

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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**NJOY, LLC, NJOY HOLDINGS, INC.,**  
Petitioners,

v.

**JUUL LABS, INC.,**  
Patent Owner

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Case No. IPR2024-00223  
U.S. Patent No. 10,709,173

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**PETITIONERS' REPLY TO PATENT OWNER'S  
PRELIMINARY RESPONSE**

## TABLE OF CONTENTS

	Page
I. JUUL IS NOT CO-EXTENSIVE WITH THE 173 PATENT CLAIMS.....	1
II. THE 173 PATENT DID NOT SATISFY A LONG-FELT NEED.....	2
III. ANY UNEXPECTED RESULTS HAVE NO NEXUS TO THE 173 PATENT CLAIMS.....	3
IV. ANY INDUSTRY PRAISE HAS NO NEXUS TO THE 173 PATENT CLAIMS .....	4
V. ANY COMMERCIAL SUCCESS HAS NO NEXUS TO THE 173 PATENT .....	4
VI. JLI'S EVIDENCE OF COPYING HAS NO NEXUS TO THE 173 PATENT .....	5

## **PETITIONERS' EXHIBIT LIST**

<b>Exhibit No.</b>	<b>Description</b>
1001	U.S. Patent No. 10,709,173 to Monsees et al. (“the ’173 patent”)
1002	File History for U.S. Patent 10,709,173
1003	Declaration of William Singhose in Support of Petition for <i>Inter Partes</i> Review of U.S. Patent 10,709,173
1004	Curriculum Vitae of William Singhose
1005	U.S. Patent Publication No. 2015/0128971 (“Verleur”)
1006	U.S. Provisional Application No. 61/903,344 (“Verleur-Prov”)
1007	U.S. Patent Publication No. 2009/0272379 (“Thorens379”)
1008	U.S. Patent Publication No. 2016/0021933 (“Thorens 933”)
1009	<i>JUUL Labs, Inc. v. NJOY, LLC</i> , No. 23-cv-01204 (D. Ariz.) Docket (retrieved Nov. 13, 2023)
1010	U.S. Patent No. 8,205,622 (“Pan 622”)
1011	<i>Reserved</i>
1012	U.S. Patent No. 3,200,819 (“Gilbert”)
1013	U.S. Patent Publication No. 2013/0228191 (“Newton 191”)
1014	U.S. Patent No. 5,388,594 (“Counts 594”)
1015	U.S. Patent Publication No. 2012/0199663 (“Qiu 663”)
1016	International Application No. WO 2013/076098A2 (“Plojoux”)
1017	U.S. Patent No. 8,499,766 (“Newton”)
1018	U.S. Patent No. 9,332,787 (“Liu 787”)
1019	KR200457694 (“Youm”)
1020	Certified Translation of KR200457694 (“Youm”)
1021	KR200453424 (“Yeom”)
1022	Certified Translation of KR200453424 (“Yeom”)
1023	U.S. Patent No. 11,606,981 (“Verleur 981”)

<b>Exhibit No.</b>	<b>Description</b>
1024	U.S. Patent No. 11,134,722 (“Verleur 722”)
1025	U.S. Patent Publication No. 2011/0094523 (“Thorens 523”)
1026	U.S.I.T.C. Investigation No. 337-TA-1368, Joint Claim Construction Chart
1027	Aug. 22, 2006 Tariff Classification Ruling M85579, <i>available at</i> <a href="https://rulings.cbp.gov/search?term=m85579">https://rulings.cbp.gov/search?term=m85579</a>
1028	U.S. Patent Publication No. 2014/0174458 (“Katz”)
1029	U.S. Patent No. 5,144,962 (“Counts 962”)
1030	U.S. Patent Publication No. 2013/0037041 (“Worm”)
1031	U.S. Patent No. 9,516,899 (“Plojoux 899”)
1032	Transcript from Deposition of James Monsees in Inv. 337-TA-1368
1033	Transcript from Deposition of Adam Bowen in Inv. 337-TA-1368
1034	JLI-NJOY-ITC1368-01326346
1035	JLI-NJOY-ITC1368-01935328
1036	JLI-NJOY-ITC1368-01935331

The Board should assess secondary considerations after institution on a full evidentiary record. *Umicore AG & Co. KG v. BASF Corp.*, IPR2015-01124, Paper 8, p. 22 (P.T.A.B. Nov. 2, 2015). Nonetheless, JLI’s arguments at this stage fail to overcome the compelling case of obviousness set forth in the Petition.

### **I. JUUL is Not Co-Extensive with the 173 Patent Claims**

For nexus to be presumed, JLI must demonstrate that a specific product: (1) embodies the claimed features; and (2) is co-extensive with the claims. *Polaris Indus., Inc. v. Arctic Cat, Inc.*, 882 F.3d 1056, 1072 (Fed. Cir. 2018). Even if JUUL practices the 173 Patent claims, JLI cannot satisfy the co-extensiveness requirement because JUUL comprises numerous material unclaimed features:

- Nicotine salt formulation, flavors, and high nicotine concentration. Ex. 2027.005 (“[T]he high level of nicotine in Juul’s pods [is]...almost double the concentration in some rival e-liquids....”); Ex.2031.002 (“Juulpods...contain a concentrated juice cocktail of salts and organic acids ... [that] more closely resembles the experience of smoking a cigarette....”); Ex. 2036.002 (“The growing popularity of JUUL seems to be driven by flavored offerings....”).
- Thumb drive shape. Ex. 2027.002 (“Juul says its signature brushed-aluminum, thumb-drive-shaped vape is intended to help adult smokers switch....”).
- Temperature control system. Ex. 2003.011 (“[REDACTED]”).

- Electronics, including pressure sensors, for automating operation. Ex. 2003.011 (“[REDACTED]”).

*See also Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1378 (Fed. Cir. 2019)

(“[T]he X-Sync products are not coextensive...because the products include a ‘critical’ unclaimed feature...that materially impacts the product's functionality.”).

Because JUUL is not coextensive and a presumption of nexus does not apply, JLI must demonstrate that secondary considerations evidence is the “direct result of the unique characteristics of the claimed invention.” *In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996). JLI has not and cannot make any such showing.

## **II. The 173 Patent Did Not Satisfy a Long-Felt Need**

JLI contends that JUUL met the “long-felt need for a satisfying nicotine delivery product that did not have the...adverse health effects of smoking combustible cigarettes.” POPR at 48. Even if true, JLI has not demonstrated that the 173 Patent satisfied such a need. First, prior art already met the need for a nicotine delivery product that did not have the unhealthy effects of combustible cigarettes. Ex. 1010 at 2:16-22 (“...a green alternative to harmful, polluting conventional cigarettes...”). Second, to the extent JUUL provided satisfying nicotine delivery, it was due to JUUL’s unclaimed nicotine chemistry. Ex. 1036.014 (“[REDACTED]”). Third, the other purported needs



██████████”). Third, prior art devices already included liquid viewing windows, so that result was expected. Ex. 1013.010, [0032] (“The liquid reservoir includes a clear or translucent window...for visually determining the liquid level...”). Unexpected results do not support non-obviousness.

#### **IV. Any Industry Praise Has No Nexus to the 173 Patent Claims**

JLI relies primarily on a brief submitted jointly by JLI and Altria in an FTC proceeding (the “FTC Brief”) to support its industry praise argument. However, the specific features referenced therein – form-factor, liquid viewing window, reversible pod with locking gaps, fresh airflow, and simple user operation—are unclaimed in the 173 Patent and/or were otherwise known in the art. POPR at 55. Moreover, the FTC Brief credits JUUL’s powerful battery and proprietary e-liquid formulation for delivering “superior nicotine satisfaction,” both of which are unclaimed. Ex. 2024.058, ¶ 224. The other publications cited by JLI likewise fail to praise any features claimed in the 173 Patent. *See* Ex. 2029; Ex. 2031; Ex. 2032. Thus, any industry praise is not attributable to the 173 Patent.

#### **V. Any Commercial Success Has No Nexus to the 173 Patent**

JLI cites no evidence that sales of JUUL were attributable to features claimed in the 173 Patent. To the contrary, any commercial success JUUL experienced was clearly due to unclaimed features, such as its nicotine salt formulation and e-liquid flavors. *See* Ex. 2036.002 (“The growing *popularity of*



*JUUL seems to be driven by flavored offerings<sup>2</sup>....”*); Ex. 2032.001 (“*A huge part of JUUL’s cachet* appears to be its pleasing aesthetics, ease of use & *nicotine salt e-liquid technology.*”). [REDACTED]

[REDACTED] Ex. 1034.001 ([REDACTED]

[REDACTED]

[REDACTED]); Ex. 1036.014 ([REDACTED]

[REDACTED]

[REDACTED]).<sup>3</sup>

## **VI. JLI’s Evidence of Copying Has No Nexus to the 173 Patent**

JLI cites several publications that describe that others in the industry purportedly made JUUL-compatible pods or pod-based products, but no evidence that others specifically copied the features claimed in the 173 Patent. For example, the 173 Patent was not at issue in the ITC proceeding referenced by JLI. POPR at 57. Similarly, there is no evidence that Altria’s pod-based products practiced the 173 Patent. POPR at 57-60. Finally, JLI has not identified any evidence that Altria’s investment in JLI was attributable to the 173 Patent. *Id.* As such, alleged copying does not support the non-obviousness of the 173 Patent.

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<sup>2</sup> Emphasis added unless stated otherwise.

<sup>3</sup> Even if Altria did make a license offer for JLI’s IP (POPR at 56-57), it is irrelevant because there is no evidence of nexus to the 173 Patent.

Dated: March 27, 2024

Respectfully submitted,

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## **CERTIFICATE OF COMPLIANCE**

The undersigned hereby certifies that this brief complies with the type-volume limitations of 37 C.F.R. § 42.24 (c)(1). This brief contains 1,138 words as calculated by the “Word Count” feature of Microsoft Word 2016, the word processing program used to create it.

The undersigned further certifies that this brief complies with the typeface requirements of 37 CFR § 42.6(a)(2)(ii) and typestyle requirements of 37 CFR § 42.6(a)(2)(iii). This brief has been prepared in a proportionally spaced typeface using Microsoft Word 2010 in Times New Roman 14 point font.

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on March 27, 2024, the foregoing  
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