Filed: January 5, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MYLAN PHARMACEUTICALS INC.,
TEVA PHARMACEUTICALS USA, INC. and AKORN INC.,[1]
Petitioners,

v.

ALLERGAN, INC.,
Patent Owner.

Case IPR2016-01127 (US 8,685,930 B2)
Case IPR2016-01128 (US 8,629,111 B2)
Case IPR2016-01129 (US 8,642,556 B2)
Case IPR2016-01130 (US 8,633,162 B2)
Case IPR2016-01131 (US 8,648,048 B2)
Case IPR2016-01132 (US 9,248,191 B2)

PETITIONERS' SUPPLEMENTAL BRIEF ON LITIGATION WAIVER

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[1] Cases IPR2017-00576 and IPR2017-00594, IPR2017-00578 and IPR2017-00596, IPR2017-00579 and IPR2017-00598, IPR2017-00583 and IPR2017-00599, IPR2017-00585 and IPR2017-00600, and IPR2017-00586 and IPR2017-00601, have respectively been joined with the captioned proceedings. The word-for-word identical paper is filed in each proceeding identified in the caption pursuant to the Board's Scheduling Order (Paper 10).

The Tribe entered these proceedings demanding to be treated just like a state university, but now demands just the opposite. The "litigation waiver" principles applied in *LSI* and *Ericsson*, however, govern with equal force here. The Tribe affirmatively waived its sovereign immunity in the district court by joining in Allergan's infringement action against Mylan. *Allergan, Inc. v. Teva Pharm. USA, Inc.*, No. 2:15-cv-1455-WCB, 2017 WL 4619790, at *2, 5 (E.D. Tex. Oct. 16, 2017). Mylan objected to the Tribe's "gaming [of] the patent system" in its next brief. Paper 121 in IPR2016-1127, at 7 (citing *Vas-Cath, Inc. v. Curators of Univ. Mo.*, 473 F.3d 1376, 1383-85 (Fed. Cir. 2007)). The Board should apply the reasoning of *LSI* and *Ericsson* here and hold the Tribe has waived any immunity it may have enjoyed from IPR by joining Allergan's infringement action.

Although the scope of litigation waiver differs in some respects between states and tribes, the same "need to avoid unfairness and inconsistency, and to prevent a [sovereign] from selectively using its immunity to achieve a litigation advantage," *LSI* at 7, restricts tribal as well as state sovereign immunity. Federal courts routinely apply these principles to allow counterclaims inextricably linked to a tribe's claims. *See, e.g., Cayuga Indian Nation of N.Y. v. Seneca Cty.*, 260 F. Supp. 3d 290, 299-300 (W.D.N.Y. 2017); *Tohono O'Odham Nation v. Ducey*, 174 F. Supp. 3d 1194, 1203-07 (D. Ariz. 2016); *Oneida Tribe of Indians of Wis. v. Village of Hobart*, 500 F. Supp. 2d 1143, 1146-50 (E.D. Wis. 2007).

The Tribe argued in a Dec. 21 email to the Board that "the analysis begins and ends with" *Bodi v. Shingle Springs Band of Miwok Indians*, 832 F.3d 1011 (9th Cir. 2016). But *Bodi* involved the distinct issue of removal from state to federal court under 28 U.S.C. § 1441. The Ninth Circuit held that, although a state often waives immunity through removal, a tribe does not where it removes for the purpose of having a federal court decide the immunity issue. 832 F.3d at 1017-23. The court emphasized that the "unfairness" and "selective use" concerns that favor waiver of *state* immunity upon removal "cut the other way in the tribal immunity context," given the historic role of federal courts in protecting tribes from states. *Id.* at 1022. Neither *Bodi* nor any other federal Indian law decision justifies giving tribes "litigation advantages" denied to states under *LSI* and *Ericsson.*

The Tribe's Dec. 21 email also claims that *McClendon v. United States,* 885 F.2d 627 (9th Cir. 1989), bars *any* counterclaim against a tribe "as a matter of well-settled law." This argument also is incorrect. *McClendon* prevents counterclaims on "collateral disputes" but allows those "inextricably linked" to a tribe's claims. *Id.* at 631. IPR initiated by a litigation defendant is much more like the "mirror-image" counterclaims routinely allowed against tribes, *see* cases cited above, than an impermissible counterclaim raising a "collateral dispute."

To provide a complete record for judicial review, the Board should apply *LSI* and *Ericsson* in addition to all the other bases for denying the Tribe's motion.

Respectfully submitted,

Dated: January 5, 2018

/ Steven W. Parmelee /
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CERTIFICATE OF SERVICE

This is to certify that I caused to be served true and correct copies of the foregoing Petitioners' Supplemental Brief on Litigation Waiver on this 5th day of January, 2018, on Allergan, Inc. and the St. Regis Mohawk Tribe as follows:

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