

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NU MARK LLC,
Petitioner,

v.

FONTEM HOLDINGS 1, B.V.,
Patent Owner.

Case IPR2016-01309
Patent 8,863,752 B2

Before JOSIAH C. COCKS, DONNA M. PRAISS, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Nu Mark LLC (“Petitioner”) filed a Petition (“Pet.”) to institute an *inter partes* review of claims 1–5, 7, 8, 10–15, 19, and 20 of U.S. Patent No. 8,863,752 B2 (“the ’752 patent,” Ex. 1001). Paper 1. Fontem Holdings 1 B.V. (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.”). Paper 8. We have jurisdiction under 35 U.S.C. § 314.

Upon consideration of the Petition, Preliminary Response, and the evidence of record, we determine that the Petition presents substantially the same art or arguments as those previously presented to the Office, and, thus, exercise our discretion under 35 U.S.C. § 325(d) to deny institution of an *inter partes* review as to claims 1–5, 7, 8, 10–15, 19, and 20.

A. *Related Proceedings*

The parties indicate that the ’752 patent is asserted in numerous cases pending in the Central District of California, including *Fontem Ventures B.V. v. Nu Mark LLC*, 2:16-cv-02291. Pet. 3–7; Paper 5, 1–5. The parties also identify multiple related petitions for *inter partes* review. Pet. 8–11; Paper 5, 6–7; Paper 7, 1–2.

B. *The ’752 Patent*

The ’752 patent, titled “Electronic Cigarette,” is directed to an electronic cigarette that “includes a battery assembly, an atomizer assembly and a cigarette bottle assembly,” wherein the battery assembly and the atomizer assembly are connected by a screw thread electrode. Ex. 1001, Abs.

Figures 2A, 3, and 4 of the '752 patent are reproduced below.

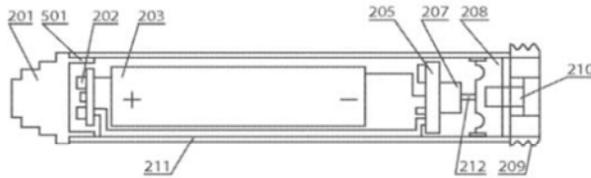


Figure 2A

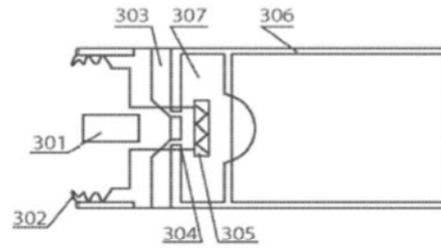


Figure 3

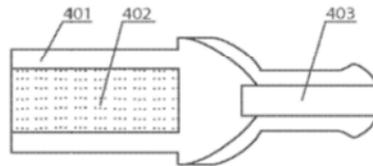


Figure 4

Figure 2A is a view of the battery assembly, Figure 3 is a diagram of the atomizer assembly, and Figure 4 is a diagram of the cigarette bottle assembly. *Id.* at 1:45–48. The battery assembly includes primary shell 211, lithium ion battery 203, silica gel corrugated membrane 208, and primary screw thread electrode 209. *Id.* at 2:5–9. Screw thread electrode 209 “is a gold-coated stainless steel or brass part with a hole drilled in the center.” *Id.* at 2:28–30. The atomizer assembly includes internal thread electrode 302, atomizer 307, secondary shell 306, and air-liquid separator 303. *Id.* at 2:33–35. Internal thread electrode 302 “is a gold-coated stainless steel or brass part with a hole in the center.” *Id.* at 2:43–45. The cigarette bottle assembly includes cigarette liquid bottle 401, fiber 402, and suction nozzle 403. *Id.* at 2:48–50. The end of cigarette bottle 401 with cigarette-liquid-containing

fiber 402 is inserted into secondary shell 306 and lies against atomizer 307.
Id. at 2:50–53.

Figure 5A of the '752 patent is reproduced below.

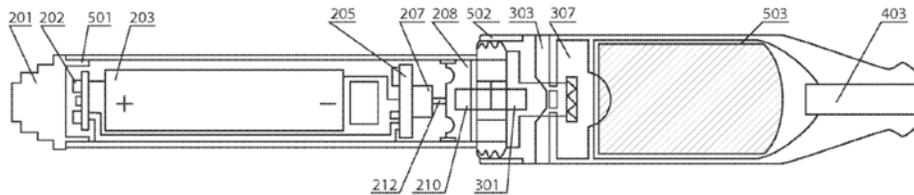


Figure 5A

Figure 5A is a side view of an electronic cigarette. *Id.* at 1:49. Figure 5A shows the battery assembly of Figure 2A fastened onto the atomizer assembly shown in Figure 3 and inserted into the cigarette bottle assembly of Figure 4. *Id.* at 2:57–61. When a user sucks on suction nozzle 403, lithium ion battery 203 electrifies heating body 305 in atomizer 307 through MOSFET circuit board 205 and internal and screw thread electrodes 209 and 302. *Id.* at 2:60–3:5. Air enters through air intake hole 502, and passes through the run-through hole on air-liquid separator 303 to form an air-liquid mixture in spray nozzle 304 of atomizer 307. *Id.* at 3:10–13. The air-liquid mixture sprays onto heating body 305, vaporizes, and is condensed into aerosol, which passes through air intake hole 503 and suction nozzle 403 to form white mist type aerosol. *Id.* at 3:13–17.

C. Illustrative Claims

Petitioner challenges claims 1–5, 7, 8, 10–15, 19, and 20. Claims 1, 11, 14, and 19 are independent. Claims 1 and 11 are illustrative, and read as follows:

1. An atomizer assembly for an electronic cigarette, comprising:

an atomizer assembly housing containing an atomizer, liquid storage, and a screw thread electrode on one end of the atomizer assembly housing, with the screw thread electrode having a through hole centered on the screw thread electrode;

with the atomizer in physical contact with the liquid storage; and

a flow passageway leading from the atomizer to an outlet of the atomizer assembly housing.

Ex. 1001, 4:44–54.

11. An atomizer assembly for an electronic cigarette, comprising:

an atomizer assembly housing containing an atomizer and liquid storage;

a screw thread electrode on one end of the atomizer assembly housing;

a through-hole in the screw thread electrode substantially aligned with the atomizer;

the atomizer electrically connected to the screw thread electrode and with the atomizer in physical contact with the liquid storage and

a flow passageway leading from the atomizer to an outlet of the atomizer assembly housing.

Id. at 5:15–27.

D. The Prior Art

Petitioner relies on the following prior art references:

Reference	Description	Date	Exhibit No.
Whittemore	US 2,057,353	Oct. 13, 1936	1005
Brooks	US 4,947,874	Aug. 14, 1990	1006

E. The Asserted Ground of Unpatentability

Petitioner challenges the patentability of claims 1–5, 7, 8, 10–15, 19, and 20 on the following ground:

References	Basis	Challenged Claims
Brooks and Whittemore	§ 103(a)	1–5, 7, 8, 10–15, 19, 20

II. ANALYSIS

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108. Our discretion on whether to institute is guided by 35 U.S.C. § 325(d), which states that “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.” Patent Owner contends that “Whittemore and the disclosure of Brooks were both considered by the Examiner during prosecution of the ’752 Patent.” Prelim. Resp. 20. We, therefore, first examine whether the ground asserted in the instant Petition presents “the same or substantially the same prior art or arguments” as those previously presented to the Office. Then, we determine whether it is appropriate to exercise our discretion to deny institution.

A. Prosecution History of the ’752 Patent

The ’752 patent issued from U.S. Patent Application No. 13/915,427 (“the ’427 application”). Whittemore was cited to the Examiner via an Information Disclosure Statement (“IDS”) filed on June 20, 2013. Ex. 2014, 1. The same IDS also cited U.S. Patent No. 4,947,875 (Ex. 2016, “the ’875 patent”) and EP Publication No. 0 358 002 A2 (Ex. 2008, “EP Publication”). *Id.* at 1, 5. On March 15, 2014, the Examiner indicated that Whittemore, the

'875 patent, and the EP Publication were considered by appending the following to the bottom of the IDS: "ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH. /D.W.M./" *Id.* Whittemore, the '875 patent, and the EP Publication are listed in the "References Cited" section of the '752 patent. Ex. 1001 at [56].

In an Office Action dated March 21, 2014, pending claims 1–4, 12, and 17¹ were rejected under 35 U.S.C. § 102(b) as being anticipated by Whittemore. Ex. 2011, 4. The Examiner stated that Whittemore

teaches, particularly in the Fig. 2 embodiment, a device having the structure of an atomizer for an electronic cigarette in that it comprises an atomizer assembly housing (vessel (A)) containing an atomizer (filament (3)), liquid storage (medicament (x)) and a screw thread electrode (bottom portion of vessel (6), metal shell (7)) on one end of the atomizer assembly housing electrically connected to the atomizer, with the atomizer in physical contact with the liquid storage; and a flow passageway leading from the atomizer to an outlet (5) of the atomizer assembly housing.

Id. The Examiner also stated that pending claims 5–7, 16, and 18–20 "contain allowable subject matter" because the record prior art does not teach or reasonably suggest an atomizer assembly that includes "(a) the screw thread electrode on a first end of the atomizer assembly housing and the liquid storage inserted into a second end of the atomizer assembly

¹ Pending independent claim 1 recited "[a]n atomizer assembly for an electronic cigarette, comprising: an atomizer assembly housing containing an atomizer, liquid storage, and a screw thread electrode on one end of the atomizer assembly housing, with the atomizer in physical contact with the liquid storage; and a flow passageway leading from the atomizer to an outlet of the atomizer assembly housing." Pending claims 2–4, 12, and 17 depended, directly or indirectly, from claim 1.

opposite form [*sic*] the first end, or (2) [*sic*] the screw thread electrode having a through hole substantially aligned with the atomizer.” *Id.*

In response to the March 21, 2014 Office Action, an Amendment was filed in which pending claim 1 was cancelled and new claims 21 (including the content of pending claims 1 and 5), 22 (including the content of pending claims 1 and 6), and 23 (including the content of pending claims 1 and 16) were added, and the claims that previously depended from claim 1 were amended to depend from new claim 23. 4/17/14 Amendment, 6. In response to that Amendment, a Notice of Allowability was mailed on August 19, 2014. Pending claim 23 issued as claim 1 in the ’752 patent.

B. Relevant Portions of the Petition

Petitioner contends that “Brooks discloses or suggests all of the features of the challenged claims except a threaded connection,” and “Whittemore discloses a threaded connection.” Pet. 27. Referring to Brooks Figure 2, Petitioner contends that “Brooks discloses an atomizer assembly housing (the combination of collar 49, insulative tube 66, and plasticized cellulose acetate tube 68) that contains an atomizer (including, at least, the heating component of heating element 18).” Pet. 45. Petitioner further contends that Brooks “discloses a mechanical connector that also facilitates electrical conductivity consisting of plug 16 (including prongs 38 and 39), which is located on one end of collar 49 (a part of the atomizer assembly housing as set forth above) and receptacle 44 (including plug-in connectors 42, 43).” *Id.* at 49. According to Petitioner, Brooks also discloses “that the connector has an airflow hole (tube 48) running through the center of it (*i.e.*, a ‘through hole’).” *Id.*

C. Same or Substantially the Same Prior Art or Arguments

Patent Owner argues that Brooks is cumulative to the disclosures in the EP Publication and the '875 patent, and, thus, the disclosure of Brooks was considered by the Examiner during the prosecution of the '752 patent. Prelim. Resp. 20–21. Petitioner states that Brooks was not considered by the Examiner during the prosecution of the '752 patent, but acknowledges that the '875 patent is “[a] similar, but not identical, reference” that “is cited on the face of the 752 Patent but was not used in any office actions.” Pet. 14 n.1. Accordingly, an analysis under 35 U.S.C. § 325(d) for this proceeding requires that we determine whether or not the disclosures of Brooks relied upon by Petitioner here were presented to, and considered previously by, the Office in the contents of the EP Publication and the '875 patent.

*1. Comparison of Brooks with the
EP Publication and the '875 Patent*

Brooks and the EP Publication name the same inventors (Johnny L. Brooks, Donald L. Roberts, and Jerry S. Simmons) and are assigned to the same company (R. J. Reynolds Tobacco Company). Ex. 1006 at [75], [73]; Ex. 2008 at [72], [71]. The EP Publication claims priority to U.S. App. No. 07/242,086, which is the application that issued as Brooks. Ex. 2008 at [30]; *see* Ex. 1006 at [21]. The figures presented in the EP Publication are the same as those in Brooks. *Compare* Ex. 2008, Figs. 1–10, *with* Ex. 1006, Figs. 1–10. Moreover, as Patent Owner notes, the disclosure of the EP Publication “is largely identical to that of Brooks.” Prelim. Resp. 20.

For example, the EP Publication describes that controller 14 includes receptacle 44, which “includes plug-in connectors 42, 43 for engagement with prongs 38, 39 of plug 16” and “tube 48 which is inserted into passageway 46 of plug 16 to be in airflow communication with the internal

region of the cigarette,” with the other end of tube 48 being “in airflow communication with pressure sensing switch 28, so that changes in air pressure which occur within the cigarette during draw can be sensed by the switch.” Ex. 2008, 12:3–17. Petitioner relies on the identical disclosure in Brooks as teaching the “through hole” recited in claim 1 of the ’752 patent. Pet. 48 (citing Ex. 1006, 9:37–50).

Similarly, Brooks and the ’875 patent name the same inventors, are assigned to the same company, and have the same filing date. Ex. 1006 at [75], [73], [22]; Ex. 2016 at [75], [73], [22]. The figures in the ’875 patent and Brooks are the same. *Compare* Ex. 2016, Figs. 1–10, *with* Ex. 1006, Figs. 1–10. Patent Owner points out that

[t]he ’875 Patent includes all of the structural features of Brooks relied upon by Petitioner, namely a flavor delivery article comprising (1) “disposable cartridge 12” including porous “resistance heating element 18 carrying an aerosol forming substance” and “electrical connection plug 16” “manufactured from a . . . electrically insulative material” and having “pins and prongs 38, 39” and (2) “controller 14” including battery power supply 34 and “insulative receptacle 44” with “electrical terminals 42, 43,” wherein the two components are connected by inserting pins or prongs 38, 39 into electrical terminals 42, 43.

Prelim. Resp. 21 (quoting Ex. 2016, 5:40–6:27, 7:12–23, 7:64–8:7).

The ’875 patent also describes “suitable heating elements” that include “porous substrates in intimate contact with resistance heating components,” and states that “heating element 18 is impregnated with or otherwise carries one or more aerosol forming substances in order that the aerosol forming substances are in a heat exchange relationship with the electrical heating element.” Ex. 2016, 6:22–32. The ’875 patent further states that “[p]referably, such porous heating elements are impregnated with

liquid aerosol forming substances, such as glycerin.” *Id.* at 3:43–45. Petitioner relies on the same disclosures in Brooks as teaching “liquid storage” as recited in claim 1 of the ’752 patent. Pet. 46–47 (citing Ex. 1006, 4:22–25, 7:65–8:3).

For the foregoing reasons, we determine that the content of Brooks is the same or substantially the same as the disclosures in the EP Publication and the ’875 patent. A comparison of Brooks, the EP Publication, and the ’875 patent demonstrates that the smoking article described in the EP Publication and the flavor delivery article described in the ’875 patent are the same in all material respects as the smoking article described in Brooks.

2. *Whether the EP Publication and the ’875 Patent Were Previously Considered by the Office*

Having determined that the content of Brooks is materially the same as that in the EP Publication and the ’875 patent, we next determine whether the EP Publication and the ’875 patent were previously presented to and considered by the Office in conjunction with the challenged claims. As set forth above, both the EP Publication and the ’875 patent were cited in an IDS of the ’427 application, and the Examiner indicated that both the EP Publication and the ’875 patent were presented and considered. Ex. 2014, 1, 5. Additionally, the EP Publication and the ’875 patent are cited on the face of the ’752 patent as “References Cited.” Ex. 1001 at [56].

In the March 21, 2014 Office Action in which pending claims 1–4, 12, and 17 were rejected as being anticipated by Whittemore, the Examiner stated that pending claims 5–7, 16, and 18–20 contained allowable subject matter because the prior art of record did not teach or reasonably suggest an atomizer assembly that includes “(a) the screw thread electrode on a first end of the atomizer assembly housing and the liquid storage inserted into a

second end of the atomizer assembly opposite from [sic] the first end, or (2) [sic] the screw thread electrode having a through hole substantially aligned with the atomizer.” Ex. 2011, 4. The EP Publication and the ’875 patent were prior art of record at the time this Office Action was issued, as evidenced by the IDS. *See* Ex. 2014, 1, 5. Although neither the EP Publication nor the ’875 patent were used as a basis to reject the challenged claims, the Examiner nevertheless indicated that the EP Publication and the ’875 patent do not teach a screw thread electrode on one end of the atomizer assembly housing, with a screw thread electrode having a through hole on the screw thread electrode. All of the challenged claims include these limitations. Accordingly, based on the totality of the evidence, we determine that the EP Publication and the ’875 patent were considered by the Office with regards to the challenged claims.

D. Discretion to Deny Institution of Trial

Having found that the instant Petition raises the same or substantially the same prior art and arguments as those previously presented to the Office, we now decide whether to exercise our discretion to deny institution under § 325(d).

For the following reasons, we deny the Petition. The disclosure of the primary reference asserted by Petitioner was previously presented to, and considered by, the Office. The disclosures in Brooks upon which Petitioner relies were presented to the Office in the EP Publication and the ’875 patent, which were considered by the Office during prosecution of the ’427 application. Petitioner is thus asking the Board, essentially, to second-guess the Office’s previous decision on substantially the same issues. Moreover, although we acknowledge that Petitioner has a direct interest in pursuing the

instant Petition, we also acknowledge the burden and expense to Patent Owner in having to defend the '752 patent based on substantially the same prior art or arguments already considered by the Office. Additionally, we are not persuaded that adjudicating a dispute on an already-considered issue is an efficient use of Board or party resources.

III. CONCLUSION

Based on the arguments in the Petition and Preliminary Response, and the evidence of record, we conclude that the instant Petition raises the same or substantially the same prior art or arguments as those previously presented to the Office. In light of the circumstances of the present case, we exercise our discretion not to institute *inter partes* review of the '752 patent pursuant to our authority arising under 35 U.S.C. §§ 314 and 325(d), and 37 C.F.R. §§ 42.4 and 42.108.

IV. ORDER

In consideration of the foregoing, it is hereby
ORDERED that the Petition is denied.

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Patent 8,863,752 B2

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