EXHIBIT 79

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

JUNO THERAPEUTICS, INC., MEMORIAL SLOAN KETTERING CANCER CENTER, and SLOAN KETTERING INSTITUTE FOR CANCER RESEARCH,

Plaintiffs,

v.

KITE PHARMA, INC.,

Defendant.

Case No. 2:17-cv-07639-SJO

DECLARATION OF RYAN SULLIVAN, PH.D.

I. Introduction

1. On December 13, 2019, the jury for the above-referenced matter entered a verdict finding Kite Pharma, Inc. ("Kite" or "Defendant") liable for willfully infringing U.S. Patent No. 7,446,190 ("the '190 patent") and awarded damages to Juno Therapeutics, Inc. ("Juno") and Sloan Kettering Institute for Cancer Research ("Sloan Kettering" or "SKI") (Juno and SKI collectively "Plaintiffs") in the form of an upfront payment of $585 million and a running royalty of 27.6% of Yescarta revenues through trial.[1]

2. I have been asked to provide calculations of potential prejudgment interest on damages awarded as well as provide an economic analysis pertaining to a potential ongoing royalty.

II. Prejudgment Interest

3. I understand that Plaintiffs may be entitled to prejudgment interest on damages awarded by the jury. Prejudgment interest is often calculated at the commercial lending rate used by banks for loans to creditworthy customers. The best measure of this interest rate is the U.S. bank loan Prime Rate, which is the reference or base rate that banks use to set the price or interest rate on many of their commercial loans.[2]

4. I have calculated prejudgment interest through December 31, 2019 using the Prime Rate compounded quarterly based on the timing of Yescarta sales occurring through December 12, 2019. I use the Bank Prime Loan Rate provided by the St. Louis Federal Reserve, which varies

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[1] Exhibit A: Jury Verdict Form, 12/13/2019, at 4.

[2] Exhibit B: Federal Reserve Website, FAQs, What is the Prime Rate, and does the Federal Reserve Set the Prime Rate, https://www.federalreserve.gov/faqs/credit_12846.htm (accessed 1/20/2020). ("The prime rate is an interest rate determined by individual banks. It is often used as a reference rate (also called the base rate) for many types of loans, including loans to small businesses and credit card loans.")

Exhibit C: Investopedia Website, Prime Rate, https://www.investopedia.com/terms/p/primerate.asp (accessed 1/20/2020). ("The prime rate (prime) is the interest rate that commercial banks charge their most creditworthy customers, generally large corporations. The prime interest rate, or prime lending rate, is largely determined by the federal funds rate, which is the overnight rate that banks use to lend to one another. Prime forms the basis of or starting point for most other interest rates—including rates for mortgages, small business loans, or personal loans—even though prime might not be specifically cited as a component of the rate ultimately charged.")

between 4.25% and 5.5% from October 2017 through December 2019. See Appendix A-6. I use a midpoint convention for calculating interest on damages in which interest begins to accrue beginning at the midpoint of the quarter. Use of a midpoint convention is a common approach that accounts for the realization of sales revenue throughout the quarter. With this approach, total prejudgment interest through December 31, 2019 using the Prime Rate is approximately [redacted]. See Appendix A-3.

5. I have also been asked to provide ongoing daily interest that would accrue beginning January 1, 2020 using the Prime Rate as of December 2019, which I have calculated to be [redacted]. See Appendix A-4.

6. These results are summarized in Table 1.

Table 1: Prejudgment Interest on Damages

Rate	Prejudgment Interest through December 31, 2019	Daily Interest as of January 1, 2020
Prime Rate	[redacted]	[redacted]

III. Ongoing Royalty

7. I have been asked to consider a potential ongoing royalty calculated as a 20% increase over the running royalty rate awarded by the jury from the perspective of a post-verdict hypothetical negotiation. The resulting ongoing royalty rate after a 20% increase is 33.1%, which would be applied to net sales of Yescarta from December 13, 2019 onwards. See Appendix B-1.

8. In my opinion, a post-verdict ongoing royalty rate of 33.1% applied to revenues for Yescarta and other Kite-Gilead therapies using the same CAR as used in Yescarta (even if given a different brand name) would be agreeable to both sides in a post-verdict hypothetical negotiation for at least three reasons. First, there have been changes in the economic circumstances since the

time of Yescarta's launch and the hypothetical negotiation.[3] For instance, competition between Kite and Juno has increased and become more certain since the hypothetical negotiation.[4] For example, Bristol-Myers Squibb (BMS) announced on December 18, 2019 that it had submitted to the FDA the BLA for liso-cel (JCAR017) for relapsed/refractory (r/r) large B-cell non-Hodgkin lymphoma (NHL), including DLBCL,[5] solidifying Juno's intention and expectation to directly compete with Kite and Yescarta, which is also approved for r/r B-cell NHL indications, including DLBCL.

9. As another example of the increased competition between the parties since the October 2017 hypothetical negotiation, Gilead announced on December 11, 2019 that Kite had submitted the BLA for its second CAR-T therapy, KTE-X19, for the treatment of adult patients with r/r mantle cell lymphoma (MCL), further increasing Kite's competitive presence in the CAR-T marketplace.[6] Juno is testing JCAR017 for MCL patients as a separate cohort as part of its TRANSCEND trial, and as such would expect to compete with Kite in the MCL CAR-T marketplace.[7] Moreover, like Yescarta, KTE-X19 also utilizes the infringing '190 patent CAR-T

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[3] Exhibit D: Sidak, J. Gregory (2016), "Ongoing Royalties for Patent Infringement," *Texas Intellectual Property Law Journal* 24:161–213, at 192–193.

[4] Exhibit D: Sidak, J. Gregory (2016), "Ongoing Royalties for Patent Infringement," *Texas Intellectual Property Law Journal* 24:161–213, at 197–198. ("Changes in the commercial relationship between the patent holder and the infringer after the time of first infringement can also affect the patent holder's minimum willingness to accept. . . . [I]f competition between the patent holder and the infringer increased between the time of first infringement and the time of final judgment, then the patent holder's minimum willingness to accept in a hypothetical negotiation for an ongoing royalty will exceed its minimum willingness to accept in a hypothetical negotiation for the reasonable royalty for past infringement.")

[5] Exhibit E: Bristol-Myers Squibb Press Release, "Bristol-Myers Squibb Announces Submission of Biologics License Application for CAR T-Cell Therapy Lisocabtagene Maraleucel (liso-cel) to FDA," 12/18/2019, https://news.bms.com/press-release/corporatefinancial-news/bristol-myers-squibb-announces-submission-biologics-license-ap.

[6] Exhibit F: Gilead Press Release, "Kite Submits Biologics License Application to U.S. Food and Drug Administration for Company's Second CAR T Cell Therapy," 12/11/2019, https://www.gilead.com/news-and-press/press-room/press-releases/2019/12/kite-submits-biologics-license-application-to-us-food-and-drug-administration-for-companys-second-car-t-cell-therapy.

[7] Exhibit G: ClinicalTrials.gov, "Study Evaluating the Safety and Pharmacokinetics of JCAR017 in B-cell Non-Hodgkin Lymphoma (TRANSCEND-NHL-001)," https://clinicaltrials.gov/ct2/show/NCT02631044 (accessed 1/17/2020).

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