Filed on behalf of: Par Pharmaceutical, Inc.

Entered: March 23, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PAR PHARMACEUTICAL, INC.
Petitioner

v.

NOVARTIS AG.
Patent Owner

Case IPR2016-00075
U.S. Patent No. 7,297,703

Before KAREN HILASKI, *Trial Paralegal*.

JOINT MOTION TO TERMINATE PROCEEDINGS PURSUANT TO 37 C.F.R. § 42.74

Pursuant to 37 C.F.R. § 42.74 and the Patent Trial and Appeal Board's March 9, 2016 email correspondence authorizing filing of the present motion, Petitioner Par Pharmaceutical, Inc. ("Petitioner") and Patent Owner Novartis AG ("Patent Owner") (collectively, "the Parties") jointly request termination of the *inter partes* reviews of U.S. Patent No. 7,741,338 ("'338 patent"), Case No. IPR2016-00074, and U.S. Patent No. 7,297,703 ("'703 patent"), Case No. IPR2016-00075, without prejudice to either party.

The Parties have resolved their dispute involving the '338 patent and the '703 patent in the related district court litigation. More specifically, the Parties have stipulated to dismiss, and the court has dismissed with prejudice, all claims, defenses, and counterclaims concerning the '338 patent and the '703 patent in the related district court litigation (*Novartis Pharm. Corp. et al. v. Par Pharm., Inc.*, Nos. 1:14-cv-1494-RGA, 1:15-cv-78-RGA (D. Del.). The resolution of the related district court litigation did not involve resolution of these related IPR proceedings. Petitioner will not further participate in these IPR proceedings (if instituted), even if they are not terminated.

I. RELATED PROCEEDINGS

The following related IPR proceedings involving the '338 patent and the '703 patent are currently before the Board:

U.S. Patent No.	IPR Case Number
7,741,338	IPR2016-00074
7,297,703	IPR2016-00075

The claims, defenses, and counterclaims concerning the ’338 patent and the ’703patent are no longer pending between Patent Owner and Petitioner in the related district court litigation identified below:

District Court Case
Novartis Pharm. Corp. et al. v. Par Pharm., Inc., No. 1:14-cv-1494-RGA (D. Del.)
Novartis Pharm. Corp. et al. v. Par Pharm., Inc., No. 1:15-cv-78-RGA (D. Del.)

Thus, there are no proceedings related to the ’338 patent and the ’703 patent between the Parties pending before the district court.

II. BRIEF EXPLANATION AS TO WHY TERMINATION IS APPROPRIATE

Termination of the present IPRs is appropriate as the Board has not yet instituted *inter partes* review and Petitioner will not further participate in these IPR proceedings, even if they are instituted.

Notably, no dispute remains between the Patent Owner and the Petitioner involving the ’338 patent and the ’703 patent:

i. the Parties have agreed to jointly request termination of the IPRs filed

concerning the ’338 patent and the ’703 patent; and

ii. all of the litigation between the Parties involving the same patents has been dismissed *with prejudice*.

Because the IPRs have not been instituted and are therefore at a very early stage, concluding these proceedings promotes the Congressional goal to establish a more efficient and streamlined patent system that, *inter alia*, limits unnecessary and counterproductive litigation costs. *See* “Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents,” Final Rule, 77 Fed. Reg. 48680 (Aug. 14, 2012). By permitting termination of IPR proceedings as to all Parties upon resolution of all disputes related to these patents, the PTAB provides certainty as to the outcome of these proceedings. Terminating IPRs upon resolution of disputes fosters an environment that promotes resolution or settlement, thereby creating a timely, cost-effective alternative to litigation.

In contrast, maintaining these proceedings (if they were to be instituted) in the absence of Petitioner would effectively pit the Patent Owner against the Board, a scenario never intended by the legislators who enacted the American Invents Act (AIA). In enacting the AIA, Congress did not intend that the PTAB would step into the shoes of the Petitioner or assume an *ex parte* examination role. Instead, The Leahy-Smith America Invents Act replaced *inter partes* reexamination with

review proceedings and entrusted such matters to the Board rather than the examining corps. Commenting on this significant change to USPTO practice, Senator Kyl noted that the new procedures were intended to be strictly adjudicative in nature, where "the petitioner, rather than the Office, bears the burden of showing unpatentability." 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011). As these changes were taken from the Senator's prior bill from the 110th Congress, S. 3600, he cited with approval his comments in support of that prior legislation:

> The bill uses an oppositional model, which is favored by PTO as allowing speedier adjudication of claims. Under a reexam system, the burden is always on PTO to show that a claim is not patentable. Every time that new information is presented, PTO must reassess whether its burden has been met. This model has proven unworkable in *inter partes* reexam, in which multiple parties can present information to PTO at various stages of the proceeding, and which system has experienced interminable delays. Under an oppositional system, by contrast, the burden is always on the petitioner to show that a claim is not patentable. Both parties present their evidence to the PTO, which then simply decides whether the petitioner has met his burden.

154 Cong. Rec. S9987 (daily ed. Sept. 27, 2008).

Senator Kyl's comments make clear that the new review proceedings were not intended to devolve into the prior "unworkable" system of reexamination in the event no petitioner was left. The Board's role was intended to be that of an

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