

## **Major Boost For Tobacco Harm Reduction, Altria and Phillip Morris International to Reintroduce IQOS in U.S.**

RICHMOND, VA – In a landmark judgment, the U.S. Patent and Trademark Office ruled in favor of Altria and Phillip Morris International in a dispute against R. J. Reynolds Tobacco Company. The judgment overturns an earlier decision by the U.S. International Trade Commission (ITC) which stopped all U.S. sales of the *IQOS Tobacco Heating System*® on grounds of patent infringement. The latest verdict represents a major victory for Altria's vision of *Moving Beyond Smoking* by allowing the immediate reintroduction of the IQOS system.

R. J. Reynolds Tobacco Company, a subsidiary of British American Tobacco, had filed a claim with the U.S. International Trade Commission accusing the *IQOS Tobacco Heating System*® of infringing its patents. In September 2021, the ITC concluded that the IQOS system had infringed on two patents and ruled in favor of R. J. Reynolds Tobacco Company. However, Altria and Phillip Morris International jointly filed appeals with the U.S. Patent and Trademark Office which found the IQOS system to have sufficiently unique and innovative heating and tobacco delivery mechanisms. The Office's landmark reversal lifted the ban on sales with immediate effect and suggested restitution for Altria and Phillip Morris International, to be decided upon at a later hearing.

"Today's verdict is a massive validation of the innovation that is driving our vision. We believe this decision can accelerate harm reduction for adult smokers across the U.S.," said Billy Gifford, Altria's Chief Executive Officer. "Our extensive research indicates that heated tobacco products appeal to adult smokers seeking safer, smoke-free alternatives. The verdict is a victory for U.S. public health."

Altria introduced the IQOS device in the United States in 2020 after receiving authorization from the U.S. Food and Drug Administration (FDA) in April 2019. By heating tobacco without burning it, the device is a safer alternative to cigarettes and gives users the same rush of nicotine. It is marketed by Phillip Morris across global markets with Altria holding exclusive rights to the U.S. market. The *IQOS Tobacco Heating System*® falls under Altria's heated tobacco portfolio and is an important part of the company's vision of *Moving Beyond Smoking*.

## **About Altria**

Altria's wholly-owned subsidiaries include leading manufacturers of both combustible and smoke-free products. In combustibles, we own Philip Morris USA Inc. (PM USA), the most profitable U.S. cigarette manufacturer, and John Middleton Co. (Middleton), a leading U.S. cigar manufacturer. Our smoke-free portfolio includes ownership of U.S. Smokeless Tobacco Company LLC (USSTC), the leading global moist smokeless tobacco (MST) manufacturer, and Helix Innovations LLC (Helix), a rapidly growing manufacturer of oral nicotine pouches. Additionally, we have an equity investment in JUUL Labs, Inc. (JUUL) and have exclusive U.S. commercialization rights to the IQOS Tobacco Heating System® and Marlboro HeatSticks® through April 2024.

We also own equity investments in Anheuser-Busch InBev SA/NV (ABI), the world's largest brewer, and Cronos Group Inc. (Cronos), a leading Canadian cannabinoid company.

The brand portfolios of our tobacco operating companies include Marlboro®, Black & Mild®, Copenhagen®, Skoal®, and on!®. Trademarks and service marks related to Altria referenced in this release are the property of Altria or its subsidiaries or are used with permission.

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## **Hey Siri! What's The Biggest Threat To Today's Teens?**

- *Billy Gifford, CEO, Altria Group, Inc.*

Recently, I was out with my family on a shopping trip in the buildup to the holiday season. Just as we were wrapping up, a little girl caught my attention, no older than six. She was wailing in one of the aisles and her mother was trying to quieten her. As more people cast concerned glances their way, I heard the exasperated mother say, "Fine! You can have this back but just stop crying." She proceeded to hand her mobile phone to the little girl. I watched the girl's expression morph from anguish into ecstasy as she received the device. That is when I realized that although the forms of addiction have changed, our approach and attitude to dealing with its shifting nature have not. When it comes to addiction, the tobacco industry is still the world's favorite whipping boy.

The truth is Big Tech should replace Tobacco and in 2021, Frances Haugen confirmed as much.

Leaked internal documents showed that Instagram was aware of its addictive nature and its negative impact on teenage users. Teenage girls were especially affected by eating disorders as the photos on the app made them body conscious. TikTok is another fine example of why we need to reconsider our thinking about addiction. Since its launch a few years ago, it has amassed one billion users, mostly teenagers and young adults. Despite its meteoric rise, it is embarrassing how little we know of TikTok's impact on its users.

According to Pew Research's [Teens, Social Media and Technology 2022](#), 67 percent of American teenagers said they use the app, with 16 percent saying they use it "almost constantly." In 2019, America was up in arms against the tobacco industry when data revealed that a numerically similar 20 percent of high schoolers and middle schoolers reported using e-vapor over the past 30 days.

However, the way the respective industries tackled public health concerns could not have been more different. While the technology industry continues to talk about mitigating the harmful effects of its products on the physical and mental health of teenagers, the tobacco industry delivered results.

Working with parents, youth organizations, policymakers, and public health institutions, it cut the percentage of high school and middle school e-vapor users by more than half, to 7.6 percent in 2021. Despite its proven efforts at harm reduction, all the tobacco industry is met with is cynicism, while the technology industry continues to be rewarded with climbing stock prices. Now that we know the

detrimental effects of technology, the muted public outcry against technology companies enrages me. But the rage quickly gives way to sadness as it brings home a stinging realization. “Second chances” only exist in movies and even if they do exist in our world, they are always beyond the reach of the tobacco industry.

Further compounding this feeling is the fact that the technology industry continues to resist regulation, while the tobacco industry has responsibly worked with the FDA and the larger public health community to create conditions for tobacco harm reduction to succeed. Through FDA-approved education, awareness, and advocacy it is reaching millions of U.S. adults seeking less harmful alternatives to cigarettes. It has poured millions of dollars into research and development to build a portfolio of smoke-free products in line with adult smokers' evolving choices and preferences. Most importantly, a substantial portion of the investment has gone into creating expert-validated resources and information for adults seeking to quit. Over the past two decades, the industry has utilized science to support harm reduction and create a regulatory framework that protects public health. If this is not sincerity, then I am not sure what is.

Despite our best efforts, we continue to run into stonewalls. Representatives from the industry usually do not get a chance to present findings at conferences and in academic journals. Peer reviewers increasingly request anonymity for fear of being canceled by their colleagues for even engaging with the tobacco industry, while several researchers fear being overlooked for grant considerations.

Notwithstanding such disappointing actions, the tobacco industry will continue to persevere with harm reduction. It is the right thing to do in the spirit of good faith as enshrined in American democracy. Even though the road ahead is one of trials and tribulations, it is one we embrace in our quest for trust and transparency.

## **Creative Brief for Altria Reintroducing IQOS in the U.S.**

### **1. What is the task?**

To design an advertisement that will inform people about the reintroduction of the IQOS (I Quit Ordinary Smoking) device in the U.S.

Unlike traditional cigarettes which burn tobacco and create tar (which is carcinogenic), IQOS heats tobacco which avoids the creation of tar, making it a safer alternative. The device was first introduced in 2019. It was on the market for an entire year and had built up a dedicated group of customers who were disappointed when it had to be taken off the market.

### **2. What is the goal?**

To make adult smokers aware that the IQOS device is back and to get them to consider shifting from a traditional cigarette to a heated tobacco device like the IQOS.

### **3. Why do we need this?**

To create awareness that the IQOS device is back. Since 2020, the device was banned from sale in the U.S. due to a legal tussle with R.J. Reynolds Tobacco Company.

In 2022, the U.S. Patent and Trademark Office ruled in favor of Altria and Phillip Morris International allowing them to reintroduce the device in the U.S. with immediate effect (fictionalized scenario, tied to the news release).

### **4. Who are we speaking to?**

Adult smokers looking for safer alternatives to traditional cigarettes. Also, those adults who previously used an IQOS device.

### **5. What will make them listen to/read our material?**

If we can ensure that they absorb the following key messages:

- IQOS can change a smoker's life for the better
- IQOS is better than a cigarette because –

- IQOS does not burn tobacco. It heats it. Hits the same as a cigarette but is exponentially SAFER
- IQOS emits less harmful chemicals than cigarettes
- Smoke is the main cause of smoking-related diseases, not nicotine
- IQOS is back in the US market

## **6. Where will this story get told?**

A full-page advertisement in the Life section of USA Today as a newspaper is one of the few places where a tobacco company can advertise.

Also, vertical displays within a smoke shop (Out-of-Home) are the most direct way to attract the target audience's attention.

**Word Cloud** – IQOS, harm reduction, tobacco, safer, cigarette, more to like than ever (former Marlboro tagline), healthy, no tar, does not burn, better, change, smoke-free, heated device, bright, lit which implies burning, lit also means something very good, lighter, consider, choice, reconsider, smoking, forever, habit, everything, every time

**Suggested Headline – It's Back. It's Better. IQOS**

**Tagline – This Changes Everything**



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## **Been Fired? Here Are Three Easy Steps To Get Up And Get Back**

**[Music]**

**Introduction:** Welcome to the HBR IdeaCast from Harvard Business Review, I'm Curt Nickisch. [PAUSE]

Anyone can get fired. But in times such as these, when companies have “grown so fast that they become unsustainable,” layoffs have become par for the course, or is it “par for the COSTS.” If you have been on the receiving end, it is natural that you will have hundreds of questions running through your mind.

But here's the thing. Amongst those hundreds of questions, the most important one is not, “Why did this happen to me?” but “How do I overcome this and emerge stronger than I was?” Today's guest might just have the answer.

*Billy Gifford is the CEO of Altria Group.* During his more than 25-year career at Altria, he has served in numerous senior leadership roles and is no stranger to the economic headwinds that require companies to chop and change.

**Curt:** Billy, thank you so much for being with us today.

**Billy:** Hello Curt! Thank you for having me; I am honored to have an opportunity to help.

**Curt:** Let's jump right into it. What's the best approach to personally dealing with a layoff?

**Billy:** Some of my closest friends and associates in the tobacco industry were laid off when the industry was going through big changes in the 90s. A friend who was caught in these unfortunate circumstances shared these three steps with me. Since then, he's moved on to bigger and better things and his approach to dealing with a layoff has stood out. I've kept it in my locker since and bring it out whenever I meet someone who has been fired and is down in the dumps.

**Curt:** Wow! That's quite a personal connection you've got.

**Billy:** It is. But I also feel it's something that the larger world should know and benefit from.

So, the first thing to do, and this is vital, is to allow yourself to grieve. When you grieve, you also reflect on all that was. But it is important that you use this time to come to terms with your new reality. Once you've acknowledged your new situation, you are ready to make positive changes to move on.

The next step is to begin cultivating the right mindset. The people who bounce back the fastest after a layoff are those who have the "assignment mentality." This requires you to treat each job as a stepping-stone, a temporary career-building project. If this one ends or is terminated, you should be prepared to move to the next big thing in your career.

The final step is to focus on yourself. And if you've started to develop the "assignment mentality," this part will be a lot easier. As you look for a new job, remember to set aside time to do things that you enjoy. Things that are important to your physical and mental well-being. It could be reading a novel or going off on a hike. Prioritize your job search but don't let it consume you.

**Curt:** Developing the "assignment mentality" appears to be fundamental to your approach to overcoming the disappointment of being laid off. What can a person do to quickly adopt such a mindset?

**Billy:** You know, Curt, I'm not sure what a person can do (SMILES) but I have some tips on what they can avoid doing. It involves climbing out of a few "traps."

The first one is the "Lost Identity Trap." It means that you got so consumed with the day-to-day activities of your job that you feel you were indispensable. Falling into this trap is going to cause you a lot of bitterness. You will get enraged and are likely to lash out.

The other one is the "Lost Family Trap." Sometimes you form such tight-knit bonds at work, that relationships outside work seem dull. If you've just been laid off, the sudden loss of your colleagues, whom you considered family can be devastating. Quite often, even your colleagues could be in shock and are still processing your dismissal. This might prevent them from offering the appropriate support which can further compound your devastation and abandonment.

Avoiding these traps is the fastest way to develop the Assignment mentality. The key here is to avoid fighting back or grieving beyond what is normal.

**Curt:** These certainly sound like mental traps that most people fall into when they get fired.



**Billy:** Oh yes! It's quite natural because that's what most people hear all their lives. "If you look after the company, the company will look after you."

But if you've avoided these traps, you will emerge much faster from the disappointment.

**Curt:** I realized that this approach in a way will also require you to consider your dream job as a temporary assignment. That's interesting and unique.

**Billy:** It does require some rewiring. For sure!

**Curt:** For those who had the misfortune of being fired, do you have any tips as they enter the job market? What can they do to get hired with equal if not better terms?

**Billy:** The most important thing is to tap into your network. While it's great to have recruiters or job boards support your search, the best results come from people who know you, what you've done, and what you can bring to the table. Make a list of all the people who can help you and refer you. These do not need to come from your inner circle if they have known you professionally for a considerable time. Ensure that they understand what you're looking for. This will help them help you.

Another thing to do is to distill what you learned at your previous job and the experience of being fired. You can then take this and with the right story transform it into something much bigger.

And don't forget to stay positively engaged! Doing a bit of freelancing is a great way to show recruiters that you've kept yourself busy and are ready for the next big gig.

**Curt:** Billy, that was insightful and so simple to implement. Thank you for taking out the time!

**Billy:** The pleasure's been mine, Curt. Trust me.

Also, I'd like to add that the tobacco industry is entering a new and exciting phase and we're on the lookout for top talent across areas. It would be a pleasure for Altria to facilitate the next big career move for any individual who has been displaced by the churn.

**Curt:** There's no better way than that to end this one!

You can find the link to the Altria careers page in the description.

Billy, thank you once again, and we hope to have you back on the show soon.

***Siddhant Redkar***  
***PR535, Prof. Floto, Final Project***



**Billy:** As I said, "The pleasure's been mine." Can't wait to listen to all the wonderful "feedback" my daughter will have for me! [LAUGHS]

MUSIC FADES

**THE END**