

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY,
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner.

Cases IPR2017-01118 and IPR2017-01119¹
Patent 8,490,628 B2

Before BRIAN J. McNAMARA, JEREMY M. PLENZLER, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

PLENZLER, *Administrative Patent Judge*.

DECISION
Denying *Inter Partes* Review
35 U.S.C. § 325(d)

¹ This Decision addresses identical issues in each of two related cases. We exercise our discretion to issue one Decision to be entered in each case. The parties are not authorized to use this style heading in any subsequent papers.

I. INTRODUCTION

A. Background

R.J. Reynolds Vapor Company (“Petitioner”) filed Petitions to institute an *inter partes* review of claims 1–8 (“the challenged claims”) of U.S. Patent No. 8,490,628 B2 (Ex. 1001², “the ’628 patent”). IPR2017-01118, Paper 2 (“’1118 Pet.”)³; IPR2017-01119, Paper 2 (“’1119 Pet.”)⁴. Fontem Holdings 1 B.V. (“Patent Owner”) filed a Preliminary Response in each proceeding. ’1118, Paper 7 (“’1118 Prelim. Resp.”); ’1119, Paper 7 (“’1119 Prelim. Resp.”). We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). We deny the Petitions under 35 U.S.C. § 325(d).

B. Related Matters

Petitioner and Patent Owner indicate that the ’628 patent is the subject of a number of federal district court cases, has been the subject of four prior *inter partes* review proceedings (IPR2014-01300, IPR2016-01283, IPR2016-01285, and IPR2016-01527), and related patents have also been the subject of various federal district court cases and subject to multiple other *inter partes* review proceedings. ’1118 Pet. 3–6; ’1119 Pet. 7–10; ’1118, Paper 3, 1–10; ’1119, Paper 3, 1–10.

² The Exhibit number is the same in both IPR2017-01118 and IPR2017-01119. References to exhibits and papers include the appropriate ’1118 or ’1119 prefix to indicate the relevant proceeding. When no prefix is included for an exhibit, the exhibit number (and exhibit) is the same in both proceedings.

³ The ’1118 Petition challenges claims 1–3, 5, 7, and 8 of the ’628 patent.

⁴ The ’1119 Petition challenges claims 1–8 of the ’628 patent.

C. Asserted Grounds of Unpatentability and Evidence of Record

Petitioner contends that the challenged claims are unpatentable based on the following grounds (’1118 Pet. 8, 24–66; ’1119 Pet. 12, 15–71).

Reference(s)	Basis	Claims Challenged
Takeuchi ⁵	§102	1–3, 5, 7, and 8
Takeuchi and Whittemore ⁶	§103	1–3, 5, 7, and 8
Hon ’031 ⁷	§102	1–8

II. ANALYSIS

A. Prior Challenges to the ’628 Patent

As noted above, the ’628 patent has been the subject of four prior *inter partes* review proceedings. Trial was instituted in IPR2014-01300 (’1118 Ex. 1009, 23), but was later terminated at the request of the parties in view of a settlement between the parties. IPR2016-01283 involved a challenge to claims 1–8 of the ’628 patent based on Hon ’031, and institution was denied in that proceeding. ’1118 Ex. 1007, 2, 12. IPR2016-01285 included a challenge to claims 1–3, 5, and 8 of the ’628 patent based, in part, on Takeuchi, and institution was denied in that proceeding. ’1118 Ex. 1008, 2, 14. IPR2016-01527 included a challenge to claims 1, 2, 5, and 8 of the ’628 patent based on Takeuchi and Whittemore, and institution was denied in that proceeding. ’1118 Ex. 1006, 3, 15.

⁵ U.S. Pat. No. 6,155,268, iss. Dec. 5, 2000 (’1118 Ex. 1003, “Takeuchi”).

⁶ U.S. Pat. No. 2,057,353, iss. Oct. 13, 1936 (’1118 Ex. 1004, “Whittemore”).

⁷ U.S. Pat. Pub. No. 2007/0267031 A1, pub. Nov. 22, 2007 (’1119 Ex. 1003, “Hon ’031”).

Petitioner was not a party in IPR2014-01300, IPR2016-01283, or IPR2016-01285, but was the petitioner in IPR2016-01527. The petition in IPR2016-01527 was filed August 3, 2016, and the '1118 and '1119 Petitions were filed on April 4, 2017, more than eight months later.

B. The Parties' Contentions

Petitioner does not identify any unique circumstance that might justify its additional, and much later filed, petitions challenging the '628 patent. Patent Owner contends that we should apply our discretion provided by 35 U.S.C. § 325(d) to deny the '1118 and '1119 Petitions. '1118 Prelim. Resp. 3–8; '1119 Prelim. Resp. 3–8.

C. Application of 35 U.S.C. § 325(d)

Section 325(d) provides 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.” “[I]n determining whether to exercise our discretion under Section 325(d), we first examine whether the grounds asserted in the instant Petition present ‘the same or substantially the same prior art or arguments’ as those previously presented to the Office” and “[t]hen, we determine whether it is appropriate to exercise our discretion to deny institution.” *Neil Ziegmann, N.P.Z., Inc. v. Stephens*, Case IPR2015-01860, slip op. at 14–15 (PTAB Sept. 6, 2017) (Paper 13).

With respect to the '1118 and '1119 Petitions, there is no dispute that the asserted art is “the same prior art . . . previously . . . presented to the Office.” Rather, it is the arguments that are allegedly different. *See* '1118 Pet. 9; '1119 Pet. 13. Nevertheless, “the use of the word ‘or’ in ‘prior art or arguments’ indicates that the presence of previously presented prior art *or*

arguments is sufficient to invoke Section 325(d).” *Neil Ziegmann, N.P.Z.*,
Case IPR2015-01860, slip op. at 19 (Paper 13).

Based on the facts before us, we determine it is appropriate to exercise our discretion to deny the ’1118 and ’1119 Petitions under 35 U.S.C. § 325(d). The asserted art is identical to that presented in the earlier *inter partes* reviews, the ’1118 and ’1119 Petitions are the fifth and sixth petitions challenging the ’628 patent (three of which were filed by Petitioner), and Petitioner filed its first petition challenging the ’628 patent over eight months before filing the ’1118 and ’1119 Petitions and offers no explanation for the significant time lapse between filings. Further, through its delay in filing the ’1118 and ’1119 Petitions, Petitioner had the benefit of our prior decisions on institution, as well as Patent Owner’s Preliminary Responses, in those prior proceedings. These circumstances favor exercising our discretion to deny the ’1118 and ’1119 Petitions.

III. ORDER

For the reasons given, the ’1118 and ’1119 Petitions are *denied* and no *inter partes* review is instituted.

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IPR2017-01118 and IPR2017-01119
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