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Labeling and Induced Infringement in Pharma Patent Litigation and Protecting IP Rights

THURSDAY, OCTOBER 7, 2021

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today's faculty features:

Patricia A. Carson, Ph.D., Partner, **Kirkland & Ellis**, New York

Shana K. Cyr, Ph.D., Esq., Senior Corporate Counsel – IP, **Bristol Myers Squibb**, Princeton, NJ

Sarah Hooson, Director, Legal, **Merck Sharp & Dohme Corp.**, Rahway, NJ

Chandrika Vira, Director, **Sterne, Kessler, Goldstein & Fox**, Washington D.C.

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Introduction to Induced Infringement

By: Chandrika Vira

Sterne Kessler
STERNE KESSLER GOLDSTEIN & FOX

35 U.S.C. § 271

a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

b) Whoever actively induces infringement of a patent shall be liable as an infringer.

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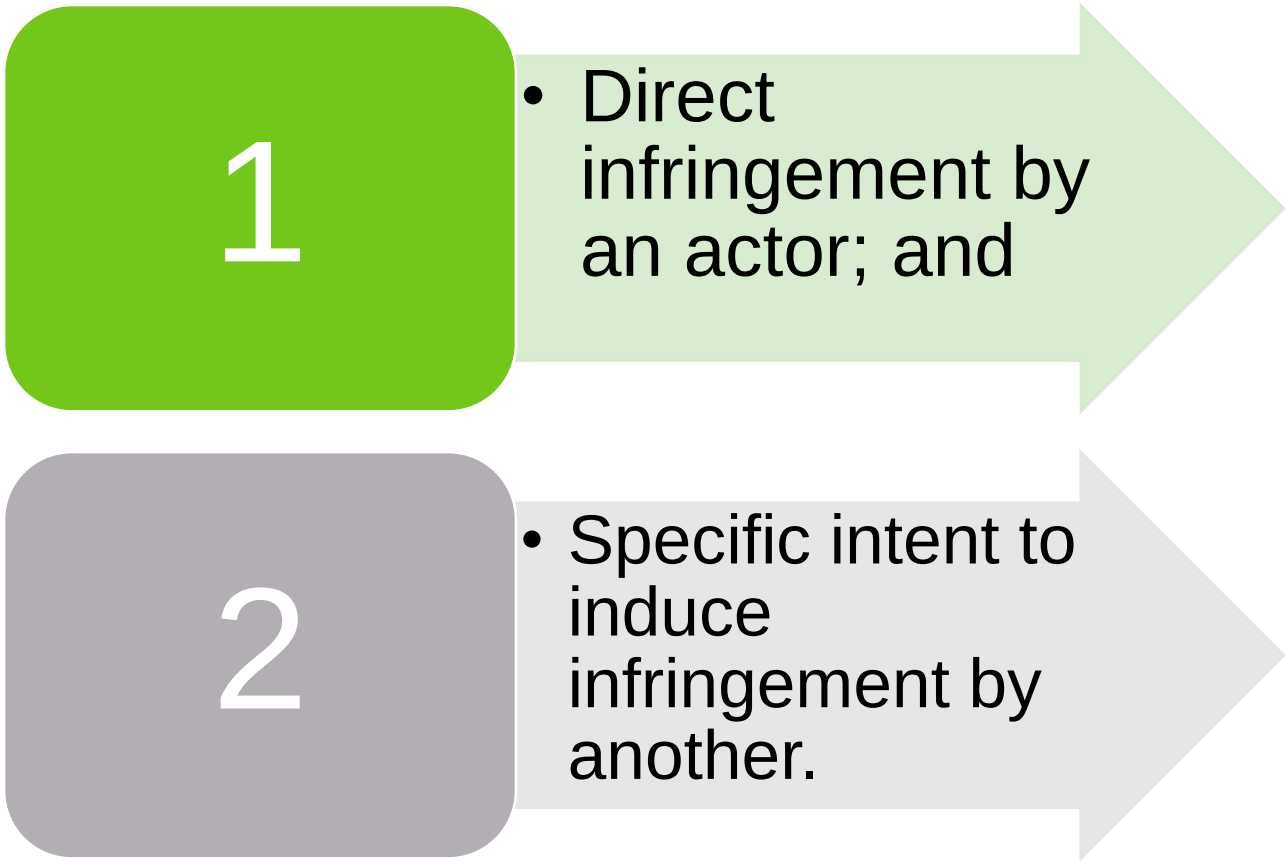
General Principles: Inducement Involves a Two-Prong Analysis



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Induced Infringement: Intent to Induce

- The patentee must also show that the alleged infringer possessed the requisite intent to induce infringement, which we have held requires that the alleged infringer "knew or should have known his actions would induce actual infringements."
  - *DSU Med. Corp. v. JMS Co.,* 471 F.3d 1293, 1304 (Fed. Cir. 2006) (en banc in relevant part) (internal quotation marks omitted)

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Intent in Hatch-Waxman Cases

- "[D]irect evidence of intent is not required; rather, circumstantial evidence may suffice."
  - *DSU Med. Corp. v. JMS Co*., 471 F.3d 1293, 1304 (Fed. Cir. 2006)

- The label must "encourage, recommend, or promote infringement."
  - *Takeda Pharm. USA, Inc. v. West-Ward Pharm. Corp.,* 785 F.3d 625, 631 (Fed. Cir. 2015)

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Carve-outs in Hatch-Waxman cases

- The “Skinny viii” Option
  - An ANDA filer can omit, or “**carve out**,” a patented indication from its labeling to avoid having to file a paragraph IV certification on the patent(s) that cover that indication.
    - 21 U.S.C. § 355(j)(2)(A)(viii) allows ANDA applicant to submit, in lieu of a paragraph IV certification, a certification that an Orange Book listed patent does not claim an indication for which the ANDA applicant seeks FDA approval.
  - *Does the labeling still encourage, recommend, or promote the allegedly carved-out use?*

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Eli Lilly & Co. v. Teva Parenteral Medicines, Inc.

845 F.3d 1357 (Fed. Cir. 2017)

Sterne Kessler
STERNE KESSLER GOLDSTEIN & FOX

Eli Lilly: Alimta®

- Eli Lilly's branded pemetrexed product
- Drug in used to treat certain types of lung cancer and mesothelioma
- Covered by the '209 patent, which issued in 2010.

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’209 patent – Antifolate Combination Therapies

1. A method for administering pemetrexed disodium to a patient in need thereof comprising administering an effective amount of folic acid and an effective amount of a methylmalonic acid lowering agent followed by administering an effective amount of pemetrexed disodium, wherein

the methylmalonic acid lowering agent is selected from the group consisting of vitamin B12, hydroxycobalamin, cyano-10-chlorocobalamin, aquocobalamin perchlorate, aquo-10-cobalamin perchlorate, azidocobalamin, cobalamin, cyanocobalamin, or chlorocobalamin.

1) Effective amount of folic acid
2) Effective amount of vitamin B12
3) Effective amount of pemetrexed disodium

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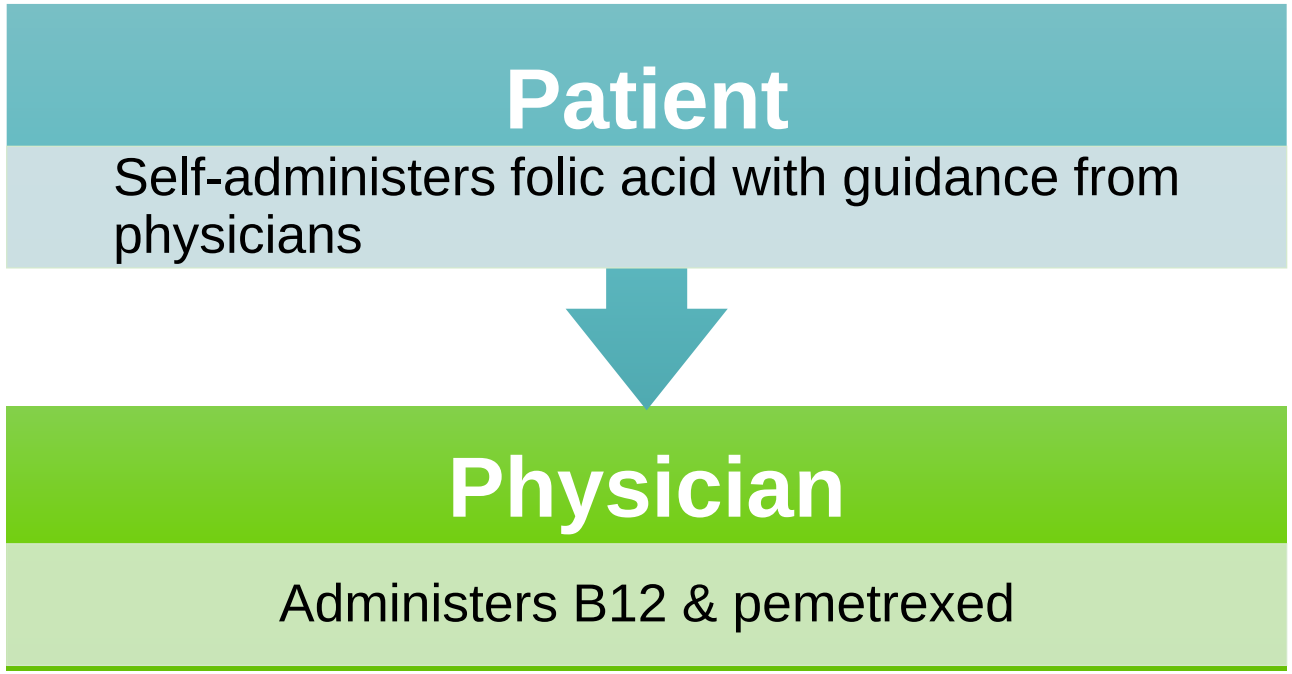
Parties agreed: no single actor performs all steps



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Label: Physician Prescribing Information

- “Instruct patients to initiate folic acid 400 [µg] to 1000 [µg] orally once daily beginning 7 days before the first dose of [pemetrexed]....”

- “Instruct patients on the need for folic acid and vitamin B12 supplementation to reduce treatment-related hematologic and gastrointestinal toxicity....”

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Label: Patient Information

- “To lower your chances of side effects of [pemetrexed], you must also take folic acid ... prior to and during your treatment with [pemetrexed].” (emphasis omitted).

- “It is very important to take folic acid and vitamin B12 during your treatment with [pemetrexed] to lower your chances of harmful side effects. You must start taking 400–1000 micrograms of folic acid every day for at least 5 days out of the 7 days before your first dose of [pemetrexed]....” (emphasis omitted).

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Direct Infringement: when no single actor

- “Where, as here, no single actor performs all steps of a method claim, direct infringement only occurs if ‘the acts of one are attributable to the other such that a single entity is responsible for the infringement.’”

  - *Eli Lilly,* 845 F.3d at 1365 *(citing Akamai Tech., Inc. v. Limelight Networks (Akamai V), Inc.*, 797 F.3d 1020, 1022 (Fed. Cir. 2015)).

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Divided infringement: directing or controlling

- "directing or controlling others' performance includes circumstances in which an actor:
- (1) "conditions participation in an activity or receipt of a benefit" upon others' performance of one or more steps of a patented method, and
- (2) "establishes the manner or timing of that performance."

  - *Eli Lilly,* 845 F.3d at 1365 (citing *Akamai V*, 797 F.3d at 1023).

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Eli Lilly: Direct Infringement

- District Court: Claims valid and infringed.
  - No single actor performs all steps of the asserted claims -- actions of both physicians and patients are required.
  - But **all steps** of the asserted claims are **attributable to physicians,** so court found direct infringement attributable to physicians.
- Federal Circuit: Affirmed.

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Federal Circuit: first prong satisfied

- Held that district court's finding that physicians "condition" permetrexed treatment in the administration of folic acid was supported by record evidence
    - Physician Prescribing Information explains that folic acid administration is a premedication **requirement** to reduce pemetrexed toxicity.
    - Patient Information states that treatment may be **withheld** based on general condition and blood tests.
    - Physician expert witnesses make clear that folic acid premedication is **"standard practice"** to receive pemetrexed treatment.
- "The record is thus replete with evidence that physicians delineate the step of folic acid administration that patients must perform if they wish to receive pemetrexed treatment."
    - *Eli Lilly*, 845 F.3d at 1366.

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Federal Circuit: second prong satisfied

- Held that district court's finding that physicians establish the manner and timing of patients' folic acid intake was not reversible error.
  - Physician Prescribing Information instructs:
    - "patients to take folic acid **orally**, but also to take "**400 [µg] to 1000 [µg]** [of folic acid] once daily beginning **7 days before** the first dose of [pemetrexed]," accompanied with warnings about the consequences of non-compliance."
      - *Eli Lilly*, 845 F.3d at 1367.
  - Physician expert testimony confirms:
    - "it's the doctor who decides **how much** [folic acid] the patient will take and **when** the patient takes it."
      - *Eli Lilly*, 845 F.3d at 1367 (internal quotations omitted) (quoting Dr. Chabner, physician expert).

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Federal Circuit: specific intent for induced infringement exists

- District Court:
  - Found that the administration of folic acid before pemetrexed administration was “not merely a suggestion or recommendation, but a critical step.”
  - Defendants induce physicians’ infringement because physicians act ‘‘in accordance with Defendants’ proposed labeling.’’
    - Eli Lilly, F. Supp. 3d at 1042
- Federal Circuit: Affirmed.

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Federal Circuit: specific intent for induced infringement exists

- "[T]he intent for inducement must be with respect to the actions of the underlying direct infringer, here physicians."

- "When the alleged inducement relies on a drug label's instructions, '[t]he question is not just whether [those] instructions describ[e] the infringing mode, … but whether the instructions teach an infringing use such that we are willing to infer from those instructions an affirmative intent to infringe the patent.' … 'The label must encourage, recommend, or promote infringement.'"

- "The instructions are unambiguous on their face and encourage or recommend infringement."
  - *Eli Lilly*, 845 F.3d at 1368-69

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Lessons learned from *Eli Lilly*

- Inducement and divided infringement can live together happily ever after.
- Accused infringer can instruct direct infringer to infringe, who in turn can direct another actor to carry out some of the infringing steps.
- But, all method steps need to be attributable to the direct infringer

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Lessons learned from *Eli Lilly*

- In Hatch-Waxman Act cases relying on the ANDA filer's proposed labeling to show inducement, the issue of specific intent often turns on whether the proposed labeling instructs users to perform the patented method.

- The labeling must **encourage, recommend, or promote** infringement.

- Evidence that the product labeling would **inevitably lead** some direct infringers to infringe establishes the requisite intent for inducement.

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KIRKLAND & ELLIS

SANOFI V. WATSON

875 F.3D 636 (2017)

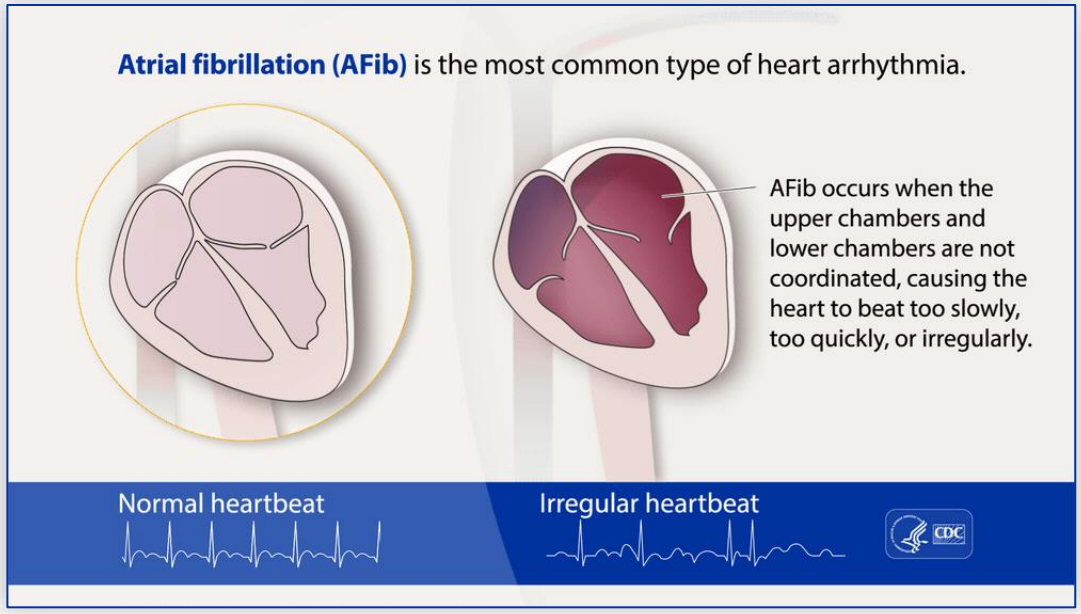
Presented by:

Patricia Carson

Ashley Graham

History of Multaq® and Dronedarone

- **Multaq®** is Sanofi's branded version of the cardiovascular drug dronedarone.



- *Dronedaron is an antiarrhythmic agent for the treatment of heart rhythm problems in patients with atrial fibrillation.*

History of Mutaq® and Dronedarone cont.

- Dronedarone is the subject of the ’800 patent, which was owned by Sanofi and expired in 2019
- Sanofi did not receive FDA approval for Multaq® until 2009, at which point the ’167 patent was filed.
- Sanofi also owns the ’167 patent, claiming a method of use for dronedarone to reduce hospitalization of patients having specified characteristics. The ’167 patent was filed following a a series of studies conducted by Sanofi in 2002 and 2003.

EURIDIS and ADONIS Studies

Dronedarone for Maintenance of Sinus Rhythm in Atrial Fibrillation or Flutter

The NEW ENGLAND JOURNAL of MEDICINE

ORIGINAL ARTICLE

Dronedarone for Maintenance of Sinus Rhythm in Atrial Fibrillation or Flutter

Bramah N. Singh, M.D., D.Sc., Stuart J. Connolly, M.D., Harry J.G.M. Crijns, M.D., Denis Roy, M.D., Peter R. Kowey, M.D., Alessandro Capucci, M.D., Ph.D., David Radzik, M.D., Etienne M. Aliot, M.D., and Stefan H. Hohnloser, M.D., for the EURIDIS and ADONIS Investigators*

ABSTRACT

BACKGROUND
Amiodarone is effective in maintaining sinus rhythm in atrial fibrillation but is associated with potentially serious toxic effects. Dronedarone is a new antiarrhythmic agent pharmacologically related to amiodarone but developed to reduce the risk of side effects.

METHODS
In two identical multicenter, double-blind, randomized trials, one conducted in Europe (ClinicalTrials.gov number, NCT00259428) and one conducted in the United States, Canada, Australia, South Africa, and Argentina (termed the non-European trial, NCT00259376), we evaluated the efficacy of dronedarone, with 828 patients receiving 400 mg of the drug twice daily and 409 patients receiving placebo. Rhythm was monitored transtelephonically on days 2, 3, and 5; at 3, 5, 7, and 10 months; during recurrence of arrhythmia; and at nine scheduled visits during a 12-month period. The primary end point was the time to the first recurrence of atrial fibrillation or flutter.

RESULTS
In the European trial, the median times to the recurrence of arrhythmia were 41 days in the placebo group and 96 days in the dronedarone group (P=0.01). The corresponding durations in the non-European trial were 59 and 158 days (P=0.002). At the recurrence of arrhythmia in the European trial, the mean (±SD) ventricular rate was 117.5±29.1 beats per minute in the placebo group and 102.3±24.7 beats per minute in the dronedarone group (P<0.001); the corresponding rates in the non-European trial were 116.6±31.9 and 104.6±27.1 beats per minute (P<0.001). Rates of pulmonary toxic effects and of thyroid and liver dysfunction were not significantly increased in the dronedarone group.

CONCLUSIONS
Dronedarone was significantly more effective than placebo in maintaining sinus rhythm and in reducing the ventricular rate during recurrence of arrhythmia.

From the Veterans Affairs Greater Los Angeles Healthcare System and the David Geffen School of Medicine at UCLA — both in Los Angeles (B.N.S.); the University of Hamilton, Hamilton, ON, Canada (S.J.C.); the University of Maastricht, Maastricht, the Netherlands (H.J.G.M.C.); the University of Montreal, Montreal (D. Roy); Lankenau Hospital and Institute of Medical Research, Philadelphia (P.R.K.); Ospedale Clinical, Taverna, Italy (A.C.); Sanofi-Aventis, Paris (D. Radzik); Hôpital Central, Nancy, France (E.M.A.); and Goethe University, Frankfurt, Germany (S.H.H.). Address reprint requests to Dr. Singh at Veterans Affairs Greater Los Angeles Healthcare System, Cardiology Division, 11301 Wilshire Blvd., Los Angeles, CA 90073, or at bsingh@ucla.edu.

*Members of the European Trial in Atrial Fibrillation or Flutter Patients Receiving Dronedarone for the Maintenance of Sinus Rhythm (EURIDIS) and American–Australian–African Trial with Dronedarone in Atrial Fibrillation or Flutter Patients for the Maintenance of Sinus Rhythm (ADONIS) are listed in the Appendix.

N Engl J Med 2007;357:987-99.
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Singh et al., PDF p. 995

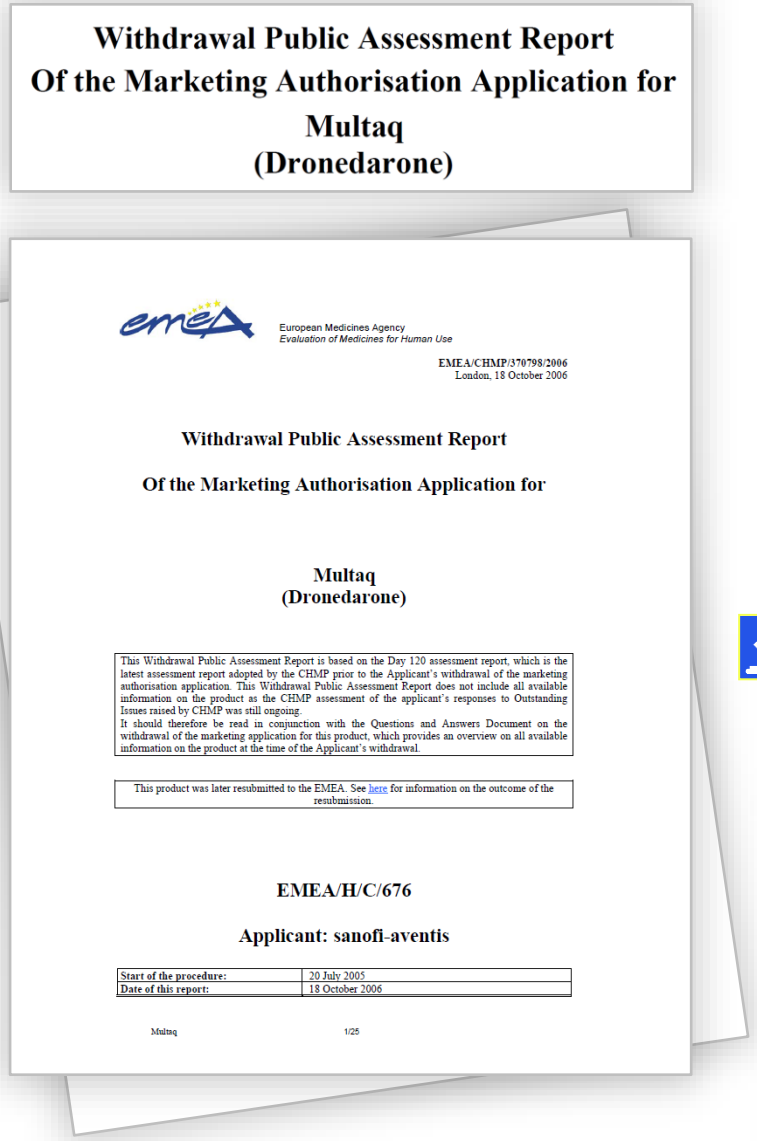
- Between 2002-2003, Sanofi conducted two large-scale clinical trials (EURIDIS and ADONIS) to test the effect of dronedarone on atrial fibrillation or flutter
- In both studies dronedarone was administered to patients who were currently in normal sinus rhythm but had earlier experienced an episode of atrial fibrillation or fuller

These Studies Concluded That:

Bramah N. Singh et. al, Dronedarone for Maintenance of Sinus Rhythm in Atrial Fibrillation of Flutter, 357 New Eng. J. Med. 987, 995 (2007)

"dronedarone reduced the incidence of a first recurrence, as well as a symptomatic first recurrence within 12 months after randomization" and "significantly reduced the ventricular rate during the recurrence of arrhythmia."

ANDROMEDA Study



EMA 2006 Report PDF p. 20

- In June 2002, Sanofi conducted the ANDROMEDA study to test the effects of dronedarone on patients with symptomatic heart failure and severe left ventricular systolic dysfunction
- ***This study was terminated early as the results revealed that dronedarone actually increased mortality from heart failure***

European Medicines Agency, Withdrawal Public Assessment Report Of the Marketing Authorisation Application for Multaq (Dronedarone), EMEA/H/C/676 at 20 (Oct. 2006))

Upon review of the EURIDIS and ADONIS studies in the context of the negative effects seen in the ANDROMEDA study, the European Medicines agency stated that **"the clinical relevance [of dronedarone] needs further consideration."**

ATHENA Study

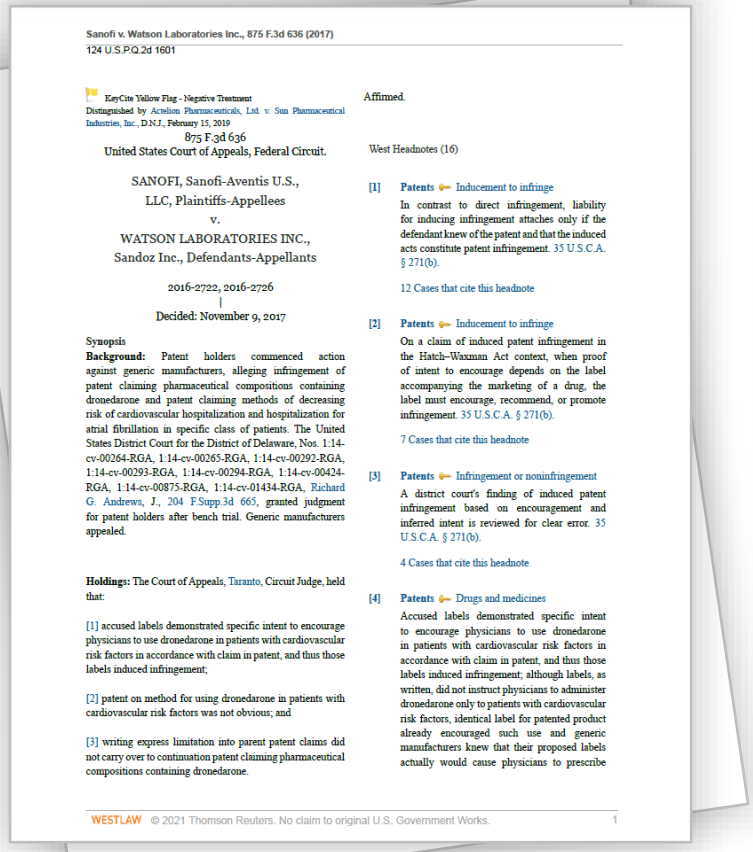
- Designed to address the potential clinical benefits of dronedarone identified by the EURIDIS/ADONIS studies
- The study involved administration of dronedarone to patients with a recent history of atrial fibrillation and/or flutter and at least one of several specified characteristics believed to be associated with cardiovascular risk.
- The study produced positive results for patients administered dronedarone as opposed to placebo regarding the rate of cardiovascular hospitalization or death. As a result of these findings, the ’167 patent was filed.

The ’167 Patent, Claim 1

SANOFI, Sanofi-Aventis U.S., LLC, Plaintiffs-Appellees

v.

WATSON LABORATORIES INC., Sandoz Inc., Defendants-Appellants



Sanofi v. Watson Laboratories Inc., 875 F.3d 636 (2017)
124 U.S.P.Q.2d 1601

KeyCite Yellow Flag - Negative Treatment
Distinguished by Actelion Pharmaceuticals, Ltd. v. Sun Pharmaceutical Industries, Inc., D.N.J., February 15, 2019

875 F.3d 636
United States Court of Appeals, Federal Circuit.

SANOFI, Sanofi-Aventis U.S., LLC, Plaintiffs-Appellees
v.
WATSON LABORATORIES INC., Sandoz Inc., Defendants-Appellants

2016-2722, 2016-2726
|
Decided: November 9, 2017

Synopsis
Background: Patent holders commenced action against generic manufacturers, alleging infringement of patent claiming pharmaceutical compositions containing dronedarone and patent claiming methods of decreasing risk of cardiovascular hospitalization and hospitalization for atrial fibrillation in specific class of patients. The United States District Court for the District of Delaware, Nos. 1:14-cv-00264-RGA, 1:14-cv-00265-RGA, 1:14-cv-00292-RGA, 1:14-cv-00293-RGA, 1:14-cv-00294-RGA, 1:14-cv-00424-RGA, 1:14-cv-00875-RGA, 1:14-cv-01434-RGA, Richard G. Andrews, J., 204 F.Supp.3d 665, granted judgment for patent holders after bench trial. Generic manufacturers appealed.

Holdings: The Court of Appeals, Taranto, Circuit Judge, held that:

[1] accused labels demonstrated specific intent to encourage physicians to use dronedarone in patients with cardiovascular risk factors in accordance with claim in patent, and thus those labels induced infringement;

[2] patent on method for using dronedarone in patients with cardiovascular risk factors was not obvious; and

[3] writing express limitation into parent patent claims did not carry over to continuation patent claiming pharmaceutical compositions containing dronedarone.

Affirmed.

West Headnotes (16)

[1] Patents Inducement to infringe
In contrast to direct infringement, liability for inducing infringement attaches only if the defendant knew of the patent and that the induced acts constitute patent infringement. 35 U.S.C.A. § 271(b).
12 Cases that cite this headnote

[2] Patents Inducement to infringe
On a claim of induced patent infringement in the Hatch–Waxman Act context, when proof of intent to encourage depends on the label accompanying the marketing of a drug, the label must encourage, recommend, or promote infringement. 35 U.S.C.A. § 271(b).
7 Cases that cite this headnote

[3] Patents Infringement or noninfringement
A district court's finding of induced patent infringement based on encouragement and inferred intent is reviewed for clear error. 35 U.S.C.A. § 271(b).
4 Cases that cite this headnote

[4] Patents Drugs and medicines
Accused labels demonstrated specific intent to encourage physicians to use dronedarone in patients with cardiovascular risk factors in accordance with claim in patent, and thus those labels induced infringement; although labels, as written, did not instruct physicians to administer dronedarone only to patients with cardiovascular risk factors, identical label for patented product already encouraged such use and generic manufacturers knew that their proposed labels actually would cause physicians to prescribe

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Sanofi PDF p. 6

Sanofi v. Watson Labs. Inc., 875 F.3d 636, 642 (Fed. Cir. 2017)

A method of decreasing a risk of cardiovascular hospitalization in a patient, said method comprising administering to said patient an effective amount of dronedarone or a pharmaceutically acceptable salt thereof, twice a day with a morning and an evening meal, wherein said patient does not have severe heart failure, (i) wherein severe heart failure is indicated by: a) NYHA Class IV heart failure or b) hospitalization for heart failure within the last month; and (ii) wherein said patient has a history of, or current, paroxysmal or persistent non-permanent atrial fibrillation or flutter; and (iii) wherein the patient has at least one cardiovascular risk factor selected from the group consisting of:

i. an age greater than or equal to 75;

ii. hypertension;

iii. diabetes;

iv. a history of cerebral stroke or of systemic embolism;

v. a left atrial diameter greater than or equal to 50 mm; and

vi. a left ventricular ejection fraction less than 40% ’167 patent, col. 28, line 64 through col. 29, line 15.”

The Multaq® Label

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v.

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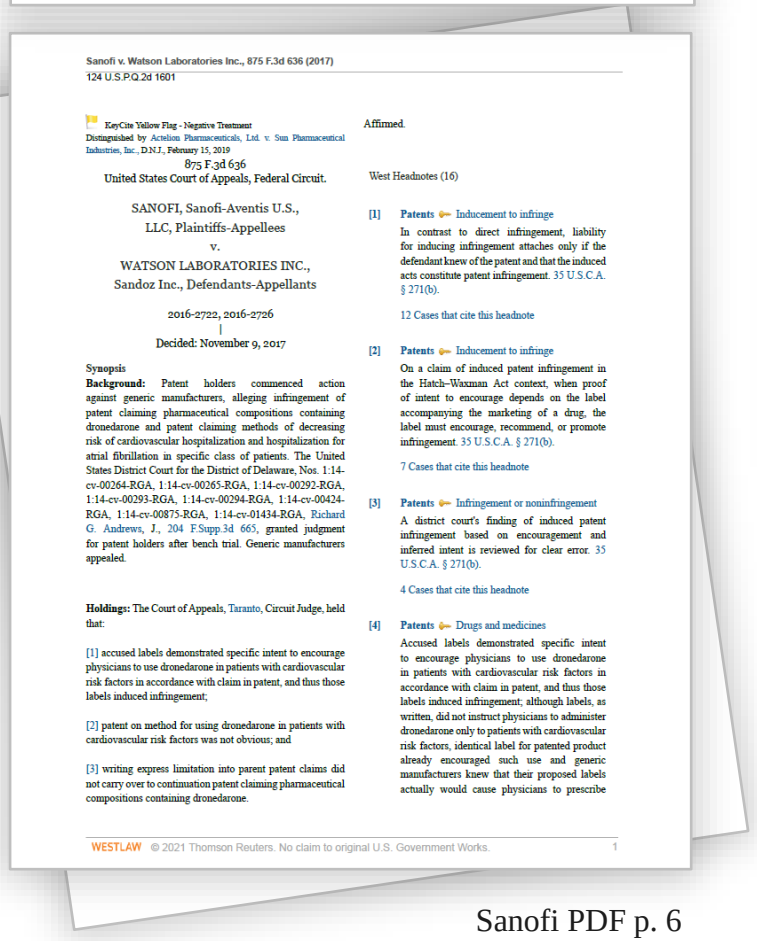

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Sanofi PDF p. 6

Sanofi, 875 F.3d at 642–43

Section 1 - "Indications and Uses":
"Multaq® is indicated to reduce the risk of hospitalization for atrial fibrillation in patients in sinus rhythm with a history of paroxysmal or persistent atrial fibrillation (AF) [see Clinical Studies (14)]."

- **"Clinical Studies":** This section describes the results of the **ATHENA**, **EURIDIS**, and **ADONIS** studies, as well as the **ANDROMEDA** study

Defendants' Proposed Label

Defendants in this case planned to market generic dronedarone with the same labeling as Multaq®, including Sections 1 and 14, directing physicians to the various studies related to dronedarone conducted by Sanofi that explain the desired benefits for patients with the risk factors claimed by the '167 patent.

Sanofi Case History

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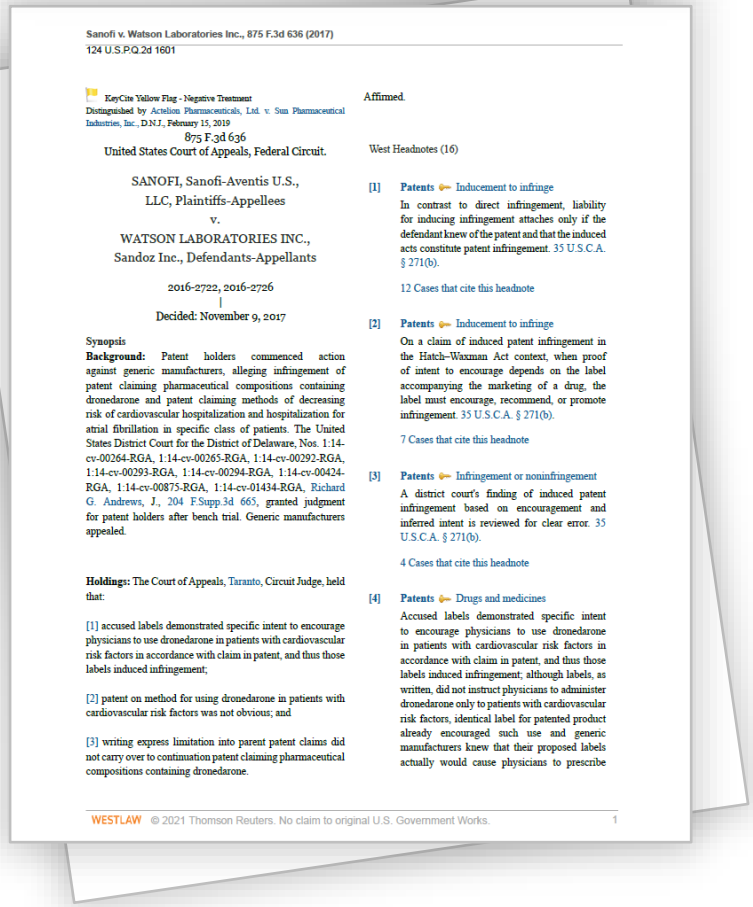
v.

WATSON LABORATORIES INC., Sandoz Inc., Defendants-Appellants



Sanofi v. Watson Laboratories Inc., 875 F.3d 636 (2017)
124 U.S.P.Q.2d 1601

KeyCite Yellow Flag - Negative Treatment
Distinguished by Actelion Pharmaceuticals, Ltd. v. Sun Pharmaceutical Industries, Inc., D.N.J., February 15, 2019

875 F.3d 636
United States Court of Appeals, Federal Circuit.

SANOFI, Sanofi-Aventis U.S., LLC, Plaintiffs-Appellees
v.
WATSON LABORATORIES INC., Sandoz Inc., Defendants-Appellants

2016-2722, 2016-2726
|
Decided: November 9, 2017

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[3] writing express limitation into parent patent claims did not carry over to continuation patent claiming pharmaceutical compositions containing dronedarone.

Affirmed.

West Headnotes (16)

[1] Patents Inducement to infringe
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12 Cases that cite this headnote

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Sanofi v. Glenmark Pharm. Inc., USA, 204 F. Supp. 3d 665 (D. Del. 2016))

Based on Defendants proposed labeling, Sanofi brought a suit for induced infringement in the District of Delaware.

- **District Court Holding:** Defendants' labels induced infringement based on encouragement and inferred intent.
- **Federal Circuit Holding:** Affirmed.

Federal Circuit Holding

Sanofi, 875 F.3d at 646

"The evidence in this case supports the finding of intentional encouragement of infringing use and, therefore, of inducement."

Sanofi PDF p. 8

Sanofi, 875 F.3d at 645

Finding Encouragement: "There was considerable testimony that this label encourages— and would be known by Watson and Sandoz to encourage— administration of the drug to those patients, thereby causing infringement."

Sanofi PDF p. 8

Sanofi, 875 F.3d at 646

Finding Specific Intent: "The content of the label in this case permits the inference of specific intent to encourage the infringing use."

Sanofi PDF p. 8

Federal Circuit Holding cont.

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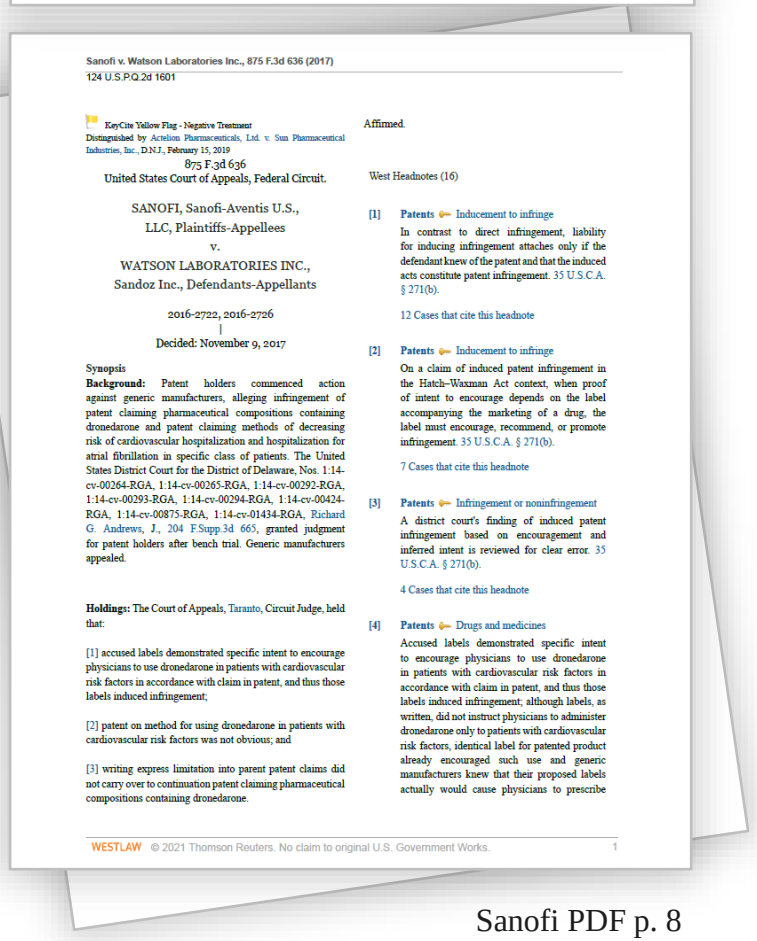

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Sanofi PDF p. 8

Sanofi, 875 F.3d at 645

"The reference to the Clinical Studies section (14) of the label expressly directs the reader to that section for elaboration of the class of patients for whom the drug is indicated to achieve the stated objective, i.e. reduced hospitalization. Section 14 leads with and features a subsection on the ATHENA study, which sets forth the positive results, relating to reduced hospitalization, for patients having the risk factors written into the '167 patent. And it is only the ATHENA subsection—not any of the three other brief subsections—that identifies a class of patients as having been shown to achieve reduced hospitalization from use of dronedarone. . . . **The label thus directs medical providers to information identifying the desired benefit for only patients with the patent-claimed risk factors**."

Federal Circuit's Holding cont.

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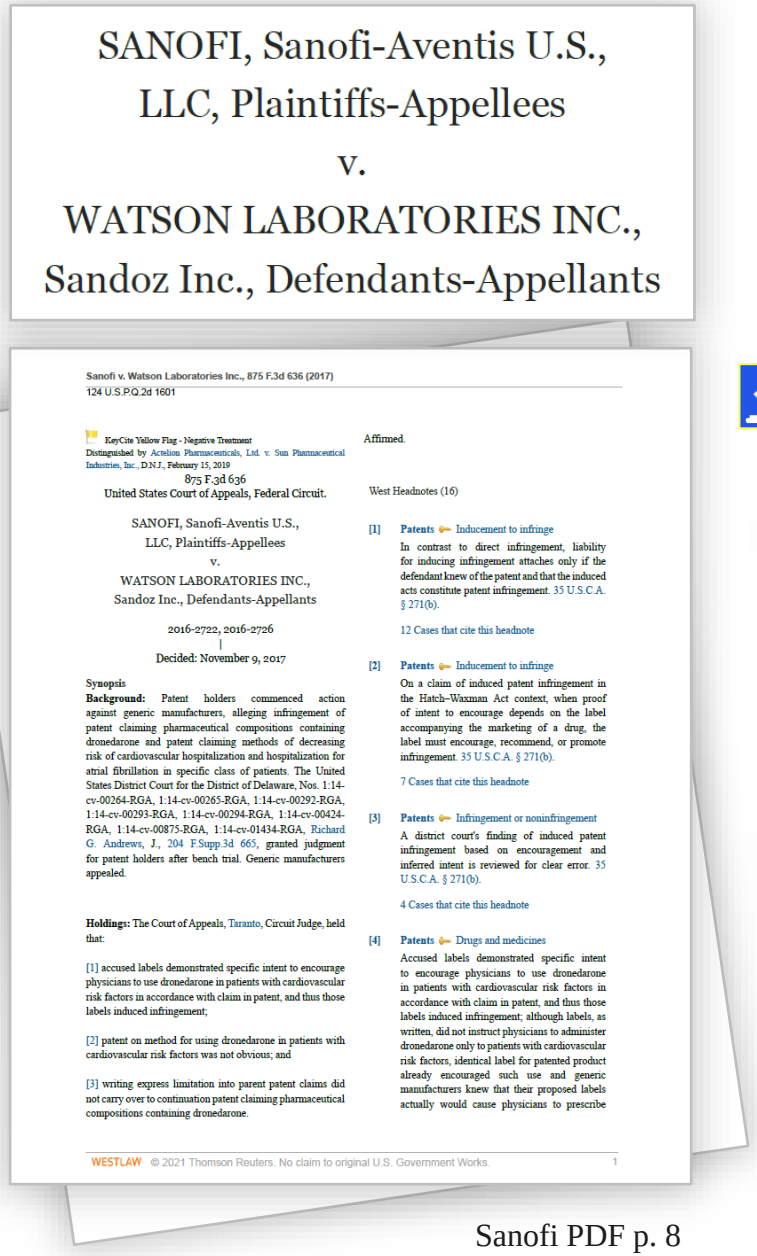
Sanofi, 875 F.3d at 646

- Based on the **FDA-approved** uses supported by the **ATHENA** study and the poor performance of dronedarone in the **ANDROMEDA** study, the court concludes that a physician would find **"clear encouragement"** to use the dronedarone in a manner which infringes the '167 patent based on the Defendants' proposed label

Sanofi, 875 F.3d at 646

Further, Defendants expert: "agreed that persons of skill in the art 'look[] to drug labels in part 'for information about the use of the drug in special or specific populations' and that it is important for the [person of skill] to look at the label's indications section to see if a drug 'is indicated for administration to patient of certain characteristics with a certain intent."

Intersection with *Eli Lilly*



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Sanofi PDF p. 8

- The court cites to ***Eli Lilly*** in support of its finding of specific intent

Sanofi, 875 F.3d at 646 (quoting Eli Lilly & Co. v. Teva Parenteral Medicines, Inc., 845 F.3d 1357, 1368–69 (Fed. Cir. 2017))

"Depending on the clarity of the [drug label's] instructions, the decision to continue seeking FDA approval of those instructions may be sufficient evidence of specific intent to induce infringement."

Intersection with *Eli Lilly*

- Therefore, according to Defendants, intent to infringe the patent cannot be inferred and must be proven by direct evidence.

Appellant's Opening Br., 28, Sanofi v. Watson Labs. Inc., 875 F.3d 636, 642 (Fed. Cir. 2017)

In the opening brief, Defendants attempt to differentiate this case from Eli Lilly on the basis that **"unlike in Eli Lilly, Defendants' proposed ANDA product here is not clearly labeled solely for the patented method of use."**

Appellant Br. PDF p. Appx33

Appellant's Opening Br., 28, Sanofi v. Watson Labs. Inc., 875 F.3d 636, 642 (Fed. Cir. 2017)

Because **"approximately 20% of dronedarone users do not have one of the claimed cardiovascular risk factors,"** Defendants contend that there are substantial noninfringing uses for their proposed ANDA product.

Sanofi PDF p. 8

Federal Circuit Holding cont.

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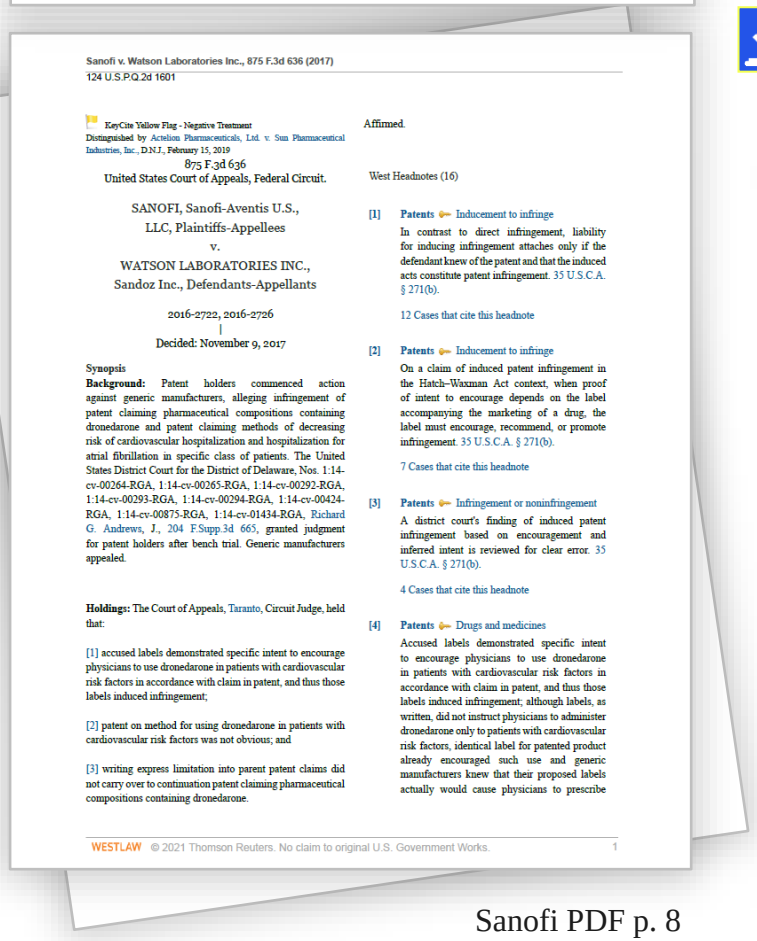

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Sanofi PDF p. 8

- **The court is unpersuaded by Defendants' argument on substantial non-infringing uses:** Substantial non-infringing uses DO NOT get you out of induced infringement.

Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd., 545 U.S. 913 (2005) (copyright decision that expressly drew on patent and other inducement law)

"[T]here is no legal or logical basis for the suggested limitation on inducement. Section 271(b), on inducement, does not contain the "substantial noninfringing use" restriction of section 271(c), on contributory infringement. And the core holding of Grokster . . . is precisely that a person can be liable for inducing an infringing product even if the product has substantial noninfringing uses . . . . There is no basis for a different inducement rule for drug labels."

Takeaways from *Sanofi*

- Content of a drug label can be used to show specific intent.
- A label pointing to study results that underlie patent claims can be used to demonstrate that a defendant encouraged, recommended, or promoted infringement of the patent.
- Substantial non-infringing uses for a generic drug do not preclude a finding of induced infringement.

Vanda Pharm. Inc. v. West-Ward Pharm. Int'l Ltd.

887 F.3d 1117 (Fed. Cir. 2018)

FANAPT (iloperidone)

Vanda owns New Drug Application ("NDA") 22-192 for Fanapt® (iloperidone), an atypical antipsychotic approved by the U.S. Food and Drug Administration ("FDA") in 2009 under 21 U.S.C. § 355(b) for the treatment of patients with schizophrenia. Vanda was able to obtain FDA approval for iloperidone based, at least in part, on the invention disclosed in [U.S. Patent 8,586,610 ("the '610 patent")], which reduces the side effects associated with QTc prolongation, enabling safer treatment of patients with schizophrenia…[and is] listed in connection with Fanapt® in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the "Orange Book."

887 F.3d at 1121 (noting that RE39198 for the compound expired in 2016).

'610 Patent Claim 1

A method for treating a patient…suffering from schizophrenia,…comprising the steps of:

determining whether the patient is a CYP2D6 poor metabolizer by:

obtaining or having obtained a biological sample from the patient; and

performing or having performed a genotyping assay on the biological sample to determine if the patient has a CYP2D6 poor metabolizer genotype; and

if the patient has a CYP2D6 poor metabolizer genotype, then internally administering iloperidone to the patient in an amount of 12 mg/day or less, and

if the patient does not have a CYP2D6 poor metabolizer genotype, then internally administering iloperidone to the patient in an amount that is greater than 12 mg/day, up to 24 mg/day,

wherein a risk of QTc prolongation for a patient having a CYP2D6 poor metabolizer genotype is lower following the internal administration of 12 mg/day or less than it would be if the iloperidone were administered in an amount of greater than 12 mg/day, up to 24 mg/day.

887 F.3d at 1121 (quoting '610 patent claim 1).

ANDA Label

The proposed ANDA label is substantially identical in all material respects to the Fanapt® label. The proposed label states that: iloperidone is "indicated for the treatment of adults with schizophrenia"; "[t]he recommended target dosage of iloperidone tablets is 12 to 24 mg/day"; "[t]he recommended starting dose for iloperidone tablets is 1 mg twice daily"; and "[i]loperidone must be titrated slowly from a low starting dose." The proposed label provides that the "[i]loperidone dose should be reduced by one-half for poor metabolizers of CYP2D6 [see Pharmacokinetics (12.3)]." Section 5.2, entitled "QT Prolongation," explains: "iloperidone was associated with QTc prolongation of 9 msec at an iloperidone dose of 12 mg twice daily" and that "[c]aution is warranted when prescribing iloperidone…in patients with reduced activity of CYP2D6 [see Clinical Pharmacology (12.3)]."

887 F.3d at 1122 (quoting ANDA label).

District Court Decision

Following a bench trial, the district court found that West-Ward's proposed products induce infringement of the asserted claims of the '610 patent, but do not contributorily infringe them. The court held that West-Ward's "submission of a paragraph IV certification for the '610 [p]atent is an act of infringement" and that Vanda's expert Dr. Alva "practiced the steps of the '610 [p]atent claims" with Fanapt®. The court found that the proposed ANDA label "recommends": (1) "practitioners use iloperidone to treat patients suffering from schizophrenia"; (2) "oral administration of iloperidone tablets at 12 to 24 mg/day to non-genotypic CYP2D6 poor metabolizers and 12 mg/day or less to genotypic CYP2D6 poor metabolizers"; and (3) "practitioners perform or have performed a genotyping assay to determine whether patients are CYP2D6 poor metabolizers."

887 F.3d at 1122-23 (quoting district court opinion).

At the Federal Circuit

Heard by Judges Prost, Lourie, and Hughes

Opinion for the court by Judge Lourie; dissenting opinion by Judge Prost

HOLDING: West-Ward Pharmaceuticals International Limited and West-Ward Pharmaceuticals Corp. (collectively, "West-Ward") appeal from the decision of the United States District Court for the District of Delaware holding, after a bench trial, claims 1-9, 11-13, and 16 ("the asserted claims") of [the '610 patent] infringed and not invalid. For the following reasons, we affirm.

887 F.3d at 1119, 1120.

Standard of Review & Legal Framework

In a bench trial, infringement is a question of fact that we review for clear error. An infringement inquiry pursuant to 35 U.S.C. § 271(e)(2)(A) is focused on a comparison of the asserted patent claims against the product that is likely to be sold following ANDA approval. The patentee bears the burden of proving infringement by a preponderance of the evidence.

***

The statute provides that whoever actively induces infringement of a patent shall be liable as an infringer. However, direct infringement is a necessary predicate for a finding of induced infringement in the usual patent infringement case. It also must be established that the defendant possessed specific intent to encourage another's infringement and not merely that the defendant had knowledge of the acts alleged to constitute inducement. Circumstantial evidence can support a finding of specific intent to induce infringement.

We have held that inducement can be found where there is evidence of active steps taken to encourage direct infringement, which can in turn be found in advertising an infringing use or instructing how to engage in an infringing use. Where the proposed label instructs users to perform the patented method ... the proposed label may provide evidence of the ANDA applicant's affirmative intent to induce infringement. When proof of specific intent depends on the label accompanying the marketing of a drug inducing infringement by physicians, the label must encourage, recommend, or promote infringement. The contents of the label itself may permit the inference of specific intent to encourage, recommend, or promote infringement.

887 F.3d at 1125, 1129 (citations omitted).

Direct Infringement | Parties' Positions

WEST-WARD: West-Ward argues that the district court clearly erred in finding that its proposed label "satisfies" the asserted claims because the language of the label itself cannot constitute direct infringement of the asserted method claims. West-Ward also contends that the court clearly erred in finding that Dr. Alva practiced the asserted claims because he never administered an allegedly infringing dose to a poor metabolizer.

VANDA: Vanda responds that it did not need to prove instances of direct infringement by physicians because this is a Hatch-Waxman case where infringement is statutorily-defined to be the filing of an ANDA or an amendment thereto, not by selling a product. Even though not required, Vanda contends, it identified a doctor, Dr. Alva, who practiced the steps of the asserted claims with Fanapt®. Vanda argues that the asserted claims do not require that a single physician administer iloperidone to both poor and non-poor CYP2D6 metabolizers, and that West-Ward's argument to the contrary is waived because it was raised for the first time on appeal.

887 F.3d at 1128-29.

Direct Infringement | Federal Circuit Decision

We agree with Vanda that a patentee does not need to prove an actual past instance of direct infringement by a physician to establish infringement under 35 U.S.C. § 271(e)(2)(A). As we have explained, section 271(e)(2)(A) makes it possible for a patent owner to have the court determine whether, if a particular drug *were* put on the market, it *would* infringe the relevant patent. A § 271(e)(2)(A) infringement suit differs from typical infringement suits in that the infringement inquiries are *hypothetical* because the allegedly infringing product has not yet been marketed.

Similarly, patentees in Hatch-Waxman litigations asserting method patents do not have to prove that prior use of the NDA-approved drug satisfies the limitations of the asserted claims.

Accordingly, Vanda can satisfy its burden to prove the predicate direct infringement by showing that if the proposed ANDA product were marketed, it would infringe the '610 patent. The district court made factual findings that the proposed label "recommends" that physicians perform the claimed steps, and its analysis of the proposed label to assess potential direct infringement by physicians was proper under our precedent.

887 F.3d at 1129-30 (citations omitted).

Specific Intent | Parties' Positions

WEST-WARD: West-Ward argues that Vanda failed to prove that its proposed label would "encourage" or "recommend" a direct infringer (a psychiatrist or other physician) to perform each step of the claimed methods. West-Ward contends that the substantial number of noninfringing uses precludes a finding of specific intent as a matter of law.

VANDA: Vanda responds that the district court did not clearly err in finding that the proposed label recommends performance of all the claimed steps. Vanda argues that potential noninfringing uses do not preclude a finding of specific intent to induce infringement in this case.

887 F.3d at 1130.

Specific Intent | Federal Circuit Decision

We agree with Vanda that the district court did not clearly err in finding induced infringement of independent claims 1, 9, and 13.

Section 2 of the proposed label is entitled "Dosage and Administration." Section 2.1 entitled "Usual Dose," states: Iloperidone must be titrated slowly from a low starting dose....The recommended starting dose for iloperidone tablets is 1 mg twice daily. Dose increases to reach the target range of 6 to 12 mg twice daily (12 to 24 mg/day) may be made with daily dosage adjustments not to exceed 2 mg twice daily (4 mg/day). The maximum recommended dose is 12 mg twice daily (24 mg/day)....Prescribers should be mindful of the fact that patients need to be titrated to an effective dose of iloperidone. Section 2.2, entitled "Dosage in Special Populations," states: "Dosage adjustment for patients taking iloperidone who are poor metabolizers of CYP2D6: Iloperidone dose should be reduced by one-half for poor metabolizers of CYP2D6 [see Pharmacokinetics (12.3)]."

Section 12.3 of the proposed label, entitled "Pharmacokinetics," states: … [poor metabolizers (PMs)] of CYP2D6 have higher exposure to iloperidone compared with [extensive metabolizers] and PMs should have their dose reduced by one-half. Laboratory tests are available to identify CYP2D6 PMs."

887 F.3d at 1130-31.

Specific Intent | Federal Circuit Decision (continued)

Thus, the district court did not clearly err in finding that § 12.3 "recommends that practitioners perform or have performed a genotyping assay to determine whether patients are CYP2D6 poor metabolizers." Experts for both parties testified that the referred-to "laboratory tests" are "genotyping tests." The district court thus found that "when the label states that 'laboratory tests' are available to identify poor metabolizers, the label is referring to 'genotyping tests.'" We discern no clear error in this finding.

The label instructs practitioners that "PMs should have their dose reduced by one-half. [Genotyping tests] are available to identify CYP2D6 PMs." The court did not clearly err in finding that this constitutes a recommendation to perform genotyping tests on iloperidone patients. That West-Ward introduced other evidence that could have supported a contrary finding does not compel the conclusion that the district court clearly erred. Moreover, the court's decision to credit the plausible testimony of certain witnesses and reject the testimony of West-Ward's witness as not credible "can virtually never be clear error."

We reject West-Ward's contention that the lack of an express finding by the district court that the label recommends obtaining a biological sample requires a remand. The district court found induced infringement of the independent claims, which necessarily required a finding of inducement of the limitation requiring "obtaining or having obtained a biological sample from the patient." West-Ward has pointed to no evidence in the record to dispute the testimony of Vanda's witnesses at trial that the genotyping assays the court found were recommended by the label require obtaining a biological sample. Given this undisputed evidence and the court's finding that the label recommends genotyping assays, we see no clear error in the court's implicit finding that the proposed label recommends obtaining a biological sample.

887 F.3d at 1131-32 (quoting district court opinion; other citations omitted).

Specific Intent | Federal Circuit Decision (continued)

The district court also did not clearly err in finding that "[t]he label recommends oral administration of iloperidone tablets at 12 to 24 mg/day to non-genotypic CYP2D6 poor metabolizers and 12 mg/day or less to genotypic CYP2D6 poor metabolizers." The label recommends a "[u]sual" target dose range (12 to 24 mg/day) and maximum dose (24 mg/day) and then instructs medical providers to "reduce[]" the dose for genetic CYP2D6 poor metabolizers (a "[s]pecial population") "by one-half." A one-half reduction of the usual dose amounts yields a target dose range of 6 to 12 mg/day and a maximum dose of 12 mg/day for poor metabolizers. That the label also directs a medical provider to titrate the dosage does not negate its clear recommendations on ultimate dosage range and maximum amount.

Similarly, the fact that the target dose range for genotypic non-poor metabolizers (12 to 24 mg/day) includes 12 mg/day does not compel a finding of noninfringement. The independent claims require administering "greater than 12 mg/day, up to 24 mg/day" of iloperidone to non-poor metabolizers. Even if not every practitioner will prescribe an infringing dose, that the target dose range "instructs users to perform the patented method" is sufficient to "provide evidence of [West-Ward's] affirmative intent to induce infringement."

887 F.3d at 1132 (quoting district court opinion; other citations omitted).

Specific Intent | Federal Circuit Decision (continued)

Finally, West-Ward's reliance on Warner-Lambert, an off-label use case, is misplaced. In Warner-Lambert, we explained that "it defies common sense to expect that [ANDA applicant] will actively promote the sale of its approved [ANDA product], in contravention of FDA regulations, for a use that (a) might infringe [NDA holder's] patent and (b) constitutes such a small fraction of total sales." In the context of that off-label use case where there were "substantial noninfringing uses," we declined to "infer" intent to induce infringement. Here, the district court found that the proposed label itself recommends infringing acts.

Accordingly, even if the proposed ANDA product has "substantial noninfringing uses," West-Ward may still be held liable for induced infringement. "Section 271(b), on inducement, does not contain the 'substantial noninfringing use' restriction of section 271(c), on contributory infringement. Thus, "a person can be liable for inducing an infringing use of a product even if the product has substantial noninfringing uses …."

887 F.3d at 1132-33 (citations omitted).

Dissent by Judge Prost

I would find the asserted patent claims to be directed to a law of nature. The majority finds the claims herein are not directed to a natural law at step one of the § 101 analysis, but its efforts to distinguish *Mayo* cannot withstand scrutiny. The majority relies on the claims' recitation of specific applications of the discovery underpinning the patent to find no natural law is claimed. But it conflates the inquiry at step one with the search for an inventive concept at step two. Once the natural law claimed in the '610 patent is understood in a manner consistent with *Mayo*, what remains fails to supply the requisite inventive concept to transform the natural law into patent-eligible subject matter. Although I agree with the majority's reasoning that the district court had jurisdiction under the Hatch-Waxman Act, I would not reach the issues of written description, infringement, and injunctive relief because I would find the '610 patent claims ineligible subject matter. Accordingly, I respectfully dissent.

Note: Supreme Court denied cert in Jan 2020 on patent-eligibility issue.

887 F.3d at 1140.

GlaxoSmithKline L.L.C. v. Teva Pharmaceuticals USA Inc.

SARAH HOOSON

MERCK & CO.

Event Timeline of COREG® Case Prior to Suit

June 2, 1998
GSK's MOT US Pat. 5,760,069 issued

In 1985, GSK's U.S. Pat. No. 4,503,067, issued and protected Coreg®. (Expiry 2007)

The FDA initially approved carvedilol for treatment of hypertension.

GSK discovered that carvedilol is also effective in treating CHF. This MOT was patented in U.S. Pat. No. 5,760,069. The '069 patent was listed in the Orange Book with use code U-233, "decreasing mortality caused by congestive heart failure."

March 2002
Teva's ANDA filing

In 2002, Teva filed ANDA under Para. III with respect to the '067 patent and Para. IV with respect to the '069 patent. Upon the receipt of the Para. IV notice in 2002, GSK did not file a Hatch Waxman lawsuit.

November 2003
GSK filed an appl. to reissue '069 patent

In 2003, GSK filed an application to reissue the '069 patent, and as a result, in 2008, RE40,000 issued.

In the meantime, in 2004, Teva received FDA "tentative approval" for its ANDA to become effective on expiration of the '067 patent.

September 2007
TEVA launched generic Coreg with a "partial label"

Upon expiration of the '067 patent, TEVA launched generic carvedilol at risk against the '069 patent with the label, indicating only hypertension and post-MI LVD – neither of which was literally covered by the '000 patent. Teva's label ("partial label") did not indicate CHF.

January 2008
GSK's RE 40,000 issued

In 2008, Reissue patent 40,000 issued.

May 2011
Teva amended its label to "**full label**"

In 2011, TEVA amended its label to be a "full label" covering all three approved indications, including for treatment of CHF.

Event Timeline of COREG® Case

July 3, 2014
GSK files suit against TEVA

GSK Filed Post-Launch (District of DE)

In July 2014, years after the '000 patent reissued, GSK filed a post-launch, non-Hatch Waxman suit against Teva and Glenmark for induced infringement of the '000 patent.

Jan-Jun 2017
Motion for SJ

Defendants' Motion for Summary Judgment

The district judge denied the motion for summary judgment related to induced infringement.

June 20, 2017

Jury Trial Resulted in a verdict of:

- willful infringement of the RE'000 patent both during partial and full label periods;
- no invalidity of the RE'000 patent; and
- an award to GSK of $234.1M in lost profits and $1.4M in reasonable royalty damages.

March 28, 2018
District Judge Granting in part Teva's JMOL

Renewed Motion for Judgment as a Matter of Law (JMOL)

Teva filed motion for renewed motion for JMOL or, in alternative, new trial.

Judge granted Teva's motion for JMOL

October 2020
U.S. Court of Appeals Fed Circuit

Fed Circuit Reinstated Jury Verdict & Damage Award

The US Court of Appeals for the Federal Circuit

Majority: Reinstated jury verdict and damage award.

Feb 9, 2021
Court granted Teva's decision for rehearing

Several Amici curiae briefs filed.

New round of Arguments – Feb 2021

August 5, 2021
Precedential New Decision

Teva – liable for induced infringement.

Reissue of ‘069 Patent

In 2003, GSK **filed for reissue** of its ’069 patent, which eventually issued in 2008 as RE40,000 (“the ’000 patent”) with narrowed method of treatment claims for CHF (italicized text in claim 1 below illustrates the limitations added by reissue):

> 1. A method of decreasing mortality caused by congestive heart failure in a patient in need thereof which comprises administering a therapeutically acceptable amount of carvedilol in conjunction with one or more other therapeutic agents, said agents being selected from the group consisting of an angiotensin converting enzyme inhibitor (ACE), a diuretic, and digoxin,
>
> *wherein the administering comprises administering to said patient daily maintenance dosages for a maintenance period to decrease a risk of mortality caused by congestive heart failure, and said maintenance period is greater than six months.*

Denial of Summary Judgment of No Induced Infringement

Pre-Launch, ANDA context:

- The focus must be on intent, rather than actual inducement, since no communication by generic with any direct infringer.

Post-Launch:

- Inducement claims "are not premised on a hypothetical… instead, must be supported by sufficient evidence as to what actually happened during the relevant time period."
- Patentee must prove the elements of an induced infringement claim, including "a successful communication between the alleged inducer [i.e., generic drug manufacturer] and third-party direct infringer [e.g., a prescribing physician]."
- Patentee must prove, not merely assert, that a label (or acts of encouragement) “would inevitably lead some [third parties] to practice the claimed method.”

Jury Trial - Evidence

GSK

- Teva's product catalogs stated its generic was "AB"-rated and juxtaposed it next to "Coreg®":
- Expert Testimony.
- 2007 press release, prior to the reissue date, but remained on Teva's website throughout life of the RE 40,000 patent.

TEVA

- The "skinny label" carved out the CHF indication.
- GSK's testimony that "no difference in [his] prescribing habits from when Teva had its skinny label to after Teva amended" its label.
- Other sources.

Jerusalem, Israel, September 6, 2007 - Teva Pharmaceutical Industries Ltd. (Nasdaq: TEVA) announced today that the U.S. Food and Drug Administration (FDA) has granted final approval for the company's Abbreviated New Drug Application (ANDA) to market its Generic version of GlaxoSmithKline's cardiovascular agent Coreg® (Carvedilol) Tablets, 3.125 mg, 6.25 mg, 12.5 mg and 25 mg. Shipment of this product will begin immediately.

The brand product had annual sales of approximately $1.7 billion in the United States for the twelve months ended June 30, 2007, based on IMS sales data.

District Court Proceedings and Ruling

In 2014, GSK sued Teva in federal court (D. Del.) for induced infringement of the ’000 patent, and, after trial, a **jury found that Teva induced infringement** of the ’000 patent during each of the following periods:

I. **The “Skinny Label Period”** — From January 8, 2008 (‘000 patent issue date) through April 30, 2011 (last day before Teva amended its label).
II. **The “Full Label Period”** — Subsequent to Teva’s adding the CHF indication in 2011.

In June 2017, a seven-day jury trial resulted in a verdict of:

- willful infringement of the RE’000 patent both during partial and full label periods;
- no invalidity of the RE’000 patent; and
- an award to GSK of $234.1M in lost profits and $1.4M in reasonable royalty damages.

JMOL Decision Cont.
No induced infringement

Skinny Label Period (2007-2011)

- Held: Any off-label infringing use (CHF) by doctors during Teva's skinny label period was caused by factors unrelated to Teva.
- "Teva's skinny label did not instruct doctors to prescribe generic carvedilol for an off-label use, i.e., treatment of CHF."
- "Teva showed that once generic carvedilol entered the market in September 2007, and continuing beyond 2007, doctors continued prescribing carvedilol (be it Coreg® or a generic) in the same manner as they had prior to the generics' entrance, as they based their prescription decisions on the various factors . . .without relying on Teva's . . . label."
- "Teva correctly notes, no direct evidence was presented at trial that any doctor was ever induced to infringe the '000 patent by Teva's label (either skinny or full)."

Full Label Period (2011 on)

- Court: A reasonable factfinder could only have found that these **alternative, non-Teva factors** were what caused the doctors to prescribe generic carvedilol for an infringing use.
  - No substantial evidence that anything about doctors' behavior was induced to change by Teva's label, or by anything else Teva did (or failed to do).
- GSK presented evidence of Teva's full label and various marking materials (press release, product catalog, AB rating)
- Teva presented "substantial, unrebutted **evidence of multiple factors unrelated to Teva that actually caused doctors to infringe** the '000 patent."

CAFC Decision (October 2020)
Was JMOL properly granted?

- On October 2, 2020, CAFC issued a 2-1 opinion ***reversing*** district court's JMOL, thus reinstating jury verdicts finding induced infringement of the patented CHF use.*

- Majority (Judges Newman and Moore) held that the ***evidence was substantial enough*** to support jury's finding of induced infringement during the skinny label period (citing, *inter alia*, Teva's ***press releases and promotional materials*** referring to Teva's generic product as ***AB rated equivalent of Coreg® Tablets*** and the like) and, regarding the "full label period", ruled that the content of Teva's skinny label alone was sufficient to prove induced infringement

- Majority pointed out that precedent "makes clear that when the provider of an identical product knows of ***and markets*** the same product for intended direct infringing activity, the criteria of induced infringement are met." (emphasis added)

- In this case, there was "***ample record evidence of promotional materials, press releases, product catalogs, the FDA labels, and testimony of witnesses from both sides***, to support the jury verdict of inducement to infringe the designated claims for the period of the '000 reissue patent"

CAFC Decision (Dissenting Opinion)

- Dissenting opinion by Chief Judge Prost criticized majority for ***undermining the balance between incentivizing innovation and speeding introduction of generic drugs*** by "allowing a drug marketed for unpatented uses to give rise to liability for inducement and by permitting an award of patent damages where causation has not been shown." [1]

- With specific regard to the evidence, Chief Judge Prost pointed out the following:

- "Though circumstantial evidence may be sufficient evidence to prove inducement in some cases, this is not one of them. Beyond Teva's skinny label—which does not encourage doctors to practice the patented method—the only other evidence the Majority cites—i.e., press releases and product catalogs—are documents that do not describe the patented method, and for which little evidence, if any at all, even *hints* they were ever considered by doctors during the allegedly infringing period. The inferences required to reach a finding of inducement exceed the bounds of reason". [2]

- Focusing again on ***causation***, Chief Judge Prost concludes: "The district court got it right: no evidence established that Teva actually caused the doctors' infringement for either label".

- Chief Judge Prost also argued that the majority's opinion was contrary to Congressional intent by allowing "one patented method to discourage generics from marketing skinny labels—thus, slowing, rather than speeding, the introduction of low-cost generics." [3] [4]

1. GlaxoSmithKline LLC v. Teva Pharms. USA, Inc. (Teva II), Nos. 2018-1976, 2018-2023, slip op. Dissenting Opinion at 2 (Fed. Cir. Oct. 2, 2020).
2. Id. at 28.
3. Id at 3
4. "Teva only sold $74 million worth of carvedilol during the allegedly infringing period (mostly for unpatented uses) but now owes $234 million in damages for sales made for a single indication. This irony reflects the fact that Teva's product was dramatically less expensive—costing less than 4 cents per pill as compared with Coreg®'s price of at least $1.50 per pill." Id. at 33.

Request for Rehearing

- Teva requested rehearing *en banc,* arguing*:*
  - Congress created "carve-outs" so that narrow method patents cannot block generic drugs from being sold for noninfringing uses.
  - No induced infringement because Teva's actions had "no impact on physicians' prescribing behavior".
  - In view of the majority's opinion, "every generic on the market with a skinny label is at risk".
- GSK argued:
  - The present case "does not implicate the fate of section viii carve-outs".
  - Case is a "run-of-the-mill substantial evidence case, with no 'exceptional circumstances' justifying en banc review".
  - "Teva amended its label by removing some of the language regarding heart failure, but, critically, it ***left in*** the indication for post-MI LVD" (*i.e.,* a "partial label" according to GSK).
- Eight additional briefs filed by *amici curiae.*

Request for Rehearing

- In *per curiam* Order (Feb. 9, 2021), CAFC ***vacated*** the October 2020 opinion and ***ordered a panel rehearing limited to the following issue***:
  - Whether there is substantial evidence to support the jury's verdict of induced infringement during the time period from January 8, 2008 through April 30, 2011 (*i.e.*, the "Skinny Label Period").
- New round of oral arguments held February 23, 2021.

CAFC Decision (February 2021)

- Federal Circuit maintained that Teva is liable for induced infringement of GSK's patent on a specific method of use for Coreg.

- Majority opinion stressed that the case should be interpreted considering the specific facts of the case, and not as a change to the law of induced infringement.

- Judge Prost – Lengthy dissent.

Questions?

Contact Information

Patricia A. Carson, Ph.D.
patricia.carson@kirkland.com

Shana K. Cyr, Ph.D., Esq.
shana.cyr@bms.com

Sarah Hooson
sarah.hooson@merck.com

Chandrika Vira
cvira@sternekessler.com