

## *Amneal Pharm. LLC v. Almirall, LLC*, 960 F.3d 1368 (Fed. Cir. 2020)

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Abbreviated new drug (ANDA) applicant Amneal petitioned for an *inter partes* review (IPR) of Almirall's patent listed in the Food and Drug Administration's (FDA) Orange Book for a prescription drug to treat acne. Almirall brought suit in district court after Amneal filed its ANDA. During settlement discussions, Almirall offered Amneal a covenant not to sue on one of its patents contingent upon dismissal of the IPR, but the parties could not reach a settlement.

The Patent Trial and Appeal Board found that the claims were not unpatentable. Amneal appealed, but subsequently filed a motion for voluntary dismissal. Despite agreeing that the appeal should be dismissed, Almirall asked the court to award attorneys' fees and costs pursuant to 35 U.S.C. § 285, arguing that Amneal unreasonably continued to litigate the IPR in the face of the offered covenant not to sue and because Almirall had requested that the FDA remove the patent from the Orange Book listing.

Citing cases from the Court of Customs and Patent Appeals—the Federal Circuit's predecessor—the court held that § 285 does not apply to appeals from administrative proceedings. In doing so, the court distinguished appeals originating with the Board from appeals originating in district courts where § 285 applies. The court further acknowledged that the Board has its own means of sanctioning litigation misconduct under its regulations (37 C.F.R. § 42.12). The court further noted that, even if § 285 were to apply, the statute does not authorize the court to award fees for work conducted "before this court has ever asserted jurisdiction." Almirall sought fees for litigation before the Board, not fees incurred after the appeal had commenced.

The Federal Circuit acknowledged that fees have been awarded in district court cases for a parallel administrative proceeding that was "intimately tied" to the resolution of the civil action. Thus, the award of

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fees for administrative proceedings is not entirely foreclosed, but civil court proceedings must be also pending and depend on the outcome of the administrative proceedings for any such fees to be considered.

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### RELATED SANCTIONS CASE

- *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316 (Fed. Cir. 2020) (the Board has discretion to issue sanctions not explicitly provided in 37 C.F.R. § 42.12 so long as the sanction is reasonable).