

## Teva Unit Tells High Court Not To Take Up Horizon's IP Loss

By **Tiffany Hu**

*Law360 (October 1, 2020, 6:27 PM EDT)* -- Teva Pharmaceuticals unit Actavis has urged the U.S. Supreme Court not to take up Horizon's appeal over a divided Federal Circuit ruling that struck down part of its patented arthritis drug Pennsaid, calling Horizon's arguments "flatly incorrect."

In a brief filed Wednesday, Actavis said that the Federal Circuit was following precedent when it ruled that Horizon's patents for Pennsaid were invalid as indefinite. The appeals court had ruled that when a patent claim uses the phrase "consisting essentially of," the written description must identify the patent's "basic and novel properties" or it is indefinite.

Under the high court's 2014 Nautilus ruling, patents must "inform those skilled in the art about the scope of the invention with reasonable clarity." Here, the courts correctly found that a skilled artisan could not reasonably tell whether an additional ingredient would affect the drug's "basic and novel" characteristics, making it indefinite, Actavis said.

"Yet Horizon takes ... the incredible position that the claim term 'consisting essentially of' can never be indefinite because it is 'a term of art with a definite legal definition,'" Actavis wrote. "That is a breathtakingly broad proposition, and it is flatly incorrect."

Counsel for the parties did not immediately return requests for comment Thursday.

Actavis' response comes as Horizon is seeking to undo the Federal Circuit's split October 2019 ruling upholding a New Jersey federal court decision that Actavis did not infringe most of Horizon's patents for Pennsaid 2%, a topical formulation used to treat osteoarthritis of the knees, and that several of the claims were invalid for being indefinite.

The panel majority found that the district judge correctly determined that the phrase "consisting essentially of" allows for the inclusion of components not listed in the patent, as long as they don't affect the invention's "basic and novel properties."

The majority had also upheld the validity of a claim in one of Horizon's patents, however, effectively blocking Actavis from selling its generic until that patent expires in October 2027.

U.S. Circuit Judge Pauline Newman dissented from the panel's decision at the time, saying the majority's holding that the phrase "consisting essentially of" is indefinite "casts countless patents into uncertainty,"

because those words are used in many patents.

In its petition for a writ of certiorari filed in late July, Horizon told the justices that the appeals court's ruling flies in the face of the law because indefiniteness only deals with the claims of a patent, not the written description.

The ruling creates a new rule that "casts a pall of uncertainty" over the validity of more than 32,000 patents that include the phrase "consisting essentially of," Horizon said. In August, the Supreme Court asked Horizon to respond to the certiorari petition, the court docket shows.

The patents at issue are U.S. Patent

Nos. 8,217,078; 9,132,110; 8,618,164; 9,168,304; 9,168,305; 8,546,450; 9,101,591; 8,563,613; 9,220,784 ; 8,871,809; 8,252,838; and 9,066,913.

Horizon is represented by Robert F. Green, Caryn Borg-Breen, Jessica Tyrus Mackay and Benjamin D. Witte of Green Griffith & Borg-Breen LLP.

Actavis is represented by J.C. Rozendaal, Michael E. Joffre, Kristina Caggiano Kelly and William H. Milliken of Sterne Kessler Goldstein & Fox PLLC.

The case is HZNP Finance Ltd. et al. v. Actavis Laboratories UT Inc., case number 20-88, before the U.S. Supreme Court.

--Additional reporting by Ryan Davis. Editing by Abbie Sarfo.