Orange Book Blog

August 03, 2008

District Court Denies Early Motion For Rule 11 Sanctions in Ritalin LA Case

Celgene and Novartis v. KV Pharm., No. 07-4819 (D.N.J. 2008)

KV Pharmaceutical filed an ANDA for a generic version of Ritalin LA (methylphenidate HCl extended-release capsules) with paragraph IV certifications to Celgene's U.S. Patent Nos. 5,837,284 and 6,635,284. Apparently KV made an offer of confidential access to its ANDA, but Celgene and Novartis (which markets Ritalin LA) declined it. Last October, within 45 days of receiving notice of KV's paragraph IV certifications, Celgene and Novartis sued KV for infringing the two patents.

Earlier this year, KV filed a motion for sanctions under Rule 11 on grounds that Celgene and Novartis "failed to make a reasonable inquiry into their infringement claims before filing suit." KV sought dismissal of the suit, plus costs and attorney fees. KV's motion relied on Q-Pharma, Inc. v. Andrew Jergens Co., 360 F.3d 1295 (Fed. Cir. 2004), which states, "In the context of patent infringement actions, we have interpreted Rule 11 to require, at a minimum, that an attorney interpret the asserted patent claims and compare the accused device with those claims before filing a claim alleging infringement."

On July 22nd, the district court denied KV's motion with prejudice. According to the court, "The pre-filing requirements stated in Q-Pharma make sense only in the context of a typical patent infringement case, and not in the context of a Hatch-Waxman case." The court reasoned: "In Q-Pharma, the act of infringement alleged in the complaint was the sale of the infringing product. ... Here, in contrast, the act of infringement alleged in the complaint is the filing of an ANDA--not the manufacture or sale of the product."

The court further observed:

> If this Court were to grant KV's motion, it would put pharmaceutical patent owners in an untenable position. After receipt of notification of an ANDA application for a generic pharmaceutical, the patent owner would need to conduct what is likely to be a highly technical infringement analysis, make the decision to file suit, and then do so, all within 45 days, or face dismissal as a sanction under Rule 11. This would be difficult for patent owners to accomplish and would have the effect of frustrating the purpose of the Hatch-Waxman scheme.

In conclusion, the court explained its decision to deny KV's motion with prejudice: "Because KV's motion is premised on an erroneous application of Federal Circuit law, and because this Court finds the record before it sufficient to determine that Celgene's pre-filing investigation of the allegation that KV infringed Celgene's patents by filing ANDA No. 79-004 was reasonable under the circumstances, it is appropriate not only to deny this motion prior to full briefing, but to deny it with prejudice."

More:

- District Court opinion
- KV brief in support
- Celgene letter in opposition
- KV reply letter

Posted by Aaron Barkoff in Paragraph IV Litigation | Permalink | Comments (0)

July 21, 2008

Federal Circuit Affirms Validity and Enforceability of Eisai's Compound Patent on Aciphex

Eisai v. Dr. Reddy's and Teva, Nos. 2007-1397, -1398 (Fed. Cir. 2008)

Patents on chemical compounds are holding up well to obviousness arguments in the Federal Circuit, even after KSR. In an opinion released today, the Federal Circuit affirmed the nonobviousness of rabeprazole, the active ingredient in Aciphex. This follows a decision last year affirming the nonobviousness of pioglitazone, the active ingredient in Actos.

Eisai's U.S. Patent No. 5,045,552 claims rabeprazole and its salts. Rabeprazole is in a class of drugs known as proton pump inhibitors, which suppress gastric acid production in the stomach. Aciphex (rabeprazole sodium) is indicated for the treatment of duodenal ulcers, heartburn, and associated disorders, and accounts for over $1 billion of Eisai's annual sales.

Dr. Reddy's stipulated to the validity of the '552 patent (relying on inequitable conduct arguments instead), but Teva challenged its validity, arguing that a combination of three prior art references rendered the claims of the '552 patent obvious: (1) European Patent No. 174,726, claiming lansoprazole; (2) U.S. Patent No. 4,255,431, claiming omeprazole; and (3) an article by Brandstrom et al., entitled "Structure Activity Relationships of Substituted Benzimidazoles".

The Federal Circuit began by summarizing its recent chemical obviousness jurisprudence:

> Where, as here, the patent at issue claims a chemical compound, the analysis of the third Graham factor (the differences between the claimed invention and the prior art) often turns on the structural similarities and differences between the claimed compound and the prior art compounds. Obviousness based on structural similarity thus can be proved by identification of some motivation that would have led one of ordinary skill in the art to select and then modify a known compound (i.e., a lead compound) in a particular way to achieve the claimed compound. In keeping with the flexible nature of the obviousness inquiry, the requisite motivation can come from any number of sources and need not necessarily be explicit in the art. Rather, it is sufficient to show that the claimed and prior art compounds possess a sufficiently close relationship to create an expectation, in light of the totality of the prior art, that the new compound will have similar properties to the old.

With respect to the prior art, the Federal Circuit made the following observations: (1) Rabeprazole and lansoprazole are structurally similar--the two compounds differ only at the 4-position on the pyridine ring, where lansoprazole contains a fluorinated substituent; (2) "omeprazole is structurally farther afield from rabeprazole than is lansoprazole"; and (3) "rabeprazole, lansoprazole, and omeprazole are all Brandstrom core structure compounds," a class of anti-ulcerative compounds.

Thus, the Federal Circuit stated, "one of skill in this art may have considered [lansoprazole] a candidate for a lead compound in the search for anti-ulcer compounds." However, according to the court, "the EP '726 reference teaches at best that the fluorinated substituent of lansoprazole provides a special path to achieving lipophilicity, and the record "shows no discernible reason for a skilled artisan to begin with lansoprazole only to drop the very feature, the fluorinated substituent, that gave this advantageous property."
The court concluded that one of skill in the art would not have considered such a modification to be "an identifiable, predictable solution."

Addressing Teva's suggestion that another compound might have served as a lead compound, the Federal Circuit observed that "Teva alone selected lansoprazole as the anchor for its obviousness theory." Moreover, according to the court, "post-KSR, a prima facie case of obviousness for a chemical compound still, in

general, begins with the reasoned identification of a lead compound. Teva cannot create a genuine issue of material fact on obviousness through the unsupported assertion that compounds other than lansoprazole might have served as lead compounds."

In addition to affirming the validity of the '552 patent, the Federal Circuit affirmed its enforceability, rejecting arguments that Eisai committed inequitable conduct.

Dr. Reddy's and Teva alleged that Eisai misled the Patent Office in five ways:

1. failing to disclose Eisai's own co-pending '013 application, which claimed the "ethyl homolog" of rabeprazole;
2. withholding rejections from the '013 application's prosecution that also would have been applicable to the '552 patent's prosecution;
3. failing to disclose the prior art "Byk Gulden patent";
4. submitting a misleading declaration to the examiner of the '552 patent; and
5. concealing lansoprazole from the examiner.

The Federal Circuit affirmed the district court's findings that the materiality of the '013 application was "low"; that there was insufficient evidence that Eisai intended to deceive the Patent Office by failing to disclose the rejections made during prosecution of the '013 application; that the Byk Gulden patent was cumulative with other references disclosed to the Patent Office; that Eisai did not intend to deceive the Patent Office by submitting the "misleading declaration" during prosecution of the '552 patent; and that lansoprazole was not material to the patentability of rabeprazole.

Affirming the district court on all counts, the Federal Circuit concluded, "In a series of thoughtful, thorough opinions, the district court carefully explained its reasoning with respect to both obviousness and inequitable conduct."

RELATED READING:

- Eisai press release
- Reuters story
- OBB post on SJ of no inequitable conduct (15 May 07)
- OBB post on SJ of validity (31 Oct 06)

Posted by Aaron Barkoff in Paragraph IV Litigation | Permalink | Comments (0)

July 20, 2008

OBB News Briefs

- Teva announced Friday that it is acquiring Barr Pharmaceuticals for $7.5 billion plus $1.5 billion in debt. For more: AP; Reuters; WSJ.
- Zentiva, the Czech generic drug maker, announced Friday that it rejected a takeover bid from Sanofi-Aventis. Sanofi already owns 25% of the company.
- Meanwhile, the WSJ Health Blog recently reported that the CEOs of GSK and Roche have no interest in getting into the generics business.
- FDA Law Blog recently reported on two interesting USPTO decisions denying Patent Term Extension requests under 35 U.S.C. § 156. In both cases, AstraZeneca was the applicant: July 8 (Symbicort); July 16 (Prilosec OTC).
- On July 16, Impax and Wyeth announced a settlement of their litigation over Impax's generic version of Effexor XR. Under the agreement, Impax may launch its capsule formulation of Effexor XR on June 1,

2011, and possibly as early as January 1, 2011.

- On July 11, Momenta Pharmaceuticals announced the filing of an ANDA with a paragraph IV certification for a generic version of Copaxone, Teva's $500 million multiple sclerosis drug. According to Pharmalot, Teva's CEO is not concerned.
- The Baltimore Sun recently reported that the brand-name pharmaceutical industry has been successfully pushing legislation at the state level requiring pharmacists to inform doctors or get their permission before substituting a generic drug for a brand-name drug.
- The FDA announced on July 9 that it is revising the way it communicates to drug companies when a marketing application cannot be approved as submitted. CDER will no longer issue "approvable" or "not approvable" letters. For more: Pharmalot; WSJ Health Blog.
- The WSJ Health Blog had an interesting post recently about a report from the HHS Inspector General, finding that FDA typically takes longer than the 180 days allowed under law to review a generic drug application.
- The Mircera case between Amgen and Roche is attracting a great deal of attention, particularly because of the "public interest" factor of the injunction analysis. Patent Docs reported that BIO filed an amicus brief with the Federal Circuit. Pharmalot has more on the case.
- Insmed recently announced that it has developed a biosimilar version of Amgen's Neupogen, a $1 billion drug for the treatment of Neutropenia. Pharmalot has more.

Posted by Aaron Barkoff in Biosimilars, FDA Announcements, Paragraph IV Litigation, Patent Term Extension, Pharma Business News | Permalink | Comments (0)

July 16, 2008

Federal Circuit Vacates Dismissal of Delaratory Judgment Counterclaims in Fosamax Case as Moot

Merck & Co. v. Apotex, No. 2007-1362 (Fed. Cir. 2008)

Fosamax (alendronate sodium) is one of the all-time best-selling drugs for the treatment and prevention of osteoporosis, with over $3 billion in U.S. sales last year. Merck listed ten patents in the Orange Book for Fosamax: U.S. Patent No. 4,621,077, which claims a method of inhibiting bone resorption by administering alendronate sodium; U.S. Patent No. 5,994,329, which claims other methods of use; and eight other patents on formulations and methods.

In 1999, Teva filed an ANDA for a generic version of Fosamax, with paragraph IV certifications to all ten Orange Book-listed patents. Teva was the first ANDA filer, earning 180-day exclusivity. According to Teva's approval letter, a district court upheld the validity of the '077 and '329 patents and dismissed the cases with respect to the other patents-in-suit. The Federal Circuit affirmed the validity of the '077, but, in a January 2005 opinion, held two claims of the '329 patent to be invalid for obviousness.

Apotex filed an ANDA for generic Fosamax sometime later, with a paragraph III certification to the '077 patent and paragraph IV certifications to the other nine Orange Book-listed patents. Merck sued Apotex for infringement and Apotex counterclaimed for invalidity and noninfringement. Following discovery, Merck granted Apotex a covenant not to sue and moved to dismiss the case.

Apotex opposed the motion, arguing that as long as it was blocked by Teva's 180-day exclusivity, there was an Article III case or controversy and thus it should be allowed to pursue its counterclaims. Apparently, Apotex aimed to trigger Teva's exclusivity by obtaining an early "court decision." Apotex further argued that dismissal might not lift the automatic 30-month stay of FDA approval of Apotex's ANDA. However, the

district court granted Merck's motion to dismiss (click here for opinion), based largely on the covenant not to sue. Apotex appealed to the Federal Circuit.

The Federal Circuit issued its opinion this morning. The court began its analysis by noting that "depending on the circumstances, a justiciable Article III controversy may continue to exist between a patentee drug company and a Paragraph IV ANDA filer in the context of the Hatch-Waxman Act even after the patentee drug company has granted the Paragraph IV ANDA filer a covenant not to sue," citing its decision in Caraco v. Forest earlier this year. The court continued:

> This case, however, has been rendered moot by two factual developments that were brought to this court's attention after oral argument. First, the FDA decided to treat the thirty-month stay on Apotex's ANDA as dissolved once the district court dismissed this case. Second, the first Paragraph IV filer (i.e., Teva) triggered its 180-day exclusivity period . . . by marketing its generic drug on or about February 6, 2008. As a result, Apotex no longer suffers a delay in entering the market under either the thirty-month stay provision or the 180-day exclusivity provision that is traceable to Merck and redressible by a court judgment. Indeed, Apotex's only remaining delay in entering the market is the balance of Teva's 180-day exclusivity period, which expires on or about August 5, 2008.

Thus, the Federal Circuit vacated the district court's dismissal of Apotex's counterclaims as moot.

Posted by Aaron Barkoff in Declaratory Judgment Jurisdiction, Paragraph IV Litigation | Permalink | Comments (0)

July 13, 2008

AstraZeneca Wins Seroquel Case on Summary Judgment; Teva and Sandoz to Appeal

AstraZeneca v. Teva Pharms. USA and Sandoz, No. 05-5333 (D.N.J. 2008)

On July 1st, the U.S. District Court for the District of New Jersey granted AstraZeneca's motion for summary judgment that its patent on quetiapine fumarate, the active ingredient in Seroquel, is not unenforceable for inequitable conduct. The decision disposed of the last remaining issue in the case, as Teva and Sandoz, which are challenging the patent, had already conceded infringement and validity.

The district court's opinion explains that Seroquel, which is indicated for the treatment of schizophrenia and bipolar disorder, is in a class of drugs known as "atypical antipsychotics." According to the opinion, early ("typical") antipsychotic medications were plagued by undesirable side effects, including acute dyskinesias (uncontrollable muscle movements). In 1985, Astra scientists discovered quetiapine, which showed reduced potential to cause dyskinesias, and in 1989 Astra was issued U.S. Patent No. 4,879,288 on the compound.

Teva and Sandoz offered four arguments for the unenforceability of the '288 patent:

- Astra misrepresented and/or omitted material information concerning certain prior art compounds in its prosecution of the '288 patent;
- In response to a request by the patent examiner, Astra falsely asserted that generating data regarding a particular prior art compound would have been "very expensive";
- Astra deceived the PTO by representing that a record reference taught that a particular compound was a typical antipsychotic; and
- Astra failed to disclose to the PTO the death of a cebus monkey during testing of quetiapine.

The district court rejected each of these arguments, concluding that the information allegedly withheld or misrepresented by Astra during prosecution of the '288 patent was not sufficiently material to support a finding of inequitable conduct.

In addition, the court rejected as a "facile argument" the defendants' suggestion that a trial is necessary "in order for the parties to present expert testimony and to allow the court to make credibility determinations with respect to fact witnesses." According to the court, "there are no credibility determinations to be made here; the prosecution record speaks for itself. Moreover, experts engaging in hindsight cannot change the facts and circumstances of the patent application process that occurred two decades ago."

Seroquel is Astra's best-selling drug, with global sales of $4 billion last year (accounting for 10% of Astra's revenues) and annual U.S. sales of $3.5 billion. Teva and Sandoz have announced their intention to appeal the district court's decision to the Federal Circuit. The '288 patent is currently set to expire in 2011, though pediatric exclusivity could extend Astra's protection until 2012.

RELATED READING:

- AstraZeneca press release
- International Herald-Tribune
- Reuters
- Wall St. Journal
- WSJ Health Blog

Posted by Aaron Barkoff in Paragraph IV Litigation | Permalink | Comments (0)

July 09, 2008

Federal Circuit Affirms Acular LS Decision in Favor of Roche and Allergan, and Against Apotex

Roche Palo Alto and Allergan v. Apotex, No. 2008-1021 (Fed. Cir. 2008)

In an opinion released today , the Federal Circuit affirmed a district court decision granting summary judgment that Roche's U.S. Patent No. 5,110,493 is valid and infringed by Apotex's ANDA for a generic version of Acular LS (ketorolac tromethamine opthalmic solution). Acular LS, marketed by Allergan, is indicated to reduce pain, burning and stinging following corneal refractive surgery.

The '493 patent is directed to a formulation comprising a non-steroidal anti-inflammatory drug, such as ketorolac tromethamine ("KT"); a quaternary ammonium preservative, such as benzalkonium chloride ("BC"); and the nonionic surfactant, octoxynol 40 ("O40"). Apotex did not dispute that its formulation falls within the literal scope of claim 1 of the '493 patent. Instead, Apotex argued that the district court erred in failing to find noninfringement under the reverse doctrine of equivalents.

The Federal Circuit explained that the reverse doctrine of equivalents ("RDOE") "is an equitable doctrine designed to prevent unwarranted extension of the claims beyond a fair scope of the patentee's invention." The court applied the Supreme Court's RDOE test, set forth in the Graver Tank case:

> Where a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the reverse doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement.

Apotex argued that the "principle" of the '493 patent is "the use of O40 in an amount sufficient to cause the

formation of micelles and thereby provide robust stability to the formulation by preventing interactions between KT and BAC." The Federal Circuit, however, found no support for this principle in the specification, prosecution history or the prior art (where such support must be found). Rather, according to the Federal Circuit, Apotex relied exclusively on the declaration of its expert. Thus, the court agreed that Apotex failed to make out a prima facie case of noninfringement under the reverse doctrine of equivalents, and therefore summary judgment of infringement was proper.

Next, the Federal Circuit agreed with the district court that Apotex's invalidity arguments were barred by claim preclusion (i.e., res judicata). Claim preclusion applies where (1) the same parties were involved in the prior litigation; (2) the prior litigation involved the same claim or cause of action as the later suit; and (3) the prior litigation was terminated by a final judgment on the merits. Here, Apotex conceded that a prior case (involving Apotex's ANDA for a generic version of Acular--not Acular LS) ended in a final judgment that the '493 patent is valid and involved the same parties, but disputed that it involved the same claim or cause of action.

According to the Federal Circuit, an infringement claim in a second suit is the "same claim" as in an earlier infringement suit if the accused products in the two suits are "essentially the same." Apotex argued that its formulation for Acular (in the prior case) was not "essentially the same" as its formulation for Acular LS (in this case) because the two formulations are stabilized by completely different ingredients and mechanisms. The Federal Circuit rejected this argument, however, stating that the point "is irrelevant because both formulations are encompassed by the claims of the '493 patent. Thus, any difference in composition between the two formulations is merely colorable and the two formulations are 'essentially the same.'"

Apotex argued in the alternative that "principles of fairness should prevent application of claim preclusion given the change in the law of obviousness following the Supreme Court's opinion in KSR." Again, however, the Federal Circuit disagreed, concluding that the district court "correctly recognized that there is no 'change of law' or fairness exception to prevent application of claim preclusion." Accordingly, the Federal Circuit found no error in the district court's grant of summary judgment of validity.

RELATED READING:

- Bloomberg
- Patently-O
- Reuters

Posted by Aaron Barkoff in Paragraph IV Litigation | Permalink | Comments (0)

July 06, 2008

OBB News Briefs

- On June 25, the Congressional Budget Office released a cost estimate for the Biologics Price Competition and Innovation Act of 2007 (S. 1695), concluding that the biosimilars bill would save American consumers $25 billion on prescription drug costs over the next ten years. For more: statements from BIO and PhRMA; FDA Legislative Watch; Pharmalot; The Hill's Congress Blog.
- Bayer and Barr announced on June 24 that they signed a deal licensing Barr to market authorized generic versions of Bayer's Yasmin and Yaz oral contraceptives. Under the agreement, Bayer will continue to appeal the March 3rd district court decision on Yasmin and will receive higher royalties from Barr if it succeeds. More: Reuters.
- On June 23, FDA Law Blog reported that Rep. William Delahunt (D-MA) introduced a bill specifically meant to allow The Medicines Company, a Massachusetts company, to obtain a patent term extension

for its patent covering Angiomax (bivalirudin)--for $65 million.

- FDA Law Blog reported on June 19 that the House Commerce Committee posted the responses to its April 3rd letter soliciting feedback on how to establish a pathway for FDA approval of biosimilar products.
- On June 18, Pfizer and Ranbaxy announced a comprehensive settlement of patent litigation over generic Lipitor. Under the agreement, Ranbaxy will have a license to sell generic versions of Lipitor (atorvastatin) and Caduet (atorvastatin/amlodipine) effective Nov. 30, 2011. For more: NYT; Pharmalot; Reuters; WSJ; WSJ Health Blog.
- On June 17, the Federal Circuit affirmed the district court findings of inequitable conduct and exceptional case in Synthon IP v. Pfizer, in which Synthon unsuccessfully alleged that Pfizer infringed its patent on a process for making amlodipine, the active ingredient in Norvasc.
- The AP reported on June 5th that Abbott and Mylan settled their patent litigation over Mylan's generic version of Depakote ER, with the parties agreeing that Mylan may launch its generic no later than Jan. 1, 2009.
- The Lewis & Clark Law Review recently published a special issue devoted entirely to the patent law doctrine of obviousness. One of the articles is of particular interest: Pharma's Nonobvious Problem, by Prof. Rebecca S. Eisenberg.

Posted by Aaron Barkoff in Authorized Generics, Biosimilars, Paragraph IV Litigation, Patent Term Extension | Permalink | Comments (0)

July 03, 2008

In a "Surprising" Victory, Barr and Mylan Invalidate Boehringer Ingelheim's Patent on Mirapex

Boehringer Ingelheim v. Barr and Mylan, No. 05-700-JJF (D. Del. 2008)

Last week, following a bench trial held in March, the U.S. District Court for the District of Delaware held that Boehringer Ingelheim's patent on Mirapex (pramipexole dihydrochloride) is invalid for obviousness-type double patenting. Mirapex, indicated for the treatment of Parkinson's disease and Restless Leg Syndrome, has annual U.S. sales of approximately $380 million.

Barr Labs filed its ANDA for a generic version of Mirapex in 2005 with paragraph IV certifications to Boehringer's U.S. Patent Nos. 4,843,086 and 4,886,812. Mylan filed its ANDA, with paragraph IV certifications to the same patents, shortly thereafter. Barr's approval letter confirms that Barr was the first to file, and therefore is entitled to 180-day exclusivity.

Boehringer responded by filing suit against Barr and Mylan, and the cases were consolidated for trial. The '086 patent expired while the litigation was pending, leaving only the '812 patent in suit.

The district court's opinion explains that the "basic premise of double patenting is that the same invention cannot be patented twice." Here, the '086 patent claimed methods of treating certain diseases by administering tetrahydrobenzthiazoles, while the '812 patent claims the tetrahydrobenzthiazole compounds themselves, including the active ingredient in Mirapex, pramipexole dihydrochloride. The court concluded that "although there are differences between the '812 patent and the '086 patent, . . . those differences are insufficient to support the patentability of the '812 patent in light of the '086 patent."

Of course, obviousness-type double patenting can be avoided by a terminal disclaimer. Interestingly, Boehringer filed a terminal disclaimer of the '812 patent on the second day of trial of the case, on March 12,

2008. Boehringer terminally disclaimed:

> only the terminal part of the statutory term of the '812 patent which would extend beyond the 1,564 days after the full statutory term of the '086 patent as that term is defined in 35 U.S.C. § 154, so that by virtue of this disclaimer, the '812 patent will expire on October 8, 2010.

Boehringer received a 1,564-day extension under 35 USC § 156 due to FDA regulatory review of Boehringer's New Drug Application for Mirapex. As a result of this patent term extension, the original expiration date of the '812 patent, December 12, 2006, was extended to March 25, 2011. Thus, by its terminal disclaimer, Boehringer disclaimed five and a half months of patent term--the period of time between the expiration date of the '086 patent and the original expiration date of the '112 patent.

Boehringer argued that the terminal disclaimer obviated Barr and Mylan's double-patenting argument. However, the court noted that "a dual problem is presented in that the terminal disclaimer was not only filed at or near the conclusion of trial in this action, but it was also filed after the expiration of the earlier '086 patent." Citing two cases, the court observed that "the Federal Circuit has at least suggested in dicta that for a terminal disclaimer to be effective, the earlier filed patent must not have expired at the time of the filing of the disclaimer." Boehringer tried to distinguish these cases "because neither case involved a terminal disclaimer in the context of a Section 156 patent term extension," but the court was not persuaded. The district court held that Boehringer's terminal disclaimer was ineffective to moot the double patenting issue because it was filed after the '086 patent had expired.

According to an investor note from Bernstein Research, the decision was surprising because the district court was not expected to "make a controversial opinion on what is likely to be a precedent-setting ruling by the appellate court on patent extensions and terminal disclaimers." In addition, the note indicates that Bernstein expects Barr to "maximize the value of the challenge through settlement." According to Bernstein, "the most likely settlement is that Barr would have a date-certain launch of generic Mirapex in 2010 with an agreement protecting it from both an authorized generic and a potential Boehringer win on appeal."

The "failure to market" forfeiture provisions, however, will likely complicate any settlement discussions. Under the MMA, the 180-day exclusivity period may be forfeited if the first applicant does not launch its generic drug product within 75 days after "a court enters a final decision from which no appeal (other than a petition to the Supreme Court for a writ of certiorari) has been or can be taken that the patent is invalid or not infringed." If Boehringer and Barr settle the case, for example, with an agreement that Boehringer will not appeal, Barr's 180-day exclusivity would be forfeited later this summer. For at least this reason, Boehringer is expect to appeal the district court decision.

RELATED READING:

- Barr press release
- Bloomberg article
- Motley Fool article

Posted by Aaron Barkoff in 180-Day Exclusivity, Paragraph IV Litigation, Patent Term Extension | Permalink | Comments (2)

June 30, 2008

Mutual Pharmaceutical Jumps the Gun By Sending Paragraph IV Notice Letter Before Acceptance of ANDA

GlaxoSmithKline v. Mutual Pharm., No. 08-549 (E.D. Pa. 2008)

The U.S. District Court for the Eastern District of Pennsylvania recently granted a motion for judgment on the pleadings in a paragraph IV case because the ANDA filer sent its notice letter prematurely, before FDA had accepted the ANDA for filing. The case concerns Mutual Pharmaceutical's generic version of GlaxoSmithKline's heart medication Coreg CR (carvedilol phosphate).

Mutual submitted its ANDA for carvedilol phosphate 80 mg capsules on November 19, 2007. On December 21, Mutual filed an amendment to its ANDA, with a paragraph IV certification with respect to Glaxo's U.S. Patent No. 7,268,156. At the same time, Mutual sent Glaxo a paragraph IV notice letter, but FDA had not yet accepted Mutual's ANDA at the time.

On February 4, 2008 (the 45th day after receiving Mutual's notice letter), Glaxo filed a complaint for declaratory judgment that, among other things, Mutual's paragraph IV notice letter was "improper, null, void, and without legal effect." Mutual counterclaimed for a declaratory judgment that the '156 patent is invalid. On March 17, following FDA's acceptance of Mutual's ANDA for filing, Mutual sent Glaxo a second notice letter. The following day, Glaxo filed a motion for judgment on the pleadings.

In opposition to Glaxo's motion, Mutual argued that the relevant statute "says nothing that prohibits giving voluntary notice before the FDA has issued filing acceptance." According to the court, Mutual "seems to suggest that an ANDA applicant may send a Paragraph IV notice letter and thus trigger patent litigation, at any time it chooses."

In a decision on April 28th, however, the court concluded that "under the statute and regulations, the sending of a notice of a Paragraph IV certification is expressly predicated upon the ANDA applicant receiving its own notice and acknowledgment from the FDA that the submitted ANDA has been received." The court noted that the "Paragraph IV notice sequence ensures that the statutory litigation triggers do not result in unnecessary patent infringement litigation initiated by incomplete ANDAs." The court cited legislative history and FDA's interpretation of the statute in support of its decision.

Furthermore, the court rejected Mutual's argument that even if the court dismissed Glaxo's patent infringement claim without prejudice, it retained subject matter jurisdiction over Mutual's counterclaim for a declaratory judgment of patent invalidity. Here, the court contrasted the facts of the case with those of the Teva v. Novartis and Caraco v. Forest cases. Additionally, the court reasoned that "due to the unfiled status of the ANDA, Defendants were not alleged infringers at the time this case was brought."

On April 30, Glaxo filed a second suit against Mutual, within the 45-day period from receipt of Mutual's second notice letter. Interestingly, on May 27, Mutual filed a Notice of Appeal of the district court's decision on the first lawsuit.

Posted by Aaron Barkoff in Declaratory Judgment Jurisdiction, Paragraph IV Litigation | Permalink | Comments (0)

June 11, 2008

Mylan Prevails Over AstraZeneca in Appeal of Prilosec Case

In re Omeprazole Patent Litigation, Nos. 2007-1476, -1477, -1478 (Fed. Cir. 2008)

Yesterday, the Court of Appeals for the Federal Circuit affirmed a June 2007 district court decision finding that Mylan's generic version of Prilosec (omeprazole) does not infringe two AstraZeneca patents, U.S. Patent Nos. 4,786,505 and 4,853,230.

Omeprazole is difficult to formulate because it is acid-labile. Astra scientists developed a formulation that protects omeprazole from degradation in the acidic environment of the stomach. Astra's formulation, which is claimed in the '505 and '230 patents, includes a core containing omeprazole and an alkaline reacting compound ("ARC"), a water soluble subcoat, and an outer enteric coating.

Mylan's ANDA product consists of an inert sugar/starch sphere; an active coating of omeprazole, talc and HPMC; two subcoatings; and an enteric coating. Astra argued that the talc in Mylan's formulation contains carbonates, which serve as an ARC. However, after a forty-two day bench trial, the district court determined that Astra failed to prove the presence of carbonates in Mylan's product. The district court also determined that talc cannot satisfy the ARC limitation of the claims because the specification of the patents indicates that talc is not an ARC but rather an ordinary excipient, and because of statements Astra made during prosecution of the European counterpart of the '505 patent.

In the decision released yesterday, the Federal Circuit concluded that the district court's factual findings with respect to the presence or absence of carbonates in Mylan's formulation were not clearly erroneous. Astra argued on appeal that the district court applied the wrong legal standard by requiring "conclusive evidence" that carbonates were present in the talc, but the Federal Circuit disagreed, finding that the district court correctly applied the preponderance of the evidence standard. Having determined that the district court did not clearly err in finding that Astra failed to prove the presence of "non-negligible amounts of carbonates" in Mylan's formulation, the Federal Circuit declined to address Astra's remaining arguments.

The omeprazole patent litigation began in 2000, when Astra sued several companies who filed ANDAs for generic Prilosec. The lawsuits were consolidated as a multidistrict litigation and tried in two waves. Mylan, which launched its generic Prilosec in August 2003, was part of the second wave. Other companies in the second wave included Lek Pharmaceutical, Apotex, and Impax Labs. In the same June 2007 decision in which it ruled in favor of Mylan, the district court also found that Lek's products do not infringe Astra's patents, and that Apotex's and Impax's products do infringe. Those determinations were appealed separately.

RELATED READING:

- Mylan press release
- 4-Jun-07 OBB post on district court decision

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