

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ECTO WORLD, LLC and SV3, LLC,
Petitioner,

v.

RAI STRATEGIC HOLDINGS, INC.,
Patent Owner.

IPR2024-01280
Patent 11,925,202 B2

Before JO-ANNE M. KOKOSKI, CHRISTOPHER M. KAISER, and
BRIAN D. RANGE, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Ecto World, LLC and SV3, LLC (collectively, “Petitioner”) filed a Petition to institute an *inter partes* review of claims 1–30 of U.S. Patent No. 11,925,202 B2 (“the ’202 patent,” Ex. 1001). Paper 1 (“Pet.”). RAI Strategic Holdings, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”).

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . and any response . . . shows that 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 (2018); *see also* 37 C.F.R. § 42.4 (2023). For the reasons discussed below, we exercise our discretion to deny institution of *inter partes* review under 35 U.S.C. § 325(d).

A. Real Parties in Interest

Petitioner identifies Ecto World, LLC, d/b/a Demand Vape, and SV3 LLC, d/b/a Mi-One Brands, as the real parties in interest. Pet. 2. Patent Owner identifies RAI Strategic Holdings, Inc., R.J. Reynolds Vapor Company, RAI Innovations Company, and R.J. Reynolds Tobacco Company as the real parties in interest. Paper 7 (Patent Owner’s Updated Mandatory Notice), 1.

B. Related Matters

The parties indicate that the ’202 patent is asserted in the U.S. International Trade Commission, Investigation No. 337-TA-1410, *Certain Disposable Vaporizer Devices*, filed on June 11, 2024. Pet. 3; Paper 7, 1. Petitioner also challenges claims 1–30 of the ’202 patent in PGR2024-00049. Pet. 3; Paper 7, 1. The parties indicate that the ’202 patent is also

heating elements 70, 72 can be powered by electric power source 36, can be controlled by electrically powered control components 50, and are configured to allow airflow therethrough. *Id.* at 21:35–40.

Cartridge 85 contains some form of tobacco 89 and aerosol-forming material. Ex. 1001, 22:14–16. Cartridge 85 can include upstream segment 95, composed of tobacco or processed tobacco filler material 89 incorporating aerosol-forming material, and downstream segment 98, composed of substrate 101 carrying flavors or aerosol-forming material. *Id.* at 22:27–32. The '202 patent teaches that “smoking article 10 is assembled such that a certain amount of aerosol-forming material and tobacco components can be wicked or otherwise transferred to heating element 72 or the region in close proximity to the heating element.” *Id.* at 22:32–36. At least one air passageway 115 extends longitudinally between the inner surface of outer housing 20 and the outer surface of cartridge 85. *Id.* at 22:40–43.

During use, mouth-end 15 is placed in the smoker's lips, and air is drawn through openings 32 in cap 35 located at distal end 13 and into outer housing 20. Ex. 1001, 24:30–34. The drawn air passes through air passageway 45 that extends along the length of power source 36 and electronic control components 50, then through an air passageway area within resistance heating element 70 and sensing mechanism 60, past or through resistance heating element 72, through air passageway 115 and into mouth-end piece 120. *Id.* at 24:34–41. Resistance heating elements 70, 72 heat aerosol-forming materials and tobacco materials in the vicinity of those heating elements. *Id.* at 24:41–44. “Aerosol that is formed by the action of drawn air passing heated tobacco components and aerosol-forming material in the region occupied by” resistance heating element 72 “is drawn through

the mouth-end piece 120, and into the mouth of the smoker.” *Id.* at 24:50–54.

D. Illustrative Claim

Petitioner challenges claims 1–30 of the ’202 patent. Claims 1 and 18 are independent; claim 1 is representative of the challenged subject matter and is reproduced below.

1. An electrically-powered, aerosol-generating smoking article comprising:
 - an outer housing having two ends;
 - a mouthpiece defined at one of the two ends;
 - an electrical power source arranged within the outer housing;
 - an electrical resistance heater positioned within the outer housing, the electrical resistance heater being configured for electrical connection with the electrical power source
 - a storage compartment defined within the outer housing, the storage compartment being configured for storage of a liquid aerosol-forming material and being 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;
 - an air passageway through at least a portion of the outer housing, the air passageway being arranged so that air drawn into the outer housing combines with volatilized liquid aerosol-forming material to produce an aerosol that can be drawn into the mouth of a user of the electrically-powered, aerosol-generating smoking article through the mouthpiece; and
 - a controller configured to activate current flow through the electrical resistance heater in response to a draw

on the electrically-powered, aerosol-generating smoking article.

Ex. 1001, 32:58–33:18.

E. Evidence

Petitioner relies on the following patent evidence.

Name	Patent Document	Exhibit
Takeuchi	US 6,155,268, published Dec. 5, 2000	1004
Kim	US 2006/0016453 A1, published Jan. 26, 2006	1007
Susa	EP 0 845 220 A1, published June 3, 1998	1018
Pienemann	WO 00/28843, published May 25, 2000	1006 (with English translation)

F. Asserted Grounds

Petitioner asserts that claims 1–30 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 3–15, 18–29	103	Takeuchi
6, 7, 14, 15, 18–29	103	Takeuchi, Pienemann
1–30	103	Kim, Pienemann
1–30	103	Kim, Pienemann, Susa

Pet. 5. Petitioner relies on the Declaration of Seetharama C. Deevi, Ph. D. (Ex. 1003) in support of its contentions.

II. ANALYSIS

A. Level of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art (“POSA”) would have had “a bachelor’s degree in electrical engineering, mechanical engineering, chemistry, physics, or an equivalent field, as well as 3–4 years of industry experience, or a master’s degree in the above fields, and 1–2

years of industry experience.” Pet. 8. Petitioner further contends that “[s]uch a POSA would have been familiar with electrically powered smoking articles and/or the components and underlying technology used therein.” *Id.* (citing Ex. 1003 ¶ 63. Patent Owner states that, for purposes of the Preliminary Response, “Patent Owner maintains that Petitioners’ arguments fail even under Petitioners’ POSA definition.” Prelim. Resp. 13.

On this record, we preliminarily adopt Petitioner’s undisputed proposed definition because it appears to be consistent with the cited prior art and the disclosure of the ’202 patent. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (explaining that specific findings regarding ordinary skill level are not required “where the prior art itself reflects an appropriate level and need for testimony is not shown” (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985))).

B. Claim Construction

We construe each claim “in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. § 42.100(b). Under this standard, claim terms are generally given their plain and ordinary meaning as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). Only those terms in controversy need to be construed, and only to the extent necessary to resolve the controversy. *Realtime Data LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019).

Based on the record before us, we determine that no claim term requires express construction for purposes of this Decision.

C. Discretionary Denial under 35 U.S.C. § 325(d)

Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 325(d) and deny institution. Prelim. Resp. 34–42. Specifically, Patent Owner argues that discretionary denial is warranted because the same prior art asserted here was previously presented to the Office, and Petitioner “did not even attempt to show material error by the Patent Office.” *Id.* at 34.

Section 325(d) provides that, in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” The Board uses a two-part framework for evaluating arguments under § 325(d):

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and
- (2) if either condition of the first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims.

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”). In applying this framework, we consider the *Becton, Dickinson*¹ factors that address discretion to deny institution when a petition presents the same or substantially the same prior art or arguments previously presented to the Office, including:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;

¹ *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”).

(b) the cumulative nature of the asserted art and the prior art evaluated during examination;

(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;

(d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;

(e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and

(f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson, Paper 8 at 17–18. Factors (a), (b), and (d) relate to whether the same or substantially the same art or arguments were previously presented to the Office, and factors (c), (e), and (f) relate to whether the petitioner demonstrates that the Office erred in a manner material to the patentability of the claims. *Advanced Bionics*, Paper 6 at 9–11. Only if the same or substantially the same art or arguments were previously presented to the Office do we then consider whether the petitioner has demonstrated a material error by the Office. *Id.*

1. Part One of the Advanced Bionics Framework

Patent Owner argues that “all of the Petition’s cited references were before the Examiner during prosecution of the ’202 patent.” Prelim. Resp. 35. In particular, Patent Owner asserts that “Takeuchi, Kim, Pienemann, and Susa appear on Information Disclosure Statements that the Examiner signed and explicitly noted that “[a]ll references [were] considered except where lined through.” *Id.* (citing Ex. 1002, 228–284). Patent Owner also notes that Takeuchi, Kim, Pienemann, and Susa “are listed in the

‘References Cited’ section on the face of the ’202 patent.” *Id.* (citing Ex. 1001).

Petitioner concedes that Takeuchi, Kim, and Pienemann are listed on the face of the ’202 patent, but argues that “the Examiner was not afforded the opportunity to seriously consider any of these references, as they were buried in a massive [Information Disclosure Statement] dump of over 1,000 references.” Pet. 110. Petitioner asserts that the Examiner requested the applicant to specifically point out “any particular reference or portion of a reference in the” Information Disclosure Statement (“IDS”) to which the Examiner should pay “particular attention,” but that the “[a]pplicant ignored this request.” *Id.* (citing Ex. 1002, 174). Petitioner notes that “the Examiner did not issue a single art-based rejection,” and contends that Takeuchi, Kim, and Pienemann, therefore, are new, noncumulative prior art, which “strongly favors institution of IPR.” *Id.* at 110–111 (citing *Oticon Medical AB v. Cochlear Ltd.*, IPR2019-00975, Paper 15 at 20 (PTAB Oct. 16, 2019) (precedential as to §§ II.B, II.C)).

There can be no dispute that Takeuchi, Kim, Pienemann, and Susa were submitted on an IDS during prosecution of the ’202 patent and appear on the face of the ’202 patent. Ex. 1002, 240 (entry 332 (Takeuchi)), 245 (entry 474 (Kim)), 254 (entry 669 (Susa)), 256 (entry 714 (Pienemann)); Ex. 1001, code (56) (pages 4–6). The Examiner also certified that he considered all references listed in the IDS except those through which a line is drawn, and none of Takeuchi, Kim, Pienemann, or Susa are lined through. Ex. 1002, 284. Accordingly, Takeuchi, Kim, Pienemann, and Susa are “[p]reviously presented art.” *See Advanced Bionics*, Paper 6 at 7–8 (“Previously presented art includes art . . . provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the

prosecution history of the challenged patent.”). We therefore determine that the first part of the *Advanced Bionics* framework is satisfied.

2. *Part Two of the Advanced Bionics Framework*

Patent Owner argues that discretionary denial is appropriate “in circumstances where a petitioner does not address whether the Office materially erred.” Prelim. Resp. 38. Patent Owner asserts that Petitioner merely notes “that the Petition’s references were not applied against the claims during prosecution,” and argues “that alone cannot satisfy Petitioner’s burden to show material error.” *Id.* Patent Owner contends that we should “decline[] to independently review and assess the merits of a petition’s grounds to conclude whether and how any material error occurred when a petitioner makes no attempt to explain what the alleged material error was.” *Id.* at 39.

Petitioner does not address whether, nor even allege that, the Office materially erred in its decision to allow the application, even though Takeuchi, Kim, Pienemann and Susa were before the Office during examination of the application leading to the ’202 patent. *See* Pet. 110–111.

On this record, Petitioner has not “demonstrated that the Office erred in a manner material to the patentability of the challenged claims” of the ’202 patent. *Advanced Bionics*, Paper 6 at 8. As Patent Owner points out, Petitioner “failed to address the second prong of *Advanced Bionics*, much less show that the Examiner erred in a manner material to patentability.” Prelim. Resp. 38.

III. CONCLUSION

Petitioner raises the same prior art previously presented to the Office during the prosecution of the ’202 patent, and does not demonstrate that the Office erred in a manner material to patentability of the challenged claims.

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Taking a holistic view of the totality of the circumstances presented on this record, and based upon the *Advanced Bionics* framework, we exercise our discretion to deny institution of *inter partes* review under 35 U.S.C. § 325(d).

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* and no *inter partes* review is instituted.

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