof, by, among others, Respondent Aqua Haze LLC, (“Aqua Haze LLC”), in violation of Section 337 with respect to the sole claim of each of U.S. Patent Nos. D842,536 (“‘536”), D858,870 (“‘870”), D858,869 (“‘869”), D858,868 (“‘868”) (collectively the “Asserted Claims”);

WHEREAS, Aqua Haze LLC is willing to accept entry of the Consent Order submitted concurrently herewith by the International Trade Commission and agrees to all waivers and other provisions as required by 19 C.F.R. § 210.21; and

WHEREAS, Aqua Haze LLC agrees to all terms set forth in the Consent Order.

IT IS HEREBY STIPULATED by Aqua Haze LLC in support of the Joint Motion for an Order Terminating the Investigation as to Aqua Haze LLC by Entry of a Consent Order as follows:

1. The Commission has subject matter jurisdiction over this investigation. The Commission has *in rem* jurisdiction over the accused vaporizer cartridges and components thereof that are the subject of the complaint in this investigation. The Commission also has *in personam* jurisdiction over Aqua Haze LLC for purposes of this Stipulation and the proposed Consent Order by virtue of Aqua Haze LLC having appeared in this proceeding. Nothing in this Stipulation or the proposed Consent Order shall be construed as meaning that Aqua Haze LLC has submitted to the jurisdiction of any other court.

2. Aqua Haze LLC, including its officers, directors, employees, agents, and any entity or individual acting on its behalf and with its authority, agrees, upon entry of the Consent Order, that it will not sell for importation, import into the United States or sell in the United States after importation, directly or indirectly, or aid, abet, encourage, participate in, or induce the sale for importation, importation into the United States or sale in the United States after importation of vaporizer cartridges and components thereof that infringe any of the claims of the Asserted Claims, except under consent or license from JLI.

3. Aqua Haze LLC does not have any existing U.S. inventories of vaporizer cartridges and components thereof.

4. Aqua Haze LLC expressly waives all right to seek judicial review or otherwise challenge the validity of the Consent Order.

5. Aqua Haze LLC will cooperate with and will not seek to impede by litigation or other means the Commission's efforts to gather information under Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Subchapter C, Part 210.

6. The enforcement, modification and revocation of the Consent Order will be carried out pursuant to Subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R. Subchapter C, Part 210.

7. The signing of this Stipulation is for settlement purposes only and does not constitute admission by Aqua Haze LLC that an infringement of the Asserted Claims and/or an unfair act has been committed.

8. The Consent Order shall have the same force and effect and may be enforced, modified, or revoked in the same manner as is provided in section 337 of the Tariff Act of 1930 and this part for other Commission actions, and the Commission may require periodic compliance reports pursuant to subpart I of this part to be submitted by Aqua Haze LLC.

9. The Consent Order shall not apply if any asserted patent claim has expired or is held invalid or unenforceable by a court or agency of competent jurisdiction or if any article has been found or adjudicated not to infringe the asserted right in a final decision, no longer subject to appeal, this Consent Order shall become null and void as to such expired, invalid, or unenforceable claim or as to any adjudicated article.

10. Aqua Haze LLC will not seek to challenge the validity or enforceability of the patents that form the basis for the complaint in any administrative or judicial proceeding to enforce the Consent Order.

11. This Consent Order Stipulation and Consent Order are in the public interest.

IT IS SO STIPULATED.

Date: _____

Aqua Haze LLC

By: _____

Its: _____

APPENDIX 6
EXAMPLE OF PRESS RELEASE MATERIAL

Juul Labs, Inc. announces that it has resolved the patent infringement allegations it filed against Aqua Haze LLC at the U.S. International Trade Commission Investigation—and related action in federal district court—in the Summer of 2020 for Aqua Haze LLC’s importing into and/or selling in the United States of Juul-compatible products that infringe JLI’s U.S. Patent Nos. D842,536; D858,870; D858,869; and D858,868. On behalf of Aqua Haze LLC, _____ has admitted that the Juul-compatible products it imported and/or sold infringed these JLI patents and has admitted that all of these patents are valid. In exchange for resolving the litigations, Aqua Haze LLC agreed to stop importing and/or selling the accused Juul-compatible products.

CERTAIN VAPORIZER CARTRIDGES AND COMPONENTS THEREOF

Inv. No. 337-TA-1211

CERTIFICATE OF SERVICE

I, Marietou Bangoura, hereby certify that on November 19, 2020, copies of the foregoing documents, were served upon the following parties as indicated:

<p>The Honorable Lisa R. Barton Secretary U.S. International Trade Commission 500 E Street, SW Washington, D.C. 20436</p>	<p><input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery (2 copies) <input type="checkbox"/> Via Electronic Mail <input checked="" type="checkbox"/> Via EDIS</p>
<p>The Honorable MaryJoan McNamara Administrative Law Judge Jae Lee, Esq. Attorney Advisor U. S. International Trade Commission 500 E Street, SW Washington, DC 20436</p> <p>Email: McNamara337@usitc.gov</p>	<p><input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery (2 copies) <input type="checkbox"/> Via Electronic Mail <input checked="" type="checkbox"/> Via EDIS</p>
<p>Claire Comfort Office of Unfair Import Investigations U.S. International Trade Commission 500 E Street, S.W., Suite 401 Washington, D.C. 20436</p> <p>Email: Claire.Comfort@usitc.gov</p>	<p><input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Hand Delivery <input checked="" type="checkbox"/> Via Electronic Mail <input type="checkbox"/> Via EDIS</p>
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/s/ Marietou Bangoura
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