Split Fed. Circ. Won't Restore 4 Narcan Patents

By **Dani Kass**

Law360 (February 10, 2022, 4:32 PM EST) -- Generic drug giant Teva scored a win at the Federal Circuit on Thursday when a divided panel stood by a New Jersey federal judge's invalidation of claims in four patents covering Adapt Pharma's opioid overdose medication Narcan.

The panel majority said there was sufficient evidence that the Narcan patents were obvious based on a combination of prior art, which drew ire from U.S. Circuit Judge Pauline Newman. While the majority conceded that Adapt's version of naloxone met a long-felt need — a version of the emergency medication that can be used outside of health care settings — they said U.S. District Judge Brian R. Martinotti was ultimately justified in invalidating the patent claims.

"This is a close case, with facts supporting both parties' arguments as to their preferred outcome," the precedential opinion states. "But we are a court of review, not a court of first resort, and our review of the district court's judgment is accordingly limited. This is particularly true when reviewing challenges to the district court's factual findings, to which we give great deference absent clear error."

"We see no basis to disturb the district court's ultimate legal conclusion of obviousness," the panel said.

Judge Martinotti issued a nearly 100-page opinion in June 2020 following a bench trial that invalidated the patent claims Teva was accused of infringing with its generic version of naloxone. The Federal Circuit heard Adapt's appeal in August 2021, and Teva released its generic that December.

The majority opinion, written by U.S. Circuit Judge Kara Farnandez Stoll and joined by U.S. Circuit Judge Sharon Prost, upholds nearly all of Judge Martinotti's findings, differing only in one respect, which was deemed inconsequential.

Emergent BioSolutions-owned Adapt — along with its Narcan partner Opiant Pharmaceuticals Inc. — had challenged Judge Martinotti's finding that a person skilled in the art would have been motivated to combine the various pieces of prior art that made up Teva's obviousness challenge. They argued that he didn't properly explain his rationale, and that prior art didn't disclose the exact combination and concentration of ingredients claimed in the patents.

"It is of no moment that no single reference discloses naloxone in combination with all of the claimed excipients, as Teva's invalidity case was based on obviousness, not anticipation," the opinion states. "And the district court provided ample rationale, supported by record evidence, for why a skilled artisan would have been motivated to use each of the claimed excipients in combination with naloxone."

The majority then rejected Adapt's argument that prior art actively discouraged the use of the preservative benzalkonium chloride, or BZK, which the Narcan maker successfully used. The one reference that Adapt says taught away from using this preservative wasn't included in any of Teva's obviousness combinations, and Teva's expert had credibly argued that a skilled artisan wouldn't have been pushed away from trying BZK based only on that reference, the opinion states.

"There is no rule that a single reference that teaches away will mandate a finding of nonobviousness," the majority said.

Lastly, the majority turned to factors that patent owners can rely on to show their patents were indeed novel, despite appearing obvious based on the prior art alone.

It was in this analysis that the majority said Judge Martinotti incorrectly concluded that there wasn't a long-felt but unmet need for a version of naloxone that was easy to use and didn't require needles, but then called the error "harmless."

"This need, even if unmet, was not so long felt that it overcomes the strong case of obviousness, particularly in view of the plethora of prior art references discussed above identifying 'intranasal naloxone as a viable means for treating opioid overdose,'" the opinion states.

The majority stood by Judge Martinotti's holding that there were no unexpected results regarding Adapt's invention and that industry skepticism didn't make the patent novel, among others.

Judge Newman — the only panelist who specialized in life sciences before joining the court — was adamant that Adapt's invention was novel.

"This is a classical example of judicial hindsight, where the invention itself is the only guide to the selections from the prior art," she said. "The district court reconstructed the Adapt Pharma method and composition from the teachings of the patents in suit, not from the prior art. My colleagues now adopt the district court's flawed reasoning."

In particular, Judge Newman said she was concerned about the implication that BZK was obvious to combine with naloxone, given that prior art showed it was known to degrade naloxone.

The dissenting judge argued that the prior art did not suggest that the combination of ingredients Adapt used would have been obvious, and overall the drug met a need for an easily administrable form of the emergency medication. Even the U.S. Food and Drug Administration pushed the industry to find a solution for easily administrable naloxone, and Adapt was the only company to win FDA approval for that, Judge Newman said.

"Narcan met a long-felt need upon failure of others, and is a successful medicinal product that defendant Teva and others seek to copy," the dissent states. "The FDA fast-tracked its review and approval of Narcan when its favorable properties became apparent."

Judge Newman warned that Thursday's ruling would have a negative effect on pharmaceutical development, saying it will "deter research in areas in which the FDA has mentioned the need for improvement."

"We are very pleased with the outcome and our launch has already expanded access at lower cost," Teva said in a statement Thursday. "Today's ruling will continue to enable access to this lifesaving Teva generic medicine."

Doug White, a senior vice president for Emergent, said on Thursday they're "understandably disappointed" by the ruling.

"Despite the court's decision, we continue to believe that the invention embodied in the development of Narcan has played a meaningful role in combating the opioid crisis and we continue to champion innovation for public health threats, which aligns with our mission to protect and enhance lives," White said in a statement.

U.S. Circuit Judges Pauline Newman, Sharon Prost and Kara Farnandez Stoll sat on the panel for the Federal Circuit.

The patents-in-suit are U.S. Patent Nos. 9,468,747; 9,561,177; 9,629,965; and 9,775,838.

Adapt and Opiant are represented by Catherine E. Stetson of Hogan Lovells.

Adapt is further represented by Jessamyn S. Berniker, David M. Krinsky and Jessica Palmer Ryen of Williams & Connolly LLP.

Opiant is further represented by Jessica Tyrus Mackay of Green Griffith & Borg-Breen LLP.

Teva is represented by J.C. Rozendaal, Paul A. Ainsworth, Michael E. Joffre, Adam LaRock, William Milliken and Chandrika Vira of Sterne Kessler Goldstein & Fox PLLC, and Liza M. Walsh of Walsh Pizzi O'Reilly Falanga LLP.

The case is Adapt Pharma Operations Ltd. et al. v. Teva Pharmaceuticals USA Inc. et al., case number 20-2106, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Adam LoBelia.