



R.J. Reynolds Tobacco Company
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RJRT 2007-09

R.J. Reynolds Tobacco Company Wins Patent Infringement Suit

WINSTON-SALEM, N.C., June 26, 2007 – R.J. Reynolds Tobacco Company applauds today’s decision in favor of the company in a patent infringement lawsuit brought by Star Scientific, Inc. (Star). The Court ruled Star engaged in inequitable conduct before the U.S. Patent Office in obtaining patents involving a method of treating tobacco to substantially prevent the formation of tobacco-specific nitrosamines (TSNAs).

“The Judge ruled in our favor on virtually every pending issue,” said August Borschke, chief patent counsel for R.J. Reynolds. “Today’s ruling validates what R.J. Reynolds proved at trial: that Star’s patents are unenforceable.”

In finding that Star had deceived the patent office, Federal District Court Judge Marvin J. Garbis stated: “The Court finds RJR to have made a strong showing of materiality and intent. The Court, therefore, concludes that it should, and shall, exercise its discretion to determine the Patents-in-Suit unenforceable by virtue of inequitable conduct...”

In January 2007, Judge Garbis held that Star’s patent claims were fatally indefinite and therefore invalid.

Star filed the suit on May 23, 2001, and had sought hundreds of millions of dollars in damages for past alleged infringement, and an injunction going forward to prevent future alleged infringement.

R.J. Reynolds was represented in the case by a team from the Chicago office of Brinks Hofer Gilson & Lione, led by Richard A. Kaplan, Ralph J. Gabric, K. Shannon Mrksich and Jerold A. Jacover.

R.J. Reynolds Tobacco Company, an indirect subsidiary of Reynolds American Inc. (NYSE: RAI), is the second-largest tobacco company in the United States, manufacturing about one of every three cigarettes sold in the country. The company’s brands include five of the 10 best-selling U.S. cigarette brands: Camel, Kool, Winston, Salem and Doral. For more information, visit www.RJRT.com.

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