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## Tech, Generics Cos. Spar With Tribes Over Allergan At PTAB

By **Ryan Davis**

Law360, New York (December 4, 2017, 9:14 PM EST) -- Allergan's plan to defeat inter partes reviews of patents on its eye drug Restasis by transferring them to a Native American tribe prompted over a dozen dueling amicus briefs Friday, with tech giants and generics makers decrying the deal as a "sham" and other tribes stoutly defending it.

The Patent Trial and Appeal Board last month requested amicus filings on the question of whether it lacks jurisdiction to review the Restasis patents due to the sovereign immunity possessed by the Saint Regis Mohawk Tribe, which **acquired** them in September from Allergan PLC. This is the first time the PTAB has allowed amicus briefs in a case.

The tribe **argues** that since patents it owns are immune from inter partes review, the PTAB must dismiss the reviews of the patents that were begun at the request of generic-drug makers Mylan Inc., Teva Pharmaceuticals USA Inc. and Akorn Inc.

Allergan's deal with the tribe has spurred a **congressional hearing** and potential **new legislation** to limit the immunity of tribes in patent cases. The criticism expressed by lawmakers who have called the deal "absurd" and a "mockery" of patent law was echoed in the amicus filings urging the PTAB to deny the tribe's motion to dismiss.

The Association for Accessible Medicines, an industry group for generics makers, filed a brief arguing that the board should deny the tribe's motion to dismiss "to maintain the integrity of the patent system and discourage the large-scale use of sham patent transfers."

"Allowing a drug company patent owner to force an IPR to halt on the eve of an IPR hearing, by paying tens of millions of dollars to rent tribal immunity, would reward bad-faith behavior," the group said. "It would also provide other holders of weak but extremely profitable patents with a roadmap for shielding their patents from review while wasting the valuable resources of their competitors and the board."

The High Tech Inventors Alliance and other technology groups representing major companies like Google LLC, Facebook Inc., Microsoft Corp., Intel Corp. and Netflix Inc., which often use inter partes review to challenge patents they are accused of infringing, joined forces to file a brief arguing the tribe has no immunity in this case.

While Native American tribes have immunity from lawsuits by third parties, that immunity does not apply when the U.S. enforces laws of general applicability, the groups said. Since inter partes review can be used to review the validity of any patent, "it does not intrude on matters traditionally entrusted to tribal sovereignty," they said.

The PTAB's "statutory authority to review whether the Restasis patents were properly granted as a matter of federal law does not and should not depend on the identity of the patent's owner," they added.

Likewise, BSA | The Software Alliance, another tech industry group representing IBM Corp., Apple Inc. and others, told the board that inter partes reviews apply to all patent owners and the America Invents Act makes no exception for tribes.

"Nothing about patents or patent law has any connection to the core concerns of tribal immunity — preserving tribal sovereignty in matters of self-governance and internal tribal affairs — and no legitimate tribal interests are implicated or impaired by applying the generally-applicable provisions of the AIA to a situation in which, by mere happenstance (or, in this case, calculated tactical ploy) patent ownership is assigned to a tribe," it said.

Several other Native American tribes, backed by an inventors group and a team of high-powered legal scholars, filed briefs arguing that the PTAB must respect tribal sovereign immunity and dismiss the reviews.

The Oglala Sioux Tribe wrote that "to deny the tribe the right to assert its tribal sovereign immunity to defeat inter partes review of the Restasis patents would constitute improper unequal treatment and discrimination against the tribe."

The National Congress of American Indians and other groups noted that the board has **already held** that state universities are immune from inter partes review and "the analysis of an assertion of sovereign immunity by a tribe in an IPR is no different."

The argument that Allergan's deal is a sham is "hyberbole" and the arrangement will provide significant benefits to the Mohawk tribe, the Native American Intellectual Property Enterprise Council, a nonprofit that supports Native American inventors, said in its brief.

"These agreements are not 'shams,' and, in fact, represent critical potential for economic advancement from the point of view of the tribes that enter into them — an important factor that the board should consider prior to any decision," the group said.

The tribes had support from a group of prominent law professors, including Laurence Tribe of Harvard Law School, William Eskridge of Yale Law School and Erwin Chemerinsky, the dean of the University of California, Berkeley, School of Law.

There is "no dispute" that the tribe has immunity and entered a legitimate contract with Allergan, the scholars wrote in their brief. The PTAB should recognize the immunity and refuse to consider the arguments against it, since only Congress can alter tribal sovereign immunity, they said.

The arguments that the deal is a sham are "not only ... highly disrespectful to the sovereign tribe, but adjudicating them will embroil the board in an intrusive and politically charged inquiry into tribal motivations and the policy wisdom of tribal economic freedom," they said. "These are issues for Congress, not the courts, and not an agency."

Likewise, the inventor group U.S. Inventor said that allowing the inter partes review to continue would be a "flagrant encroachment on congressional authority" to decide when tribal immunity applies.

The PTAB has said it will make a final decision by April.

The patents at issue are U.S. Patent Numbers 8,685,930; 8,629,111; 8,642,556; 8,633,162; 8,648,048; and 9,248,191.

St. Regis is represented by Shore Chan Depumpo LLP. Allergan is represented by Fish & Richardson PC.

Mylan is represented by Wilson Sonsini Goodrich & Rosati PC. Teva is represented by Carlson Caspers Vandenburg Lindquist & Schuman PA. Akorn is represented by Sughrue Mion PLLC.

The Association for Accessible Medicines is represented by Goodwin Procter LLP. The High Tech Inventors Alliance is represented by Kellogg Hansen Todd Figel & Frederick PLLC. BSA is represented by in-house counsel. The Oglala Sioux are represented by Gonzalez Law Office PLLC. The National Congress of American Indians is represented by the Native American Rights Fund. The Native American Intellectual Property Enterprise Council is represented by Robbins Geller Rudman & Dowd LLP. The scholars are represented by Nix Patterson & Roach LLP. U.S. Inventor is represented by Terry Fokas.

The cases are Mylan Pharmaceuticals Inc. v. Saint Regis Mohawk Tribe, case numbers IPR2016-01127, IPR2016-01128, IPR2016-01129, IPR2016-01130, IPR2016-01131 and IPR2016-01132, before the Patent Trial and Appeal Board.

--Editing by Bruce Goldman.

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