IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

ALLERGAN, INC.,

Plaintiff,

v.

TEVA PHARMACEUTICALS USA, INC., et al.,

Defendants.

Civil Action No. 2:15-cv-1455 WCB LEAD

JURY TRIAL DEMANDED

RESPONSE TO DOCKET NO. 377

The Court's July 25 Order (Dkt. 377) directed the parties to identify "individual patent claim(s)—of the unselected 144 claims—that they believe present unique limitations as to infringement and invalidity." (Dkt. 377 at 2.) With the Court's additional guidance from that Order, Allergan now appreciates that the Court understood Allergan to have chosen "representative" claims in the claim narrowing process. With that additional guidance, Allergan's position is that the thirteen selected claims[1] should be ordered to be representative of the four asserted patents from which the claims originate, the '111 patent, the '048 patent, the '930 patent, and the '191 patent. Thus, resolution of infringement and validity issues on these thirteen claims should resolve those issues as to all claims from the four asserted patents, and there would be no additional issues of infringement and validity to be tried.[2]

Allergan narrowed its case to thirteen claims in response to the Court's urging and Defendants' motion to limit the number of asserted claims. (D.I. 238; Claim Construction Hr'g Tr. (Aug. 26, 2016) at 118:3-120:10.) In doing so, Allergan emphasized the due process concerns associated with forced claim reduction, particularly given the unique posture of Hatch-Waxman cases. (*See* D.I. 246 at 5, 6.) Allegan noted that each patent claim is a separate and independent property right, *Honeywell Int'l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131, 1148 (Fed. Cir. 2004), and, as the Supreme Court has repeatedly held, a patent claim cannot be taken from a patentee without due process, *Florida Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 642 (1999). (*Id.* at 5.) Based on these principles, Allergan stated

[1] The thirteen asserted claims are as follows: claims 26 and 27 of U.S. Patent No. 8,629,111; claims 1, 11, 13, 14, and 23 of U.S. Patent No. 8,648,048; claim 35 of U.S. Patent No. 8,685,930; and claims 13, 16, 22, 26, and 27 of U.S. Patent No. 9,248,191.

[2] If the Court orders the claims to be representative, Allergan is prepared to grant Defendants a covenant not to sue on the two unasserted patents—the '162 patent and the '556 patent—with respect to the ANDAs at issue in this case.

that, although the Court can order a patentee to reduce the number of claims for efficiency purposes, "the patentee must be permitted to bring another suit on the unasserted claims." (*Id.* at 5; *see also* Dkt. 261 at 4 ("If Allergan loses on a reduced set of claims in a first trial, a generic company may be able to launch its product before Allergan can file a second suit on its unselected claims.").) In their reply, Defendants ***agreed*** with Allergan's understanding:

> Allergan cites *Alexsam*, where the Court found that when a plaintiff voluntarily withdrew certain claims, which were not presented to the jury at trial, the defendant was not entitled to judgment as a matter of law on those claims. *Alexsam, Inc. v. The Gap, Inc.*, No. 2:13-cv-0004, Dkt. No. 276, slip op, at *2 (E.D. Tex. May 12, 2014). This is as unsurprising as it is irrelevant to the current motion. ***Ordering Allergan to reduce its asserted claims to a reasonable amount has no effect on its unasserted claims.***

(Dkt. 253 at 3 (emphasis added).)

While briefing on this issue was ongoing, the Court held a telephonic hearing on January 11, 2017 to address other pending motions. During the hearing, the Court again urged Allergan to promptly reduce the number of asserted claims.[3] In response, Allergan proposed a staged reduction in claims, whereby it would reduce the number of asserted claims to no more than 25 claims within one week after Defendants served their final contentions, and then to no more than 15 claims within two weeks of the close of expert discovery. (Dkt. 261 at 3-4.) Allergan reiterated its due process concerns and again emphasized that, although the value of its unselected claims would be eroded by a generic launch, it still retained the ability to assert the unselected claims against Defendants in a second action. (Dkt. 261 at 4.)

The Court ultimately denied Defendants' motion and adopted the proposed staged reduction. (*See* Dkt. 265.) Allergan reduced its asserted claims accordingly. This issue is back

[3] Due to a technical malfunction, a transcript of the telephonic hearing is not available. (*See* Minute Entry from 1/1/17 Motion Hearing.)

before the Court, however, because Defendants apparently now demand resolution with respect to all unselected claims. Defendants' new position is in direct contravention to what they represented to Allergan and the Court—namely, that the reduction of asserted claims would have "no effect on [Allergan's] unasserted claims." (Dkt. 253 at 3.)

Nonetheless, Allergan understands the Court's view on the representative nature of the claims selected. Allergan thus agrees that the thirteen claims should be ordered to be "representative" of the four asserted patents from which the claims originate—meaning that the resolution of questions of infringement and invalidity with respect to the thirteen claims will extend to all unselected claims from the four asserted patents. The Federal Circuit has previously affirmed such a procedure—where the district court extended its finding that representative claims were valid and infringed to all unselected claims—stating that the district court's decision was "clearly and unequivocally devoid of error." *Panduit Corp. v. Dennison Mfg. Co., Inc.*, 836 F.2d 1329, 1331 (Fed. Cir. 1987). If the claims are ordered to be representative, then, consistent with the Court's request in Docket No. 377, there are no additional issues of infringement and validity to be tried.

Dated: July 28, 2017

Respectfully submitted,

FISH & RICHARDSON P.C.

By: */s/ Joseph A. Herriges*

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