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Justices Won't Revive Teva-IBSA Thyroid Drug Patent Fight

By **Adam Lidgett**

Law360 (April 5, 2021, 6:07 PM EDT) -- The U.S. Supreme Court won't consider overturning a Federal Circuit ruling that a patent on the thyroid drug Tirosint is invalid as indefinite, rebuffing a patent owner that said the ruling "flatly contradicts" an international agreement that foreign and U.S. inventors be treated equally.

The justices denied a March petition Monday for a writ of certiorari from patent owner IBSA Pharma Inc., which had argued that the Federal Circuit ruling in favor of Teva Pharmaceuticals USA Inc. erred in invalidating claims in IBSA's patent for lacking a set meaning for the term "half-liquid" in either the specification, priority application or scientific literature.

The high court gave no reasoning behind its decision. But the decision turns down IBSA's request to look at a court's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights — also known as the TRIPS Agreement — an international agreement that requires that foreign and domestic inventors be treated equally.

IBSA; its Swiss parent, IBSA Institut Biochimique SA; and the company they license the patent from, Altergon SA, had sued Teva USA — a unit of Israel's Teva Pharmaceutical Industries Ltd. — for infringement in 2018 after Teva sought U.S. Food and Drug Administration approval for its generic version of Tirosint.

The parties were torn over how to define "half-liquid," which helps describe the inside of the capsule. IBSA said it should be the same as "semi-liquid," meaning "having a thick consistency between solid and liquid." Teva said it was indefinite, or "a non-solid, non-paste, non-gel, non-slurry, non-gas substance."

U.S. District Judge Richard G. Andrews had agreed that the six claims at issue are indefinite and that there was no support behind IBSA's proposed construction.

IBSA appealed, pointing to a variety of sources, including sections of the patent specification and the Italian patent application the patent claims priority to, which uses the phrase "semiliquido."

But a Federal Circuit panel said in late July that the specification doesn't make clear enough what the bounds of a half-liquid would be, and then said semi-liquid and half-liquid aren't interchangeable. To back up the latter conclusion, the panel said both terms had been included in the patent application, showing the patent owner understood there was a difference.

After that Federal Circuit ruling, IBSA took its case to the high court. In its March petition, it said the Federal Circuit's ruling was based on a flawed translation of an Italian patent application that predated the U.S. application for the patent in question.

The Italian application used the phrase semiliquido in the same places and frequency to describe the same things as how the U.S. patent used "half liquid," making its meaning "perfectly clear" in context, it said.

IBSA added that the decision "flatly contradicts" the TRIPS Agreement. But the courts ignored how an Italian inventor described its own invention because the application was not in English and because of the "most minor of differences" between the filings, it said.

Representatives for the parties did not immediately respond to requests for comment Monday.

The patent-in-suit is U.S. Patent No. 7,723,390.

IBSA is represented by Erica Sutter, Jeffrey J. Oelke, Ryan P. Johnson and Laura T. Moran of Fenwick & West LLP.

Teva is represented by John Christopher Rozendaal of Sterne Kessler Goldstein & Fox PLLC.

The case is Institut Biochimique SA et al. v. Teva Pharmaceuticals USA Inc., case number 20-1232, before the U.S. Supreme Court.

--Additional reporting by Dani Kass and Tiffany Hu. Editing by Andrew Cohen.