

United States District Court,
D. Maryland, Southern Division.

STAR SCIENTIFIC, INC,
Plaintiff.

v.

R.J. REYNOLDS TOBACCO COMPANY,
Defendant.

March 31, 2004.

Richard Mcmillan, Jr., Jonathan H. Pittman, Kathryn D. Kirmayer, Mark Michael Supko, Crowell and Moring LLP, Washington, DC, Andrew Jay Graham, Kramon and Graham PA, Baltimore, MD, for Plaintiff.

Barry Jay Rosenthal, Bromberg Rosenthal LLP, Leonard Samuel Goodman, Venable LLP, Rockville, MD, Dominic P. Zanfardino, Richard A. Kaplan, Robert G. Pluta, Howard S. Michael, Justin B. Rand, Abby L. Lernek, Cynthia Ann Homan, Danielle Anne Phillip, Harold V. Johnson, Jeffrey M. Nichols, Jerold A. Jacover, K. Shannon Mrksich, Patricia Leahu, Ralph Joseph Gabric, Robert Mallin, Brinks Hofer Gilson And Lione, Chicago, IL, August J. Borschke, RJ Reynolds Tobacco Co., Winston Salem, NC, David B. Hamilton, Womble Carlyle Sandridge and Rice PLLC, Baltimore, MD, for Defendant.

ORDER

ALEXANDER WILLIAMS, JR., District Judge.

On December 23, 2003, the Court received a Report and Recommendation from Special Master Philip G. Hampton [Paper No. 399] regarding Defendant R.J. Reynolds Tobacco Company's ("R.J.Reynolds") Motion for Summary Judgment No. 1: Reynolds Has Not Infringed The Patent-In-Suit [Paper No. 271]. The Special Master recommended that the Court enter an order denying R.J. Reynolds's motion with respect to inducement of infringement under 35 U.S.C. s. 271(b). The Special Master further recommended that the Court enter an order denying R.J. Reynolds's motion for summary judgment that 35 U.S.C. s. 271(g) does not apply to its activities. Finally, the Special Master recommended that the Court enter an order denying R.J. Reynolds's motion for summary judgement with respect to the availability to remedies pursuant to 35 U.S.C. s. 287(b).

After *de novo* review of the entire record, including the Special Master's Report and Recommendation [Paper No. 396], R.J. Reynold's filed objections [Paper No. 409], and Star Scientific's filed response to the objections [Paper No. 413], the Court finds that the Special Master fully considered the pleadings and supporting documents and carefully applied the law to the relevant facts. The Court agrees with the Special Master that exists a genuine issue of fact as to: (1) whether farmers utilizing the heat exchanger technology were infringing the patented process or merely practicing the prior art; (2) whether the R.J. Reynolds newsletter supports its claim of inducement of infringement; and (3) whether the 2002 contracts are amendments to the 2001 contracts or continuing contracts. The Court further agrees that Star Scientific

presented sufficient facts showing that there is a genuine issue of fact regarding whether the farmers were directly infringing the asserted claims of the '649 patent by abiding by the terms of their contracts with R.J. Reynolds. In addition, the Court agrees with the Special Master that R.J. Reynolds failed to meet its burden of production regarding genuine issues of material fact as to the "materially changed" element of 35 U.S.C. s. 271(g). Finally, the Court agrees with the Special Master that R.J. Reynolds's actions suggest that Star Scientific's complaint was sufficient and gave R.J. Reynolds notice of infringement.

Therefore, IT IS this 30th day of March, 2003, by the United States District Court for the District of Maryland, hereby **ORDERED**:

1. That the Report and Recommendation dated December 23, 2003[399] BE, and the same hereby IS, **ADOPTED** *in toto*; AND;
2. Defendant R.J. Reynolds Tobacco Company's ("R.J.Reynolds") Motion for Summary Judgment No. 1: Reynolds Has Not Infringed The Patent-In-Suit [Paper No. [271] BE, and the same hereby IS, **DENIED**; AND;
3. That the Clerk of the Court mail copies of this Order to all counsel of record.

D.Md.,2004.
Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.

Produced by Sans Paper, LLC.