

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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R.J. REYNOLDS VAPOR COMPANY,  
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,  
Patent Owner.

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Case IPR 2018-00627  
Patent 8,393,331 B2

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Before DONNA M. PRAISS, BRIAN J. McNAMARA, and  
JEREMY M. PLENZER, *Administrative Patent Judges*.

PRAISS, *Administrative Patent Judge*.

DECISION  
Instituting *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

R.J. Reynolds Vapor Company (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1 and 2 of U.S. Patent No. 8,393,331 B2 (Ex. 1001, “the ’331 patent”). Paper 2 (“Pet.”). Fontem Holdings 1 B.V. (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 9 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Upon considering the Petition and Preliminary Response, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing the unpatentability of claims 1 and 2. Accordingly, we institute an *inter partes* review of those claims.

### A. *Related Proceedings*

Petitioner identifies as related matters the following four litigations filed by Patent Owner against Petitioner involving the indicated patents: No. 1: 17-cv-00175 (M.D.N.C.) (US 8,393,331 B2, US 8,375,957 B2, US 8,863,752 B2, US 9,364,027 B2, US 9,339,062 B2, US 9,326,550 B2, US 9,326,551 B2, US 9,456,632 B2); No. 1:16-cv-01255 (M.D.N.C.) (US 8,365,742 B2, US 8,490,628 B2, US 8,893,726 B2, US 8,899,239 B2); No. 1-16-cv-01257 (M.D.N.C.) (US 9,326,548 B2 and US 9,326,549 B2); and No. 1-16-cv-01258 (M.D.N.C.) (US 9,370,205 B2). Pet. 2–3.

Petitioner also identifies as related matters the following cases filed by the Patent Owner in which the ’331 patent was asserted against the indicated defendants in the United States District Court for the Central District of

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California: (i) Ballantyne Brands, LLC, No. 2:14-cv-01652; (ii) VMR Products, LLC, No. 2:14-cv-01655; (iii) Spark Industries, LLC, No. 2:14-cv-01653; (iv) Vapor Corp., No. 2:14-cv-01650; (v) CB Distributors, Inc., No. 2:14-cv-01649; (vi) LOEC, Inc., No. 2:14-cv-01648; (vii) Logic Technology Development LLC, No. 2:14-cv-01654; (viii) NJOY, Inc., No. 2:14-cv-01645; (ix) FIN Branding Group, LLC, No. 2:14-cv-01651; and (x) Nu Mark LLC, No. 2:16-cv-02291 (now No. 1:16-cv-01261 M.D.N.C.). Pet. 4.

In its Mandatory Notices, Patent Owner identifies the following twelve additional litigations before the United States District Court for the Central District of California involving the '331 patent, US 7,832,410, which is the priority case to the '331 patent, and US Patent Nos. 8,490,628, 8,893,726, and 9,326,549, which claim priority to the '331 patent, brought against the indicated first-named defendant by Fontem Ventures B.V. and Fontem Holdings 1 B.V. unless otherwise indicated: (i) NuMark LLC, No. 16-CV-4537 (now No. 16-CV-1259 M.D.N.C.); (ii) NJOY, No. 14-CV-8144; (iii) LOEC, Inc., No. 14-CV-8149; (iv) CB Distributors, Inc., No. 14-CV-8154; (v) Vapor Corp., No. 14-CV-8155; (vi) Fin Branding Group, LLC, No. 14-CV-8156; (vii) Ballantyne Brands, LLC, No. 14-CV-8157; (viii) Spark Industries, LLC, No. 14-CV-8158; (ix) Logic Technology Development LLC, No. 14-CV-8160; (x) VMR Products, LLC, No. 14-CV-8161; (xi) Ruyan Investment (Holdings) Limited v. Smoking Everywhere, Inc., No. 11-CV-0637; (xii) Ruyan Investment (Holdings) Limited v. Vapor Corp., No. 11-CV-6268. Paper 4, 2–6.

Petitioner identifies the following three petitions for *inter partes* review of the '331 patent filed by the indicated parties: IPR2014-01289 (NJOY, Inc.); IPR2016-01299 (Nu Mark LLC); IPR2016-01438 (Nu Mark LLC). Pet. 4–5. Petitioner additionally identifies the following petitions for

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*inter partes* review of related patents: IPR2014-01300 (US 8,490,628 B2); IPR2015-01302 (US 8,893,726 B2); IPR2016-01283 (US 8,490,628 B2); IPR2016-01285 (US 8,490,628 B2); IPR2016-01288 (US 8,893,726 B2); IPR2016-01297 (US 8,893,726 B2); IPR2016-01270 (US 8,893,726 B2); IPR2016-01527 (US 8,490,628 B2); IPR2016-01664 (US 9,326,549 B2); IPR2016-01859 (US 9,326,549 B2); IPR2017-01117 (US 8,893,726 B2); IPR2017-01118 (US 8,490,628 B2); IPR2017-01119 (US B2); IPR2017-01180 (US 8,893,726 B2); IPR2017-01318 (US 9,326,549 B2); and IPR2017-01319 (US 9,326,549 B2). Pet. 5–6.

Petitioner concurrently filed petitions for *inter partes* review of related patents in IPR2018-00626 (US 8,375,957 B2), IPR2018-00628 (US 8,863,752 B2), IPR2018-00629 (US 9,364,027 B2), IPR2018-00630 (US 9,364,027 B2), IPR2018-00631 (US 9,339,062 B2), IPR2018-00632 (US 9,326,550 B2), IPR2018-00633 (US 9,326,551 B2), and IPR2018-00634 (US 9,456,632 B2).

*B. The '331 patent (Ex. 1001)*

The '331 patent relates to an electronic atomization cigarette that functions as a cigarette substitute. Ex. 1001, 1:56–57. The electronic cigarette comprises, among other components, a shell, a mouthpiece, an air inlet, an electronic circuit board, a sensor, an atomizer, and a “liquid-supply” in contact with the atomizer. *Id.* at 1:58–67. Figures 1, 6, and 11 of the '331 patent are reproduced below.

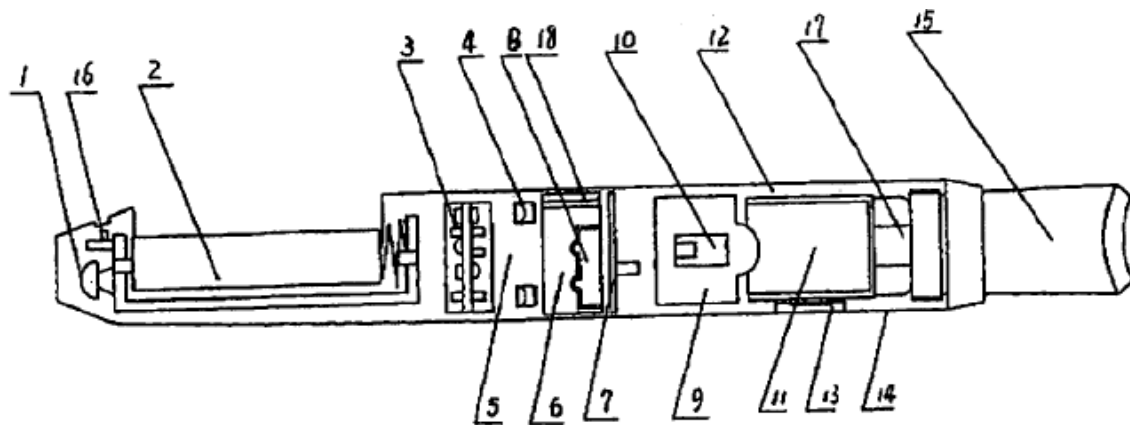


Fig. 1

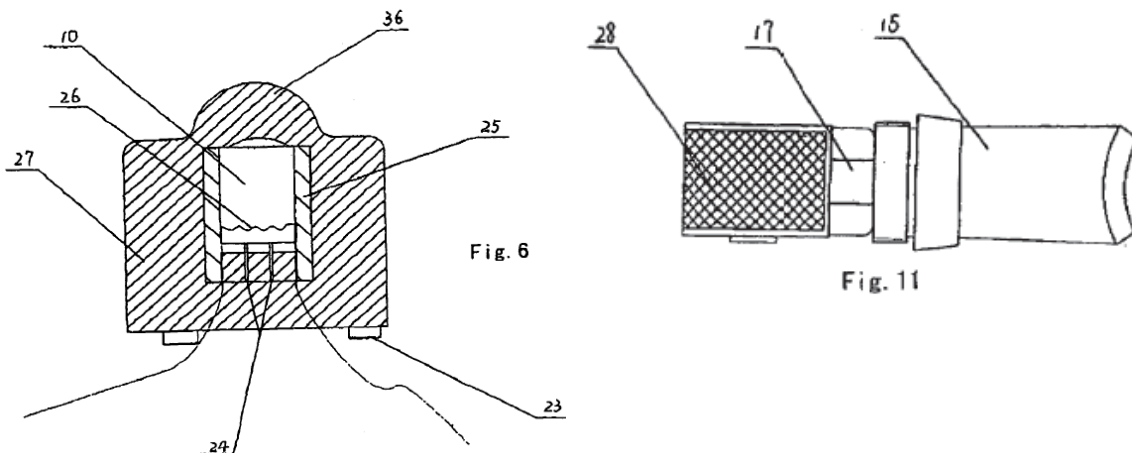


Fig. 6

Fig. 11

Figure 1 is a schematic diagram of an embodiment of the electronic cigarette; Figure 6 is a structural diagram of an atomizer, and Figure 11 is a structural diagram of a mouthpiece and liquid-supplying bottle. *Id.* at 2:8, 2:15, 2:22–23. In Figure 1, the electronic cigarette comprises LED 1, cell 2, electronic circuit board 3, air inlet 4, normal pressure cavity 5, sensor 6, vapor-liquid separator 7, atomizer 9, liquid-supplying bottle 11, and mouthpiece 15, sequentially provided within shell 14. *Id.* at 2:33–39. In Figure 6, the atomizer (shown as atomizer 9 in Figure 1) comprises heating element 26 and atomization cavity wall 25 surrounded by porous body 27, which includes bulge 36. *Id.* at 2:48–52, 2:63–64. In Figure 11, solution

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