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' OPPOSITION TO
PATENT OWNER'S MOTION TO WITHDRAW

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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).

I. PRECISE STATEMENT OF RELIEF

Allergan has moved to withdraw from these proceedings on the premise that it no longer owns the patents. The motion should be denied because it assumes erroneous facts and law and fails to justify the requested relief even with those assumptions.

II. ALLERGAN'S MOTION IS INEXTRICABLY TIED TO THE TRIBE'S MOTION TO DISMISS

Allergan asserts that it has assigned some rights in the patents to the Tribe while retaining other exclusive rights through a simultaneous license-back agreement. Based on that transaction, Allergan presumes that it no longer qualifies as a patent owner. That ownership question, however, is a fundamental dispute that has been extensively briefed in connection with the Tribe's pending Motion to Dismiss. The Board should not consider Allergan's Motion to Withdraw before deciding the Tribe's Motion to Dismiss.

Allergan also identifies no prejudice that it would suffer from the Board denying or at least deferring its motion. In contrast, granting Allergan's motion would prejudice Petitioners as an apparent prejudgment of the ownership question. To the extent that Allergan has simply attained another round of briefing on the issue of ownership, Petitioners' response has not changed: for all of the reasons Petitioners and amici have previously provided, Allergan's purported "assignment"

to the Tribe is a sham and did not abrogate Allergan's status as a patent owner under the law.

III. IN ANY EVENT, ALLERGAN IS AT LEAST A JOINT OWNER

Even Allergan admits it has substantial, valuable, exclusive rights in the patents. Motions at 4 (exclusive license for all FDA-approved uses with exclusive right to commercialize Licensed Products). Allergan's agreements provide that Allergan controls the defense in these IPRs with the Tribe only involved to the extent Allergan permits. EX2087, §5.3 ("Allergan shall retain control of the defense in such claim, suit, or proceeding"). Allergan's Statement of Facts concedes that Allergan remains a real party-in-interest even after the "assignment." Motions at 2. Allergan has not shown that its alleged partial interest is insufficient for it to be an owner of the patents.

To the contrary, the Patent Code provides that parties may be joint owners even though they have allocated rights to make, use or sell among themselves. 35 U.S.C. 262 (permitting agreements allocating rights between joint owners); *see also* 37 CFR §42.9(b) (granting the Board latitude in administering cases with partial owners and placing burden on co-owner seeking to act exclusively). Whatever labels Allergan and the Tribe have used for themselves in their agreements, their disposition of rights is consistent with Allergan still being a joint

owner under §262. Allergan has not addressed the proper legal standard, much less rebutted it.

IV. ALLERGAN HAS NOT DEMONSTRATED A LACK OF STANDING

Allergan has also failed to show it lacks standing. Allergan cites 35 U.S.C. 311-319 and 37 C.F.R. §§42.8, 42.9, 42.101, 42.107, and 42.120 to establish that only Petitioners and patent owners are "authorized to take any actions in IPRs." Motions at 4. But Allergan has already taken all owner actions authorized under these sections. Allergan identifies no statute that would be violated by it remaining in these IPRs.

Moreover, Allergan's narrow interpretation of the term "parties" is incorrect. As the Board recently explained, "Party" is a defined term. Paper 124, citing §42.2. The definition includes "at least" the patent owner and the petitioner, expressly rejecting Allergan's arbitrarily narrow definition of IPR "standing". Allergan never addresses the rule, instead presupposing that only petitioners and patent owners of an undivided interest in patents may participate in IPR proceedings. This assumption ignores, for example, the statutory obligations relating to real parties-in-interest and privies. *See* 35 U.S.C. 315; 37 CFR §42.8(b)(1). If Allergan truly lacked administrative standing to participate, it is unclear how Allergan could file its motion in these IPRs in the first place. Allergan has not justified the relief it seeks. *See* 37 C.F.R. §42.20(c).

V. ALLERGAN'S WITHDRAWAL JUSTIFIES ADVERSE JUDGMENT

As Petitioners noted when Allergan first asked to withdraw, doing so would constitute abandonment of the IPRs (EX1137, 42-43), a point Allergan has not denied. A patent owner may request adverse judgment, and the Board construes abandoning the case as such a request. §42.73(b)(4). By its deal with the Tribe, and by this motion, Allergan continues its efforts to extricate itself from these IPRs in a way designed to prevent a decision on the merits.

The Board has dealt with similar behavior before. In *Microsoft Corp. v. Global Techs., Inc.*, IPR2016-00669, Paper No. 35 (2017), the Board dealt with a patent ownership that had broken down leaving no one to defend the patent; it construed the situation as an abandonment and entered adverse judgment. In *Shire Dev. LLC v. Lucerne Biosciences, LLC*, IPR2014-00739, Paper No. 33 (2015), the Board entered adverse judgment where a patent owner was gaming the system by refusing to comply with rules and orders; again, the Board construed the behavior as an abandonment of the contest.

While the manner in which a party tries to avoid judgment may vary, the underlying problem of gaming the Board's ability to act on the merits is the same. Allergan and the Tribe have been remarkably candid about their intent to deprive the Board of its jurisdiction. *E.g.*, EX2087, §§5.3, 7.2.8, 7.2.12,10.8.9 (granting Allergan control over IPR proceedings and prohibiting Tribe from waiving

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