

States Back Tribe, Allergan Fed. Circ. Bid For PTAB Immunity

By **Ryan Davis**

Law360 (September 7, 2018, 7:51 PM EDT) -- Seven states and two state universities urged the full Federal Circuit Friday to rehear a decision that tribal sovereign immunity doesn't apply in reviews at the Patent Trial and Appeal Board, saying the holding misreads the law and could subject patents owned by states to PTAB review.

The states, including Texas, Illinois and Massachusetts, and universities filed amicus briefs supporting a petition for en banc rehearing filed by the Saint Regis Mohawk Tribe and Allergan PLC after a Federal Circuit panel held that the tribe cannot invoke its sovereign immunity to shield patents it acquired from Allergan from inter partes review.

While the decision dealt with the issue of tribal immunity, the states and universities argued that the panel's reasoning could apply equally to state sovereign immunity. That would mean that patents owned by states could be challenged at the PTAB, which the states said would be "a serious offense to states' sovereign dignity."

The Federal Circuit panel said that tribal sovereign immunity doesn't apply in inter partes reviews because they are akin to suits brought against sovereign entities by the United States government, in which immunity doesn't apply.

The amici said that mischaracterizes the reviews, in which private parties challenge the validity of patents and the PTAB, which is part of the U.S. Patent and Trademark Office, reviews the allegations and makes a decision.

"IPR is not commenced and prosecuted by the United States. It is always commenced by a private party," said the brief filed by the attorneys general of Indiana, Hawaii, Illinois, Massachusetts, Texas, Utah and Virginia.

The panel's decision that an IPR is not an adjudication between two parties but an instance of a federal agency reviewing patents based on information supplied by private parties "is 180 degrees opposite to the determination made by Congress when it created the IPR process in the America Invents Act," said the brief by STC.UNM, University of New Mexico's licensing arm.

The University of Minnesota, which was found in a separate pending case to have waived its sovereign immunity at the PTAB by filing suit over the patents being challenged, said in its brief that states and universities depend on their patents to generate revenue.

"Stripping them of their sovereign immunity enables private parties to wage war on state-owned patents, threatening that revenue and imposing litigation costs on the public," it said.

The Federal Circuit's July decision that tribal immunity doesn't apply at the PTAB came in a closely watched case in which Allergan transferred its patents on the dry-eye medication Restasis to the Saint Regis Mohawk Tribe in an effort to thwart inter partes reviews by Mylan Pharmaceuticals Inc., Teva Pharmaceuticals USA Inc. and Akorn Inc. challenging the patents.

The deal faced public backlash and criticism from Congress, and the Federal Circuit panel held that the tribe's immunity does not apply at the PTAB because the board has broad discretion to decide whether to review challenged patents.

In their en banc petition filed last month, Allergan and the tribe said that holding cannot be correct and "the panel's reasoning effectively forecloses IPR immunity claims by any sovereign entity."

The patents at issue are U.S. Patent Numbers 8,685,930; 8,629,111; 8,642,556; 8,633,162; 8,648,048; and 9,248,191.

Indiana is represented by Attorney General Curtis Hill Jr., Solicitor General Thomas Fisher and Deputy Solicitor General Kian Hudson. Hawaii is represented by Attorney General Russell Suzuki. Texas is represented by Attorney General Ken Paxton. Illinois is represented by Attorney General Lisa Madigan. Utah is represented by Attorney General Sean Reyes. Massachusetts is represented by Attorney General Maura Healey. Virginia is represented by Attorney General Mark Herring.

STC.UNM is represented by Rajkumar Vinnakota and Glenn E. Janik of Janik Vinnakota LLP.

The University of Minnesota is represented by Michael A. Albert, Richard F. Giunta, Charles T. Steenburg, Gerald B. Hryczyn and Stuart V.C. Duncan Smith of Wolf Greenfield & Sacks PC.

Allergan is represented by Jonathan Massey of Massey & Gail LLP, and Thomas Brugato, Jeffrey B. Elikan, Robert Allen Long Jr. and Alaina Marie Whitt of Covington & Burling LLP.

The Saint Regis Mohawk Tribe is represented by Michael W. Shore, Alfonso Chan, Joseph F. DePumpo and Christopher L. Evans of Shore Chan DePumpo LLP and Marsha K. Schmidt.

Mylan is represented by Eric Miller, Dan L. Bagatell, Shannon Bloodworth, Charles Curtis, Andrew Dufresne and Brandon Michael White of Perkins Coie LLP, and Jad Allen Mills, Steven William Parmelee and Richard Torczon of Wilson Sonsini Goodrich & Rosati PC.

Teva is represented by John Christopher Rozendaal, Michael E. Joffre, William H. Milliken, Pauline Pelletier and Ralph Wilson Powers III of Sterne Kessler Goldstein & Fox PLLC.

Akorn is represented by Michael R. Dzwonczyk and Mark Boland of Sughrue Mion PLLC.

The case is Saint Regis Mohawk Tribe et al. v. Mylan Pharmaceuticals Inc. et al., case numbers 18-1638, 18-1639, 18-1640, 18-1641, 18-1642 and 18-1643, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Jack Karp.