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Generic Found to Infringe Valid Patent Claims Covering Helsinn's Aloxi® Product

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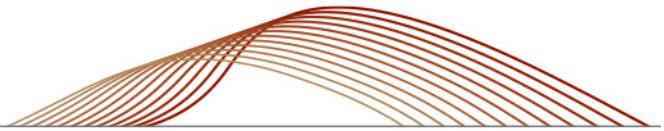
On February 14, 2017, the District of New Jersey (Cooper, J.) ruled in favor of Plaintiff Helsinn Healthcare S.A. ("Helsinn"), finding that certain claims of U.S. Patent Nos. 7,947,724 ("the '724 patent"), 8,729,094 ("the '094 patent"), and 9,066,980 ("the '980 patent") (collectively, "the patents-in-suit") were infringed and that none of the challenged claims of the '094 and '980 patents were invalid. *Helsinn Healthcare S.A. v. Dr. Reddy's Labs., Ltd., et al.*, C.A. No. 12-2867-MLC, slip op. at 3 (D.N.J. Feb. 14, 2017).

Helsinn brought this action against Defendants Dr. Reddy's Laboratories, Ltd. and Dr. Reddy's Laboratories, Inc. (collectively "DRL") based on the submission of New Drug Application No. 203050 under 21 U.S.C. § 505(b)(2) ("Paper NDA") seeking approval to market an antiemetic palonosetron product ("DRL's 505(b)(2) Product"). *Id.* at 2. Helsinn asserted infringement of claim 9 of the '724 patent, claims 22-25 and 27 of the '094 patent, and claims 1-6 and 16 of the '980 patent. *Id.* at 3. Against claim 9 of the '724 patent, claim 27 of the '094 patent, and claim 6 of the '980 patent, DRL alleged only noninfringement. *Id.* For the remaining asserted claims, DRL stipulated to infringement, but alleged invalidity for lack of written description and enablement under 35 U.S.C. § 112(a). *Id.*

I. DRL's 505(b)(2) Product Infringes All of the Asserted Claims

The sole issue on infringement was whether the sodium acetate trihydrate in DRL's 505(b)(2) Product was a "chelating agent," as required by claim 9 of the '724 patent, claim 27 of the '094 patent, and claim 6 of the '980 patent. *Id.* at 6. The Court had earlier construed the term "chelating agent" to mean "a multidentate ligand that can form a ring structure by reacting with a metal ion." *Id.* at 13-14.

Notwithstanding the Court's claim construction, which required the chelating agent to only be ***capable*** of "reacting with a metal ion," the parties disputed at trial whether the acetate in DRL's 505(b)(2) Product was required to ***actually*** chelate, or at least be capable of chelating, in a pharmaceutical preparation. *Id.* at 9-10, 13-14. In denying Helsinn's allegation that DRL was attempting to reconstrue "chelating agent" at trial, DRL contended that such actual functionality of "chelating agent" was required under the "second step" of the infringement analysis, *i.e.*, comparing the claim as a whole to DRL's 505(b)(2) Product. *Id.* at 14, 16. According to DRL, the Court's construction of "chelating agent" needed to be reconciled with other limitations in the claim specifying that a chelating agent was a component in the claimed pharmaceutical preparation. *Id.* at 16-18.



The Court disagreed with DRL, noting that DRL's "second step" approach "would essentially unravel [its] careful construction of the term 'chelating agent'" and require Helsinn to present evidence on "a claim term scope limitation that [it] explicitly considered and rejected." *Id.* at 16, 18-19. The Court further disagreed with DRL's position that the Federal Circuit's decisions in *Power Mosfet Techs., LLC v. Siemens AG*, 378 F.3d 1396 (Fed. Cir. 2004), and *Pozen, Inc. v. Par Pharm., Inc.*, 696 F.3d 1151 (Fed. Cir. 2012), somehow required the Court to narrow its prior construction of "chelating agent." *Id.* at 18. Unlike in DRL's cited cases, in construing "chelating agent," the Court noted that it analyzed each asserted infringement claim as a whole in light of the intrinsic and extrinsic evidence, thereby avoiding potential conflict with that claim term with any other limitation. *Id.* Finding no such conflict, the Court held that "chelating agent" should not be further limited. *Id.* at 16, 19.

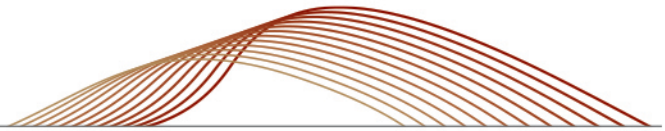
Based on numerous scholarly textbooks, peer-reviewed journals, expert testimony, and briefing provided by the parties demonstrating that "acetate can form chelate rings with metal ions under various experimental conditions, including in a variety of solvents and temperatures," as "detected in various applications of acetate and with a variety of metal ions," the Court held that the sodium acetate trihydrate in DRL's 505(b)(2) Product was a "chelating agent." *Id.* at 6-8, 20, 31-33.

II. None of the Asserted Claims Were Proven to Be Invalid for Lack of Enablement or Written Description under 35 U.S.C. § 112(a)

The issues of enablement and written description turned on whether the disclosure in U.S. Provisional Application No. 60/444,351 ("the '351 application"), from which the patents-in-suit claim priority, supported the claimed stability of certain 0.05 mg/mL palonosetron formulations for 18 or 24 months at room temperature. *Id.* at 2 n.2, 34-36. The Court held that it did. *Id.* at 36, 51, 66.

For the enablement issue, the Court's decision focused on whether undue experimentation would have been required for a person of ordinary skill in the art ("POSA") to practice the full scope of the claimed formulations, *i.e.*, to know which 0.05 mg/mL palonosetron formulations covered by the asserted claims have 18- or 24-month stability. *Id.* at 37-38, 51. DRL argued that a POSA would have needed to conduct an undue amount of real-time stability testing to determine whether potentially thousands of possible formulations falling within the scope of the asserted claims would have had 18- or 24-month stability. *Id.* at 38. Helsinn responded that a POSA could have prepared formulations having the claimed stability by starting with a formulation having the disclosed and claimed 0.05 mg/mL palonosetron concentration and, as disclosed in the specification, optionally adjusting the excipients and/or the pH to further improve stability. *Id.* at 39. According to Helsinn, a POSA need only engage in routine experimentation to confirm the 18- and 24-month shelf stability of such formulations. *Id.*

In holding that claims 22-25 and 27 of the '094 patent, and claims 1-6 and 16 of the '980 patent, were enabled, the Court held that DRL failed to demonstrate that undue experimentation would have been needed to practice the full scope of these claims. *Id.* at 51. In weighing the relevant *Wands* factors, the Court found the '351 application's disclosure of the claimed 0.05 mg/mL palonosetron concentration provided a starting point for a POSA to make sufficiently stable formulations. *Id.* at 48-49. A POSA could have also made formulations having the requisite 18-month or 24-month shelf stability based on the '351 application's disclosure of preferred excipients at their preferred concentrations and the optimal pH. *Id.* Moreover, a POSA could have relied upon standard references to identify a limited number of common pharmaceutical excipients suitable for intravenous formulations to prepare other palonosetron formulations within the scope of the claims at issue. *Id.* at 49. The Court further found that real-time stability studies over a 24-month period would not have



been a labor-intensive or time-consuming task for a POSA, particularly since such studies can be machine-automated. *Id.* at 50.

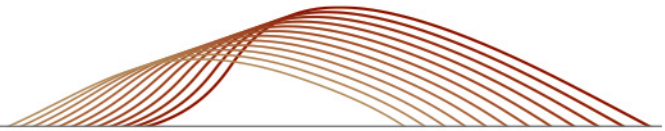
For the written description issue, the Court held that the '351 application demonstrates that the patentee was in possession of palonosetron formulations having 18- or 24-month shelf stability. *Id.* at 66. In arguing that the claims were not adequately described, DRL alleged that, other than one optimized formulation embodiment, the specification does not describe palonosetron formulations having 18- or 24-month shelf stability. *Id.* at 54. DRL also alleged that the '351 application fails to describe the specific modifications to this optimized embodiment that would continue to yield the claimed 18- or 24-month stability. *Id.* at 54-55. Helsinn countered that the '351 application clearly demonstrates and explicitly discloses that the claimed invention is directed to stable palonosetron formulations having 18- and 24-month shelf stability, and particularly formulations with the claimed 0.05 mg/mL palonosetron concentration. *Id.* at 55.

In finding that the written description requirement was met, the Court explained that the '351 application discloses a number of alternative 0.05 mg/mL palonosetron formulation embodiments, which a POSA would understand are stable for 18 and 24 months at room temperature. *Id.* at 66. For example, an expressly stated objective of the '351 application "was to identify an acceptable range of concentrations, including the concentration of palonosetron, which would stabilize palonosetron formulations." *Id.* at 63 (internal quotations omitted). The Court also found the disclosure in the "Summary of the Invention" of the inventors' discovery that "[t]hese formulations" are "shelf stable for periods greater than 18 months at room temperature" would be understood by a POSA as referring to all the formulations disclosed in the '351 application as having the claimed 18- or 24-month stability. *Id.* at 63-64. Moreover, multiple disclosures in the '351 application adequately describe formulations with the "optimal[]" 0.05 mg/mL palonosetron concentration as stable at room temperature for 18 and 24 months, including an embodiment with a 0.25 mg dose of palonosetron supplied in a 5 mL vial of solution. *Id.* at 64-65. The '351 application further discloses that adjustments to the pH and/or excipient concentrations could be made to increase the stability of the formulations, demonstrating that "a range of stable formulations with differing concentrations of excipients and embodiments was envisioned." *Id.* at 65-66.

III. Other Aloxi® Litigations

DRL's Paper NDA filed is one of four Paper NDAs and 20 Abbreviated New Drug Applications filed seeking approval to market a palonosetron product. The ensuing litigations were grouped into 19 separate civil actions in the District of New Jersey, the District of Delaware, and the Eastern District of Pennsylvania. Helsinn has settled its claims against fifteen of those generics, leaving eight actions against six generics still pending.

The patent dispute in C.A. No. 12-2867 against DRL was the second trial involving Helsinn's patents covering Aloxi®. The first trial occurred in June 2015, where the issue of invalidity of four Aloxi® patents for alleged obviousness under 35 U.S.C. § 103, lack of written description under 35 U.S.C. § 112(a), and an on-sale bar under 35 U.S.C. § 102 was litigated. The Court ruled in Helsinn's favor on all issues, including an issue of first impression. Specifically, the Court held that the post–America Invents Act ("AIA") on-sale bar, which applied to one of the patents at issue, is triggered only by sales or offers for sale that allegedly made the claimed invention publicly available. *Helsinn Healthcare S.A. v. Dr. Reddy's Labs., Ltd., et al.*, C.A. No. 11-3962-MLC, slip op. at 115-16, 146 (D.N.J. Mar. 3, 2016). That outcome of the first trial is currently on appeal in the U.S. Court of Appeals for the Federal Circuit, *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc., et al.*, No. 16-1284



(Fed. Cir. Dec. 4, 2015), where oral argument was heard in October 2016. Agreeing with Helsinn's interpretation of the post-AIA on-sale bar were *amici curiae*, the United States, Congressman Lamar Smith, Pharmaceutical Research and Manufacturers of America, Biotechnology Innovation Organization, the American Intellectual Property Law Association, and the Naples Roundtable, Inc., while Teva's position was supported by 42 Intellectual Property Professors. *Id.* at D.I. 42, 59, 74, 85-86, 89. The Federal Circuit's decision is pending.

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If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings New York lawyers:

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