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

PLAINTIFF'S RESPONSE TO DEFENDANTS' NOTICE REGARDING DOCUMENT PRODUCTION ACCORDING TO THE COURT'S OCTOBER 6, 2017 ORDER

Defendants have repeatedly asserted that Allergan's assignment of the patents-in-suit to the Saint Regis Mohawk Tribe ("Tribe") and receipt of a field-limited exclusive license back is a "sham," but have provided absolutely no basis as to why in any of its communications to this Court or to Allergan. In an effort not to further burden the Court on these issues, Allergan has been trying to gain Defendants' consent to add the Tribe as a party to this suit. This past Thursday, Defendants finally stated that they oppose joining the Tribe as a party but, to date, have not clarified why. Defendants' unsolicited October 6 filing (Dkt. 504), which propounds a list of discovery requests as to the assignment and license between Allergan and the Tribe, goes well beyond what the Court ordered Allergan to produce (Dkt. 503) and is an improper fishing expedition. Allergan will produce the materials that the Court has ordered—most of which Defendants already have—but Defendants' additional discovery requests should be denied.

I. FACTUAL BACKGROUND

On September 8, 2017, Allergan assigned the patents-in-suit to the Tribe and received a field-limited exclusive license to those patents back from the Tribe. On that same day, Allergan

notified the Court of the transactions (Dkt. 479) and informed the Court that, although the transaction would have no impact on the litigation, it expected to join the Tribe as a plaintiff in due course. Allergan also produced *all* agreements between Allergan and the Tribe—including both the assignment agreement and the license agreement relevant here—to the Defendants on that same day.

After the parties filed their respective findings of fact and conclusions of law, Allergan sought Defendants' consent to join the Tribe as a co-plaintiff under Fed. R. Civ. P. 25(c), confirming to Defendants that the Tribe would not assert sovereign immunity in this case. In response, Defendants initially stated that they believed addition of the Tribe was unnecessary under Fed. R. Civ. P. 25(c), but could not determine their position on Allergan's request absent seeing a draft motion. After further discussion, Allergan provided a draft motion, which prompted a meet and confer between the parties on Thursday, October 5. On that call, Defendants notified Allergan that Defendants would oppose a motion to join the Tribe under Rule 25(c) because they allegedly could not determine whether or not the transaction was a "sham." Defendants provided no authority or specific basis for their allegations that the assignment and license transactions, which agreements they've had for a month, are a "sham." On the call, Defendants also did not raise the specific document requests that they now put before this Court, in violation of Local Rule CV-7(h).

Upon learning of Defendants' opposition to a straight-forward joinder motion late last week, Allergan intended to file an opposed motion to join the Tribe as a co-plaintiff, and will do so by the October 13 deadline that the Court has set for the parties to file their briefs addressing the issue of whether the Tribe should be joined. Allergan will also produce all the materials identified in the Court's October 6 Order by October 10, and produce to the Court

contemporaneously with this filing the assignment and license documents already provided to Defendants. (*See* Exs. A-D.)

II. ARGUMENT

Under the agreements between Allergan and the Tribe, there is no question, and Defendants have raised none, that Allergan assigned the patents-in-suit to the Tribe (Exs. A and B (Short and Long Form Assignment Agreements) and received back a limited, exclusive field-of-use license for FDA-approved uses of Restasis® in the United States. (Ex. C (License Agreement) at § 2.1.) The Tribe, in turn, retained enforcement rights and rights to practice the patents in all other fields, and ongoing royalties for Allergan's use in its exclusive field, as well as other rights in the patents-in-suit. (*See* Ex. C at §§ 2.4, 4.2, 5.2.2, 5.2.3, 5.2.5.) Moreover, the Tribe has a legitimate monetary interest in the validity of the patents, which, through Allergan's ongoing royalties (*id.* at § 4.2), will provide a substantial and much-needed revenue stream to the Tribe. *See* Patent Owner's Motion to Dismiss for Lack of Jurisdiction Based on Tribal Sovereign Immunity, IPR2016-01128, Paper No. 81, at 18-19 (filed Sept. 22, 2017).

This transaction between Allergan and the Tribe makes the Tribe a proper party to this case, eligible to be joined under Fed. R. Civ. P. 25(c). *See Eastman Chem. Co. v. Alphapet Inc.*, 2011 WL 13054223, at *3 (D. Del. Dec. 9, 2011); *Inline Connection Corp. v. Verizon Internet Servs., Inc.*, 2016 WL 5532598, at *4 (D. Del. Sept. 28, 2016). The Tribe now owns substantial rights in the patents-in-suit, and Allergan does not meet the standard of a "virtual assignee" that owns "all substantial rights." *See A123 Sys., Inc. v. Hydro-Quebec*, 626 F.3d 1213, 1217-18 (Fed. Cir. 2010).

In the face of this transaction, Defendants assert that Allergan's assignment of the patents-in-suit to the Tribe is a "sham," but have provided no authority or other basis to support this assertion. While the motivation for Defendants' assertion is clear enough—they would like

to defeat any Tribal assertion of sovereign immunity at the PTAB, where that issue is being litigated—its relevance to this case is tenuous at best. As Allergan already informed Defendants by e-mail on September 15, the Tribe will not be asserting sovereign immunity in this case. (*See also* Ex. C at § 5.2.2 (providing that the Tribe "shall not assert its sovereign immunity as to any claim, counter-claim or affirmative defense in the E.D. Texas Litigations").)

Accordingly, there is no sovereign immunity to defeat in this proceeding, and whether or not the Tribe should be joined is governed by Rule 25(c). That Rule provides that, in the event of an ownership transfer, "the action may be continued by or against the original party, unless the court upon motion directs the person to whom the interest is transferred to be substituted in the action or joined with the original party." In this case, the interest has, in fact, been transferred to the Tribe, so the only issue for the Court to address is whether joinder is appropriate. Additional discovery will not change the fact that the transfer has occurred. *See Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. De C.V.*, 247 F. Supp. 3d 76 (D.D.C. 2017) (denying request for additional discovery on a Rule 25(c) motion where the evidence of transfer was not contested).

Moreover, while loudly proclaiming that the transaction between Allergan and the Tribe is a "sham," Defendants have failed to provide any reason why there is anything wrong with the transaction. The Tribe's assertion of sovereign immunity at the PTAB does not shield the patents from validity challenge here. Allergan and the Tribe understand full well that this Court will still enter a judgment as to the validity of the patents, and nothing about the assignment alters that in any way. (*See, e.g.*, Ex. C at § 5.2.2.)

Defendants' filing is an improper fishing expedition, and Defendants have provided no reason why any of the information it seeks is relevant to this case. Allergan will produce the

materials requested in the Court's October 6 Order by the October 10 deadline, but there is no need for the Court to require any additional discovery beyond that.

Dated: October 9, 2017

Respectfully submitted,

FISH & RICHARDSON P.C.

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