

Supreme Court Refuses 'Blocking Patent' Rule Case

By **Tiffany Hu**

Law360 (June 3, 2019, 4:57 PM EDT) -- The U.S. Supreme Court on Monday declined to consider a challenge by Allergan Inc. and the St. Regis Mohawk Tribe to the “blocking patent” doctrine, leaving in place a Federal Circuit ruling that invalidated their patents covering the dry-eye medication Restasis.

As is customary, the high court offered no explanation for its decision to deny the petition filed in April by Allergan and the tribe, which had urged the justices to take on their appeal of the Federal Circuit’s decision to find the patents invalid as obvious, handing a victory for generic-drug makers planning to produce their own versions of Restasis.

According to the duo, the appellate court let hindsight rule whether patents are obvious through its use of the blocking patent doctrine, which generally does not allow a company to use commercial success as an indicator of nonobviousness if the company owns a patent that would block others from competing with it.

“The application of the blocking patent rules to these inventions unfairly penalizes companies for seeking to patent different inventive aspects of a product, and for continuing to improve on those products and seek protection for further innovation,” the petition stated. “Making full patent protection difficult to obtain discourages important pharmaceutical research into important and needed medical treatments.”

The plaintiffs said the fact that the dry-eye treatment was “highly successful and met a long-felt need for treatment” means it wasn’t obvious under the Supreme Court’s *Graham v. John Deere Co.* ruling, which clarified the nonobviousness requirement. Allergan was able to meet this need while others failed, which the company said further supports its argument.

The blocking patent doctrine, which “has been controversial from its inception,” goes against *Graham* and undermines the process for evaluating what is obvious, they argued. The generics makers — Teva Pharmaceuticals USA Inc., Mylan Inc. and Akorn Inc. — had then waived their rights to respond to the petition, according to court documents.

An attorney for the tribe declined to comment Monday. Counsel for the other parties did not immediately respond to requests for comment.

Monday’s denial marks the latest loss for Allergan and the St. Regis Mohawk Tribe over Restasis.

Allergan had sold the patents to the tribe in 2017 and licensed them back. The pair then attempted to assert tribal immunity during inter partes reviews, but a Texas federal judge, the Federal Circuit and the Patent Trial and Appeal Board had all said that the immunity argument doesn't hold up and that the patents can be reviewed and, if warranted, invalidated.

Despite the duo's contention that the Federal Circuit had strayed from precedent about how patent reviews are characterized, the high court in April denied their petition asking the justices to decide whether tribal immunity could be applied at PTAB.

The blocking patent doctrine has also been challenged at the Supreme Court by Acorda Therapeutics, which argued in its petition for certiorari, or review, that the "rigid, legally flawed" rule threatens patents and flouts the law. The high court had yet to rule on that petition.

The patents-in-suit are U.S. Patent Nos. 8,629,111; 8,648,048; 8,685,930; and 9,248,191.

Allergan is represented by Jonathan E. Singer, Susan E. Morrison and Deanna J. Reichel of Fish & Richardson PC.

The St. Regis Mohawk Tribe is represented by Christopher L. Evans and Michael W. Shore of Shore Chan DePumpo LLP.

Teva was represented at the Federal Circuit by John C. Rozendaal, Michael E. Joffre, R. Wilson Powers III, Pauline M. Pelletier and William H. Milliken of Sterne Kessler Goldstein & Fox PLLC.

Mylan was represented at the Federal Circuit by Douglas H. Carsten, Wendy Devine and Christina E. Dashe of Wilson Sonsini Goodrich & Rosati PC.

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

The case is Allergan Inc. et al. v. Teva Pharmaceuticals USA Inc. et al., case number 18-1289, in the Supreme Court of the United States.

--Additional reporting by Dani Kass. Editing by Peter Rozovsky.