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**FILED**  
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FEB 17 2010  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
JSW  
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7 Attorneys for Plaintiffs  
GLAXO GROUP LIMITED and  
8 GLAXOSMITHKLINE LLC

9 UNITED STATES DISTRICT COURT  
10 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
11 SAN FRANCISCO DIVISION

**JSW**  
**675**

12 GLAXO GROUP LIMITED and  
GLAXOSMITHKLINE LLC,

Case No.:

**COMPLAINT FOR DECLARATORY  
JUDGMENT OF INVALIDITY,  
UNENFORCEABILITY, AND  
NONINFRINGEMENT**

13 Plaintiffs,

14 vs.

15 GENENTECH, INC., and CITY OF HOPE,

16 Defendants.

17  
18 Plaintiffs Glaxo Group Limited and GlaxoSmithKline LLC (collectively, "GSK"), for their  
19 Complaint against Genentech, Inc. and City of Hope (collectively, "Defendants"), allege as follows:

20 **NATURE OF THE CASE**

21 1. GSK seeks a declaration that U.S. Patent 6,331,415 titled "Methods of Producing  
22 Immunoglobulins, Vectors and Transformed Host Cells for Use Therein" (the "Cabilly II patent"  
23 attached as Exhibit A), including the *Ex Parte* Reexamination Certificate issued pursuant to  
24 Reexamination Nos. 90/007,542 and 90/007,859 (attached as Exhibit B), is invalid, unenforceable,  
25 and not infringed by the manufacture, use, sale, offer to sell, or importation of GSK's ofatumumab  
26 (Arzerra™) antibody product.

27 2. GSK recently began marketing and selling Arzerra™ in the United States for the  
28 treatment of patients whose chronic lymphocytic leukemia ("CLL") is refractory to previous

1 therapies (fludarabine and alemtuzumab). GSK brings this action to lift the cloud created by the  
2 imminent threat of Defendants' enforcement of the Cabilly II patent against GSK. Without  
3 declaratory relief, the threat of enforcement of the Cabilly II patent poses a substantial risk of injury  
4 to GSK as well as the patients, nurses, and doctors now using Arzerra™ for treatment. The  
5 continued existence and enforcement of this invalid and unenforceable patent impedes not only the  
6 development and sale of Arzerra™, but also the development and sale of other life-saving  
7 recombinant antibody products.

8 3. Defendants have asserted that the Cabilly II patent broadly covers the use of certain  
9 well-known, conventional recombinant methods to produce any antibody product in any type of host  
10 cell. Defendants have filed infringement claims under the Cabilly II patent against companies who  
11 have made and sold antibody products that were produced using recombinant methods similar to the  
12 recombinant methods used by GSK to make Arzerra™. Defendant Genentech, Inc. has specifically  
13 identified GSK's Arzerra™ antibody product as a potential competitor to one of Genentech's own  
14 products, and has stated that it expects to be involved in future litigation relating to the enforcement  
15 of the Cabilly II patent. During GSK's dealings with Genentech, Genentech has repeatedly taken the  
16 position that GSK requires a license under the Cabilly II patent to make and sell a variety of different  
17 antibody products, including products produced by the same or similar process as Arzerra™. As  
18 recently as the Fall of 2008, after GSK acquired rights to Arzerra™, counsel for Genentech inquired  
19 what GSK would do about the Cabilly II patent. Given Defendants' past acts and statements and  
20 GSK's sale of Arzerra™ in the United States, a real, immediate, and substantial dispute exists  
21 between the parties concerning the Cabilly II patent for which GSK now seeks declaratory relief.

#### 22 THE PARTIES

23 4. Plaintiff Glaxo Group Limited d/b/a GlaxoSmithKline is an English corporation  
24 having a principal place of business at Glaxo Wellcome House, Berkley Avenue, Greenford,  
25 Middlesex, UB6 0NN, United Kingdom.

26 5. Plaintiff GlaxoSmithKline LLC is a Delaware limited liability company having a  
27 principal place of business at One Franklin Plaza, Philadelphia, Pennsylvania, 19102.

28

1 6. Defendant Genentech, Inc. ("Genentech") is a Delaware corporation having its  
2 principal place of business in South San Francisco, California.

3 7. City of Hope is a California not-for-profit organization having its principal place of  
4 business in Duarte, California. On information and belief, City of Hope has a place of business in  
5 this District at 55 Hawthorne Street, Suite 450, San Francisco, California, 94105.

6 8. On information and belief, Genentech and City of Hope are co-assignees of the  
7 Cabilly II patent.

#### 8 JURISDICTION AND VENUE

9 9. This action arises under the Declaratory Judgment Act of 1934 (28 U.S.C. §§ 2201-  
10 2201), Title 28 of the United States Code, for the purposes of determining an actual and justiciable  
11 controversy between the parties, and the patent laws of the United States, Title 35 of the United  
12 States Code. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a)  
13 (2006).

14 10. This Court has personal jurisdiction over Genentech based on its principal place of  
15 business in California. This Court has personal jurisdiction over City of Hope based on its  
16 organization under the laws of the State of California and because its principal place of operation is  
17 in California.

18 11. Venue is proper in this District pursuant to 28 U.S.C. § 1391 (2006) because both  
19 Defendants reside in this District and a substantial part of the events or omissions giving rise to the  
20 claims occurred in this District.

#### 21 INTRADISTRICT ASSIGNMENT

22 12. A substantial part of the events or omissions giving rise to the claims occurred in the  
23 San Francisco Division.

#### 24 THE CABILLY PATENTS

25 13. On April 8, 1983, Shmuel Cabilly, Herbert Heyneker, William Holmes, Arthur Riggs,  
26 and Ronald Wetzel (the "Cabilly Applicants") filed a patent application in the United States Patent  
27 and Trademark Office ("PTO") that issued on March 28, 1989, as U.S. Patent 4,816,567 (the  
28 "Cabilly I patent"). The Cabilly Applicants assigned their rights to Genentech and the City of Hope.



1 ***Patent Interference***

2 14. At the time the Cabilly I patent issued, the Cabilly Applicants had a continuation  
3 application (the “Cabilly II application”) pending in the PTO. The Cabilly Applicants copied claims  
4 from U.S. Patent 4,816,397 (the “Boss patent”) in order to provoke the PTO Board of Patent Appeals  
5 and Interferences to initiate an interference proceeding to determine whether the Boss patentees or  
6 the Cabilly Applicants were entitled to priority for the inventions claimed in the Boss patent.

7 15. In February 1991, the PTO Board declared a patent interference between the pending  
8 Cabilly II application and the Boss patent on the ground that both the Boss patentees and the Cabilly  
9 Applicants claimed the same purported invention. After seven years of adversarial proceedings in  
10 the PTO, in August 1998, the PTO Board found that the Boss patentees were entitled to priority over  
11 the Cabilly Applicants. *See Cabilly v. Boss*, 55 U.S.P.Q.2d 1238 (B.P.A.I. 1998). The PTO Board  
12 concluded that the Cabilly Applicants had failed to establish conception or reduction to practice of  
13 the claimed inventions prior to March 25, 1983 – the filing date of the Boss patent. According to the  
14 PTO Board, “there is no evidence that immunoglobulins, multiple chain proteins, had been produced  
15 by recombinant DNA techniques from a single host cell prior to March 25, 1983.” Moreover, “the  
16 evidence indicates that Cabilly et al. had but a **hope or wish to produce active antibodies in**  
17 **bacteria**; and, there is no supporting evidence to establish the development of the means to  
18 accomplish that result or evidence of a disclosure to a third party of complete conception.”  
19 (emphasis added). The Final Decision therefore indicated that the Cabilly Applicants were “not  
20 entitled to a patent.”

21 16. In October 1998, Genentech filed an action in this District under 35 U.S.C. § 146  
22 against the owner of the Boss patent, Celltech Therapeutics Ltd. (“Celltech”), to appeal the decision  
23 of the PTO Board awarding priority to the Boss patent. *Genentech, Inc. v. Celltech Therapeutics*  
24 *Ltd.*, Case No. C98-3926 (N.D. Cal.). In March 2001, the parties to that action filed a notice of  
25 settlement and joint request for entry of settlement instruments. As part of their settlement  
26 agreement, the parties asked the district court to find that, contrary to the PTO Board’s prior  
27 decision, Genentech’s Cabilly Applicants were entitled to priority. On information and belief, as  
28 part of the Genentech-Celltech agreement, Celltech obtained certain rights relating to the Cabilly II

1 patent as well as certain payments from Genentech in exchange for its agreement to stipulate that the  
2 Cabilly Applicants were entitled to priority for the inventions claimed in the Boss patent. The  
3 precise terms of the settlement agreement are confidential and, despite reasonable inquiry, unknown  
4 to GSK.

5 17. Notably, the Boss patent would have expired by 2006. By obtaining Celltech's  
6 stipulation to priority of invention for the claimed subject matter of the Boss patent, GSK is  
7 informed and believes that Genentech sought to extend the life of patent protection for the inventions  
8 claimed in the Boss patent beyond the expiration date of the Boss patent.

9 18. Pursuant to the Genentech-Celltech agreement, the district court issued an order  
10 directing the PTO to vacate its determination that the Boss applicants were entitled to priority, to  
11 revoke the Boss patent, and to issue a patent to the Cabilly Applicants claiming the same subject  
12 matter as the Boss patent. The Cabilly II patent issued on December 18, 2001, and on its face is  
13 assigned to Genentech, and, by certificate of correction, is also assigned to City of Hope.

14 19. If the PTO Board's decision in favor of the Boss patent had not been reversed as a  
15 result of the private Genentech-Celltech agreement, the Boss patent would have expired in 2006, and  
16 the public would thereafter have been free to use the inventions claimed in the Cabilly II patent.  
17 Instead, because Genentech and Celltech agreed to request that the court reverse that result,  
18 Defendants received the Cabilly II patent, which will not expire until 2018. Consequently, due to  
19 the private Genentech-Celltech agreement, Defendants have ostensibly extended their power to  
20 exclude others from making, using, or selling the inventions claimed in the Boss and Cabilly II  
21 patent until 2018 – more than 35 years after their original 1983 patent application, and more than 12  
22 years after the expiration of the Boss patent. The combined period of patent exclusivity secured by  
23 Defendants for the Cabilly I and Cabilly II patents, which share the same patent specification, is 29  
24 years.

25 20. In 2008 alone, according to Genentech's 2009 Form 10-K filing, Defendants received  
26 \$298 million in royalties on the Cabilly II patent. In short, two years after the original expiration  
27 date of the Boss patent, Genentech is receiving nearly \$300 million in annual royalties on the  
28 inventions claimed in the Boss patent.

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