

ITC Finds NJ E-Cig Maker Infringed Juul's Patents

By **Sarah Martinson**

Law360 (February 20, 2020, 2:54 PM EST) -- The U.S. International Trade Commission has found that an administrative law judge correctly concluded that a New Jersey-based vape maker infringed Juul's patents for e-cigarettes, paving the way for its products to be removed from stores.

The ITC partly affirmed Administrative Law Judge David P. Shaw's initial determination that Eonsmoke LLC infringed patents for Juul's pods, referred to as electronic nicotine delivery systems, according to a Thursday Federal Register notice.

The commission said that in light of the finding, it is seeking public comments on exclusion and cease and desist orders against Eonsmoke. Judge Shaw recommended that the commission issue these orders to prevent Juul from being further harmed by the infringement, according to the notice.

"The evidence shows that there is direct competition between participating respondents' accused products and [Juul's] JUUL system, which will result in continuing injury to [Juul] in the form of displaced sales," Judge Shaw said in his November determination.

Judge Shaw also recommended that the ITC issue exclusion and cease and desist orders against Texas-based XFire Inc. for defaulting in the investigation.

The ITC launched its investigation into possible infringement of Juul's pod patents in December 2018 after receiving a complaint from the company, the notice said. Juul named 21 competitors in the U.S., China, Uruguay and France as infringers of its products, according to the complaint.

Since then, Juul settled with 12 of the companies and six of the makers were dropped from the investigation, the notice said. Eonsmoke is the only company that remains active in the investigation, according to the notice.

Juul also sued Eonsmoke, along with three other e-cigarette makers, in New Jersey federal court, alleging that after it yanked vaping products from stores for child safety reasons, its competitors released kid-friendly copycat versions to replace its products, according to the March complaint.

In April, Juul dropped its suit after a New Jersey judge rejected the company's request to have its competitors' products taken off the market, according to court filings.

The U.S. vaping giant removed some of its flavored pods from the market in fall 2018 in response to the U.S. Food and Drug Administration's plan to crack down on the use of e-cigarettes by minors

Earlier this month, the FDA announced that it is prioritizing enforcement of new guidelines that prohibit marketing of fruit- and mint-flavored cartridge-based vapes to minors. Companies that violate the prohibition will risk receiving warning letters or incurring civil fines, the FDA said.

Eonsmoke's attorney, Stephen Lobbin, told Law360 that the FDA's actions are more concerning to the company than any orders the ITC might issue in this case.

"Whatever orders the ITC issues are already in place because Eonsmoke is no longer selling the products at issue in the ITC action," Lobbin said.

Juul's attorney declined to comment, and XFire could not be reached for comment.

Juul is represented by Daniel Yonan of Sterne Kessler Goldstein & Fox PLLC.

Eonsmoke is represented by Stephen M. Lobbin of SML Avvocati PC.

XFire did not participate in the ITC's investigation.

The case is Certain Electronic Nicotine Delivery Systems and Components Thereof, investigation number 337-TA-3354, before the U.S. International Trade Commission.

--Additional reporting by Emily Field, Tiffany Hu and Jeannie O'Sullivan. Editing by Abbie Sarfo.