

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

<p>NOVO NORDISK INC. and NOVO NORDISK A/S,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">-against-</p> <p>ACTAVIS PHARMA MANUFACTURING PVT. LTD. LLC and ACTAVIS INC.</p> <p style="text-align: center;">Defendants.</p>	<p>Civ. 8939 (PGG) (KNF)</p> <p>ECF Case</p> <p>ACTAVIS PHARMA’S AND ACTAVIS INC.’S FIRST AMENDED ANSWER TO COMPLAINT AND COUNTERCLAIMS</p>
<p>NOVO NORDISK INC. and NOVO NORDISK A/S,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">-against-</p> <p>SANDOZ INC.</p> <p style="text-align: center;">Defendants.</p>	<p>09 Civ. 9217 (PGG) (KNF)</p> <p>ECF Case</p>

FIRST AMENDED ANSWER TO

PLAINTIFFS’ COMPLAINT FOR PATENT INFRINGEMENT

Defendants Actavis Pharma Manufacturing Pvt. Ltd. LLC (“Actavis Pharma”) and Actavis Inc. (“Actavis”) (collectively “Defendants”) hereby respond to the corresponding paragraphs of plaintiffs’ Novo Nordisk Inc. and Novo Nordisk A/S (collectively “Plaintiffs”) Complaint as follows:

I

ADMISSIONS AND DENIALS

1. Denied, except to admit that the Complaint purports to state a cause of action under Title 35 of the U.S. Code with respect to Actavis Pharma's filing of Abbreviated New Drug Application ("ANDA") No. 91-400.
2. Admitted, upon information and belief.
3. Admitted, upon information and belief.
4. Denied, except to admit that Actavis Pharma Manufacturing Pvt. Ltd. LLC is a corporation organized under the laws of India.
5. Admitted.
6. Defendants lack sufficient information to admit or deny this allegation because the term "affiliate" is undefined, and therefore deny the same, leaving Plaintiffs to their proofs.
7. Denied, except to admit that Actavis Inc. is a generic pharmaceutical company.
8. Denied, except to admit that this action arises under the patent laws of the United States of America and that this court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a) and 35 U.S.C. § 271(e)(2).
9. Denied, except to state that Defendants do not contest personal jurisdiction for the sole purpose of this proceeding.
10. Denied, except to admit that Actavis Pharma filed ANDA No. 91-400 with the Food and Drug Administration ("FDA").
11. Denied.

12. Defendants lack sufficient information to admit or deny this allegation, and therefore deny the same, leaving Plaintiffs to their proofs.
13. Denied, except that Defendants lack sufficient information to admit or deny the allegations specific to Novo Nordisk's history and research and development, and therefore deny the same, leaving Plaintiffs to their proofs.
14. Denied, except to admit that upon information and belief, on January 13, 2004 the United States Patent and Trademark Office issued United States Patent No. 6,677,358, entitled "NIDDM Regimen," ("the '358 patent") and that the '358 patent purports on its face to be assigned to Novo Nordisk A/S.
15. Admitted, upon information and belief.
16. Defendants lack sufficient information to admit or deny this allegation, and therefore deny the same, leaving Plaintiffs to their proofs.
17. Denied.
18. Admitted, upon information and belief.
19. Denied, except to admit that Actavis Pharma manufactures generic pharmaceutical products.
20. Denied, except to admit that Actavis Pharma filed ANDA No. 91-400 with the FDA under 21 U.S.C. § 355(j) on May 11, 2009, seeking approval to engage in the commercial manufacture, use and sale of tablets comprising 1 mg repaglinide and 500 mg metformin HCl, and tablets comprising 2 mg repaglinide and 500 mg metformin HCl (Actavis Pharma's Proposed Products").

21. Defendants lack sufficient information to admit or deny this allegation because the term “relies upon” is undefined, and therefore deny the same, leaving Plaintiffs to their proofs.
22. Denied, except to admit that Actavis Pharma filed ANDA No. 91-400 with the FDA.
23. Admitted, upon information and belief.
24. Defendants hereby reallege and incorporate by reference their responses to paragraphs 1 – 23 of this Answer.
25. Denied because, *inter alia*, invalid claims cannot be infringed.
26. Denied. To the extent this paragraph purports to state a claim for relief under 35 U.S.C. § 271 (a), (b) or (c), no case or controversy exists and such claims are subject to dismissal.
27. Denied.

WHEREFORE, Defendants deny that Plaintiffs are entitled to the relief requested in the Complaint.

II

Affirmative Defenses

FIRST AFFIRMATIVE DEFENSE

Invalidity

1. The ‘358 patent is invalid by reason of the failure of the ‘358 patent to satisfy one or more conditions of patentability specified in Title 35 of the United States Code, including but not limited to Sections 101, 102, 103 and 112.

SECOND AFFIRMATIVE DEFENSE

Noninfringement

2. Actavis Pharma's Proposed Products do not infringe the claims of the '358 patent.

THIRD AFFIRMATIVE DEFENSE

Unenforceability of U.S. Patent No. 6,677,358 due to Inequitable Conduct

3. Actavis Pharma and Actavis Inc. incorporate by reference paragraphs 11 - 28 of their counterclaims.
4. The '358 patent was procured through inequitable conduct, rendering the patent unenforceable.

FOURTH AFFIRMATIVE DEFENSE

Unenforceability due to Patent Misuse

5. Actavis Pharma and Actavis Inc. incorporate by reference paragraphs 29 - 46 of their counterclaims.
6. The claims of the '358 patent are unenforceable due to patent misuse.
7. Plaintiffs have misused their rights under the '358 patent, including by providing FDA with a materially inaccurate and fraudulent use code description for that patent. Plaintiffs have improperly and illegally expanded the legitimate scope of the '358 patent to delay or prevent FDA approval of any ANDA for a repaglinide product, and in this fashion also have illegally extended the life of U.S. Patent No. RE 37,035, which expired on March 14, 2009.
8. As a result of Novo Nordisk's misuse of the '358 patent, Actavis Pharma and Actavis Inc. are entitled to a declaration that all claims of the '358 patent are unenforceable.

III

Counterclaims

Background

1. Actavis Pharma Manufacturing Pvt. Ltd. LLC (“Actavis Pharma”) is a corporation organized under the laws of India.
2. Actavis Inc. (“Actavis”) is a Delaware corporation having a principal place of business at 60 Columbia Turnpike, Bldg. B, Morristown, New Jersey 07960.
3. Upon information and belief, Novo Nordisk Inc. is a Delaware corporation, having a principal place of business at 100 College Road West, Princeton, New Jersey 08540.
4. Upon information and belief, Novo Nordisk A/S is a corporation organized and existing under the laws of the Kingdom of Denmark, having a principal place of business at Novo Allé, 2880 Bagsværd, Denmark.
5. Plaintiffs have caused the ‘358 patent to be listed in the Orange Book for Prandimet[®].
6. ANDA 91-400, including its amendments, seeks approval to manufacture and sell Actavis Pharma’s Proposed Products, which would be competitive to Prandimet[®], in the United States.
7. In their Complaint, Plaintiffs assert that Actavis Pharma and Actavis Inc. infringe the claims of the ‘358 patent by the submission, to the FDA, of ANDA No. 91-400.
8. Plaintiffs maintain, and Actavis Pharma and Actavis Inc. deny, that the ‘358 patent is valid and infringed.
9. An actual and justiciable controversy, therefore, exists between Actavis Pharma and Actavis Inc., and Plaintiffs regarding the validity and/or infringement of the claims of the ‘358 patent.

10. These counterclaims arise under the patent laws of the United States, 35 U.S.C. §1, *et seq.*, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. This court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400 and based on Plaintiffs having asserted the '358 patent against Actavis Pharma and Actavis Inc. in this district.

Prosecution of the '358 Patent

11. The '358 patent issued from U.S. Patent Application No. 09/459,526 ("the '526 application). On or about December 13, 1999, applicants Dr. Peter Müller and Dr. Lisbeth Hemingsen filed the '526 application with the United States Patent and Trademark Office ("USPTO") which claimed, *inter alia*, a method of treating patients with non-insulin dependent diabetes mellitus ("NIDDM") by administering a combination of repaglinide with another drug that was used to treat NIDDM, metformin. Dr. Müller subsequently became the only listed inventor and applicant because of amendments to the claimed subject matter during the prosecution of the '526 application. The '526 application was assigned to Plaintiff Novo A/S and was prosecuted by attorneys at Novo Nordisk Inc.

12. Upon examination of the '526 application, the PTO Examiner rejected the claims because the prior art showed that it would have been obvious to combine repaglinide and metformin to treat patients with NIDDM. For example, on or about October 19, 2000, the Examiner stated that the prior art "teaches combination therapy as a rational approach to the treatment of NIDDM comprising administering agents that have different mechanisms of action and different side-effect profiles."

13. Despite Plaintiffs' arguments in response to the rejection, the Examiner maintained the rejection of the claims in three more Office Actions. For example, in the April 16, 2002 Office Action, the Examiner did not find Plaintiffs' arguments persuasive because "the prior art is replete with examples of combination therapy wherein side-effects are minimized, dosages are reduced and a more clinically beneficial outcome is observed as compared with monotherapy."
14. In response to these rejections, Plaintiffs argued that the combination of repaglinide and metformin had synergistic effects that a skilled artisan would not have predicted. In support of their contention, Plaintiffs relied on results from a clinical trial labeled as Example 3 in the application ("Example 3"). Plaintiffs also referred to the statement in the '526 application that "[s]urprisingly, it has been found that when repaglinide is administered together with metformin to NIDDM patients whose glycemic control is poor on metformin alone a significant improvement in the glycaemic control is observed. More particularly, it has been found that there is a synergism between repaglinide and metformin."
15. On or about April 16, 2002, the USPTO issued a final office action rejecting all of the pending claims of the '526 application as obvious and/or anticipated.
16. On or about October 16, 2002, the applicant submitted an "Amendment and Response" to the April 16, 2002 office action along with a declaration from Dr. Jeppe Sturis, a principal scientist for Novo Nordisk A/S. Dr. Sturis described the result of a study in which he examined the effects of treating obese Zucker rats with a combination of repaglinide and metformin, the results of which he concluded, when considered in combination with Example 3 in the patent specification, "strongly

suggest[ed] that the combination of metformin and repaglinide has synergistic properties in type 2 diabetic patients.” The applicant argued in the “Amendment and Response” that “data presented in the Declaration of Dr. Sturis, provides clear evidence of synergy for the use of the claimed combination of repaglinide and metformin in the treatment of Type II diabetes.”

17. Dr. Sturis did not attach the actual study report to his declaration. Upon information and belief, that report makes it clear that the study did not support a finding that the rat study had any clinical relevance to the effect of the repaglinide-metformin combination in humans. Upon information and belief, in his report, which is an internal Novo Nordisk document not disclosed to the USPTO, Dr. Sturis stated that “[i]n conclusion, we have demonstrated synergistic effects of repaglinide and metformin on glucose tolerance in the male Zucker rat. We speculate that the presence of greater than additive effects may be clinically relevant.”
18. After Plaintiffs’ submission of Dr. Sturis’s declaration, on or about December 30, 2002, the examiner allowed the claims directed to the combination of repaglinide and metformin “[b]ased solely on the Declaration submitted by Dr. Sturis and reconsideration of the synergistic effects demonstrated in Example 3.”
19. Novo Nordisk has conceded in Novo Nordisk A/S v. Caraco Pharmaceutical Laboratories, Ltd., No. 2:05-cv-40188 (E.D. Mich.) (“Caraco”), that Example 3 and Dr. Sturis’s declaration are the only scientific data submitted during the prosecution of the ’526 application to support the contention that the combination of repaglinide and metformin has synergistic effects.

20. As discussed in more depth in the following paragraphs, Novo Nordisk misled the examiner by not disclosing material information during the prosecution of the '358 patent.

21. Novo Nordisk never disclosed to the USPTO three clinical studies conducted by Novo Nordisk A/S that directly conflicted with applicant's representation to the Examiner that "it has been found" that the combination of repaglinide and metformin had a synergistic effect:

- a On January 16, 2001, Novo Nordisk A/S initiated a clinical study with a trial ID of AGEE-3010. Upon information and belief, the study assessed the effect on glycaemic control before and after treatment with repaglinide or repaglinide and metformin combination therapy in patients with type 2 diabetes. On or about December 2, 2002, Novo Nordisk A/S issued a final report for AGEE-3010. Upon information and belief, the final report states "[w]hen analyzed by repaglinide monotherapy and repaglinide and metformin combination therapy, the synergistic effect of combination therapy observed by Moses et al was not consistently seen in this trial." Upon information and belief, the Moses et al. publication referenced in this final report contained the same data and results as described in Example 3.
- b On or about July 25, 2002, Novo Nordisk A/S initiated a clinical study with a trial ID of AGEE-3018. Upon information and belief, the study was conducted to compare the efficacy profile of

repaglinide in combination with metformin as compared to metformin or repaglinide given as monotherapy for the treatment of type 2 diabetes. Upon information and belief, on or about September 29, 2003, Novo Nordisk A/S issued a final report for AGEE-3018. Upon information and belief, the final report states “[t]he results observed in this study were contrary to the study by Moses et al which showed that HbA1c and FPG were significantly improved in the combination therapy of repaglinide/metformin compared to treatment with either drug as monotherapy in obese type 2 diabetic subjects. Upon information and belief, the synergistic effect of combination therapy observed by Moses et al was not consistently seen in this trial (only between combination and repaglinide for HbA1c).”

- c On or about March 6, 2002, Novo Nordisk A/S initiated a clinical study with a trial ID of AGEE-1411. Upon information and belief, the study was conducted to compare the efficacy of metformin and repaglinide used in monotherapy with the combination therapy of metformin and repaglinide. Upon information and belief, on or about February 20, 2006, Novo Nordisk A/S issued a final report for AGEE-1411. Upon information and belief, the final report states that “[t]here was not a statistically significant difference among treatments for the change of HbA1c (%) in blood from baseline, neither for the intent to treat population, nor for per

protocol population; that is, the three treatments [repaglinide monotherapy, metformin monotherapy, and the combination therapy of metformin and repaglinide] have the same effect over the patients, as the HbA1c was reduced in all treatments from visit 1 to visit 6.”

22. These three clinical studies are all dated *before* the ‘358 patent issued on January 13, 2004, yet neither the existence nor the outcome of studies AGEE-3010, AGEE-3018, or AGEE-1411 were disclosed to the USPTO during the prosecution of that patent.
23. Novo Nordisk’s failure to disclose these three clinical studies to the Examiner constitutes a material omission. Upon information and belief, the results of these clinical trials conflict with the representations made by Novo A/S, Dr. Müller, and Dr. Sturis during the prosecution of the ‘358 patent that the combination of repaglinide and metformin had synergistic effect when used to treat patients with NIDDM. These were the very representations that provided the *sole* basis for overcoming the Examiner’s repeated rejections of the application underlying the ‘358 patent.
24. One of Novo Nordisk’s own documents confirms that these studies were material to the prosecution of the ‘358 patent. In an email dated January 9, 2007, Novo Nordisk employees highlighted the importance of one of the studies, AGEE-3018, to the subject of a combination of repaglinide and metformin to treat patients with type 2 diabetes. The email concerned the potential disclosure of AGEE-3018 to the FDA as part of the NN4440 project. Upon information and belief, project “NN4440” concerns or concerned the development of a fixed combination product of repaglinide

and metformin. In this email, Plaintiffs' employee Cliff Hall stated, "this trial appears relevant, and I don't see how we can avoid including it" in a production to the FDA. See NOVO-1651059-61 at NOVO-1651060. There is no basis to believe that the study would be relevant to FDA's consideration of the NN4440 project, but not relevant to the prosecution of the '358 patent, which concerns the identical subject matter.

25. Upon information and belief, the existence and/or outcome of studies AGEE- 3010, AGEE-3018, and AGEE-1411 were known to Plaintiffs' attorneys who prosecuted the '358 patent, Dr. Müller and/or Dr. Sturis. In the alternative, these individuals were deliberately ignorant of those studies. There is no credible explanation for the nondisclosure of these studies to Plaintiffs' attorneys who prosecuted the '358 patent, Dr. Müller and/or Dr. Sturis. The only reasonable inference is that these individuals withheld these studies with an intent to deceive the PTO.
26. Plaintiffs never disclosed to the PTO that one skilled in the art could not determine if a synergistic effect existed from the results of Example 3. Upon information and belief, one of the principal investigators of the study described in Example 3, Dr. Robert Moses, testified under oath that this study was unable to determine if the combination of repaglinide and metformin had synergistic effects. Upon information and belief, Plaintiffs and Dr. Sturis knew this to be the case because Dr. Richard Carr, a scientist at Novo Nordisk Inc., notified Dr. Sturis, among others, in a August 24, 2000 email that there was no "mathematical proof that synergy really exists" and that such data would be useful for patenting. See NOVO-6460530. Nevertheless, Plaintiffs affirmatively represented to the Examiner that "it has been found that there

is a synergism between repaglinide and metformin” based on the results from Example 3. Upon information and belief, Novo Nordisk had no basis for such a representation and they knew it to be untrue.

27. Novo Nordisk never disclosed to the USPTO that Dr. Sturis himself did *not* believe that his rat study had any clinical relevance to the effect of the repaglinide-metformin combination in humans, let alone showed synergism between repaglinide and metformin. Upon information and belief, the report underlying that study – a report never disclosed to the USPTO – merely said: “In conclusion, we have demonstrated synergistic effects of repaglinide and metformin on glucose tolerance in the male Zucker rat. We speculate that the presence of greater than additive effects *may* be clinically relevant.”
28. This is not the first instance in which Novo Nordisk has committed inequitable conduct. On a previous occasion, Novo Nordisk similarly misrepresented study results disclosed in a pharmaceutical patent application. In the August 3, 2004 decision entitled Bio-Technology General Corp. v. Novo Nordisk A/S and Novo Nordisk Pharmaceuticals, Inc., No. Civ. 02-235-SLR, 2004 WL 1739722 (D. Del. Aug. 3, 2004), the United States District Court for the District of Delaware held that Novo Nordisk committed inequitable conduct by failing to inform the patent examiner that the procedure described in their patent application was, in fact, never performed, and the procedure actually failed despite repeated attempts to perform it. This finding of inequitable conduct was affirmed by the Federal Circuit on October 5, 2005 in Novo Nordisk Pharmaceuticals, Inc. v. Bio-Technology General Corp., 424 F.3d 1347 (Fed. Cir. 2005).

Listing of the ‘358 Patent in the Orange Book

29. Plaintiffs continue to engage in inequitable and unlawful conduct with regard to the ‘358 patent in an effort to continue its monopoly on the now-expired repaglinide composition patent, U.S. Patent No. RE 37,035 (the “RE ’035 patent”). In particular, Plaintiffs have illegally submitted materially misleading and incomplete information to the FDA in a deliberate effort to delay or prevent approval of any ANDA that seeks approval to market repaglinide solely for non-infringing uses.
30. FDA regulations require NDA holders like Plaintiffs to submit “patent information” to FDA “for each patent that claims the drug or a method of using the drug that is the subject of the new drug application . . . and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner of the patent engaged in the manufacture, use, or sale of the drug product.” 21 C.F.R. § 314.53(b); see also 21 U.S.C. § 355(c)(2). This patent information is listed in the so-called “Orange Book,” one purpose of which is to provide notice to ANDA applicants of those patents an NDA holder represents cover the listed product.
31. The U.S. Federal Trade Commission was involved in the discussions leading to the current iteration of section 314.53, provided a detailed study of generic drug entry prior to patent expiration, and previously asked FDA to clarify its patent listing rules via Citizen Petition. *See, e.g.*, Citizen Petition, OIP-0248 (May 16, 2001). As FTC explained: “The FDA has proposed to clear away unnecessary roadblocks to the approval of generic drug products. The FDA’s important action addressing the competitive problems existing in the approval process for generic drugs, if promulgated and upheld, will [be] an effective way to bring the economic benefits of

generic drugs to consumers more quickly. The Commission urges FDA, however, to make the proposed reforms even more effective by tightening its patent listing requirements.” FTC Comments, No. 02N-0417 (Dec. 23, 2002).

32. The NDA holder’s obligation to submit patent information for method claims includes “use codes” and specific descriptions of the protected methods of use. 21 C.F.R. § 314.53(b)(1).
33. “Use codes” are listed in the Orange Book and are intended to alert ANDA applicants to the existence of a patent that claims an approved use. Applications for FDA Approval to Market a New Drug: Patent Submission and Listing Requirements and Application of 30-Month Stays on Approval of [ANDAs] Certifying That a Patent Claiming a Drug Is Invalid or Will Not Be Infringed, Final Rule, 68 Fed. Reg. 36676, 36683 (June 18, 2003).
34. The FDA expects a high degree of specificity in these use codes so that ANDA applicants may, if they so elect, carve out the protected use from its label and seek approval solely for non-protected uses by submitting what is called a “section viii statement.” As the FDA put it: “To effectively implement the certification and section viii statement provisions set out in the statute, we must have adequate information concerning method-of-use patents.” 68 Fed. Reg. at 36683. Thus, under section 314.53(b)(1), “[t]he applicant shall separately identify each pending or approved method of use and related patent claim” and “identify with specificity the section of the approved labeling that corresponds to the method of use claimed by the patent submitted”.

35. When submitting a use code description to the FDA, the NDA holder “must describe each individual method of use for which a patent is submitted for listing, and identify the corresponding language found in the labeling of the approved NDA that corresponds to that method of use.” 68 Fed. Reg. at 36681.
36. This listing must be “accurate and detailed” (68 Fed. Reg. at 36681); the applicant must provide “a description of each approved method of use or indication and related patent claim of the patent being submitted,” along with “the specific section of the approved labeling of the drug product that corresponds to the method of use claimed by the patent” and a “description of the patented method of use as required for publication.” 21 C.F.R. § 314.53(c)(2)(ii)(P).
37. Form 3542, the form NDA holders must complete in connection with the use code requirements, also mandates that the NDA holder attest to the accuracy of a use code under penalty of perjury and specifically cautions that willfully and knowingly false statements are a criminal offense under 18 U.S.C. § 1001. See 68 Fed. Reg. at 36686. The instructions to Form 3542 make clear that generic companies must be able to rely on specific use codes to determine whether a section viii statement is appropriate: “The use code designates a method of use patent that claims the approved indication or use of a drug product. Each approved use claimed by the patent should be separately identified in this section and contain adequate information to assist . . . ANDA applicants in determining whether a listed method of use patent claims a use for which the . . . ANDA applicant is not seeking approval.” This instruction prevents the NDA holder from asserting a broad use code that would unnecessarily prevent ANDA applicants from seeking approval for non-protected uses.

38. By placing these strict requirements on the NDA-holder, section 314.53 and Form 3542 implement a critical component of the Hatch-Waxman statutory scheme because they allow ANDA applicants to know precisely what methods they can carve out under section viii. The FDA does not construe patents, so it relies heavily on the good-faith compliance of the NDA holder to provide an accurate and detailed description of the scope of the patented method of use. 68 Fed. Reg. at 36682. The FDA allows the NDA applicant or holder to draft the exact use code description because it believes that this system is “more efficient and accurate” than having the FDA create the use code descriptions. Id.
39. Plaintiffs have listed the ‘358 patent in the Orange Book in reference to their repaglinide drug branded as Prandin[®] and in reference to their metformin-repaglinide combination tablet branded as PrandiMet[®]. Claim 4 of the ‘358 patent claims a single method: “A method for treating non-insulin dependent diabetes mellitus (NIDDM) comprising administering to a patient in need of such treatment repaglinide in combination with metformin.”
40. Plaintiffs identified this method to FDA through its submission of a use code for the ‘358 patent specifically identifying this method. This was listed in the Orange Book entry for Prandin[®] from 2004 to 2009 as: “U-546: use of repaglinide in combination with metformin to lower blood glucose.”
41. On or about May 6, 2009, Plaintiffs changed the use code for the ‘358 patent in reference to Prandin[®] to read: “U-968: a method for improving glycemic control in adults with Type 2 diabetes mellitus.” This new use code does not describe the patented method of use. Nevertheless, upon information and belief, an in-house Novo

Nordisk attorney declared under penalty of perjury that this vague use code description is “an accurate and complete submission of patent information for the NDA or supplement approved under section 505 of the Federal Food, Drug, and Cosmetic Act. This time-sensitive patent information is submitted pursuant to 21 CFR 314.53. I attest that I am familiar with 21 CFR 314.53 and this submission complies with the requirements of the regulation. I verify under penalty of perjury that the foregoing is true and correct.”

42. Plaintiffs changed this use code for the ‘358 patent in reference to Prandin[®] as part of an improper effort to frustrate competitors’ ability to obtain final FDA approval of any ANDA for a repaglinide drug product. Contrary to the representation that Plaintiffs made to FDA under penalty of perjury, Novo Nordisk’s new use code (U-968) does not specifically or accurately describe the patented method of use found in claim 4 of the ‘358 patent—in fact, it does not describe that patented method at all. Instead, it vaguely suggests that the ‘358 patent is much broader in scope than it actually is.

43. Plaintiffs asserted that FDA should reject a section viii statement as to claim 4 of the ‘358 patent, which was submitted by another generic competitor, Caraco Pharmaceutical Laboratories, Ltd., based on the new use code description. Plaintiffs therefore asserted that this patent claim covers all methods of using repaglinide to treat type-2 diabetes, not just metformin-repaglinide combination therapy. In so doing, Plaintiffs claimed in effect that their monopoly on repaglinide (which expired with the RE ’035 patent on March 14, 2009) should extend until the expiration date of the ‘358 patent.

44. Plaintiffs could not and cannot assert such a position in good faith. The language of claim 4 of the '358 patent is expressly limited to the use of "repaglinide in combination with metformin" and cannot possibly be construed to cover repaglinide monotherapy or combination therapy with TZDs.

45. Indeed, up until the use code change made on or about May 6, 2009, Plaintiffs consistently maintained that claim 4 of the '358 patent covered only the metformin-repaglinide combination.

a Until the use code change made on or about May 6, 2009, Plaintiffs expressly asserted in the Orange Book in reference to Prandin[®] that the '358 patent's method claim only covered the "use of repaglinide in combination with metformin to lower blood glucose."

b Plaintiffs' complaint for patent infringement in Novo Nordisk A/S et al. v. Caraco Pharmaceutical Laboratories, Ltd., No. 2:05-cv-40188 (E.D. Mich.) alleged that "[t]he '358 patent claims . . . a method for treating NIDDM by administering to a patient in need of treatment, repaglinide in combination with metformin (claim 4)." Novo Nordisk A/S. et al. v. Caraco Pharm. Labs., Ltd., No. 2:05-cv-40188 (E.D. Mich.), Am. Compl. ¶ 10 (Dkt. 23). Plaintiffs have taken the same position in other litigation involving the '358 patent. See, e.g., Novo Nordisk et al. v. Mylan Pharmaceuticals Inc., No. 3-09-cv-02445 (D.N.J.), Complaint ¶ 10 (Dkt. 1).

- c Plaintiffs represented to the FDA that “the ‘358 patent contains 5 claims, one of which (claim 4) is directed to a method of treatment of NIDDM with a combination of repaglinide and metformin.” Novo Citizen Petition, FDA 2008-P-0343-0001, at 3 n.4 (Jun. 9, 2008).
- d Plaintiffs also continue to use the original Prandin[®] use code (U-546) for the ‘358 patent in reference to PrandiMet[®], Plaintiffs’ metformin-repaglinide combination tablet. This demonstrates that Plaintiffs continue to believe, and represent to FDA, that the ‘358 patent covers only the “use of repaglinide in combination with metformin to lower blood glucose.” Plaintiffs have made no effort to explain how their method claim can be construed one way for PrandiMet[®] and a different way for Prandin[®].

46. For these reasons, Plaintiffs’ conduct with regard to the ‘358 patent use code is abusive, fraudulent, and anticompetitive.

FIRST COUNT

Declaration of Invalidity

47. Actavis Pharma and Actavis Inc. repeat and reallege paragraphs 1 – 46 of the Counterclaims.

48. The ‘358 patent is invalid by reason of the failure of the ‘358 patent to satisfy one or more conditions of patentability specified in Title 35 of the United States Code, including but not limited to Sections 101, 102, 103 and 112.

49. Actavis Pharma and Actavis Inc. are entitled to a declaration that the claims of the '358 patent are invalid.

SECOND COUNT

Declaration of Noninfringement

50. Actavis Pharma and Actavis Inc. repeat and reallege paragraphs 1 – 49 of the Counterclaims.

51. Actavis Pharma's Proposed Products do not infringe the claims of the '358 patent.

52. Actavis Pharma and Actavis Inc. are entitled to a declaration that Actavis Pharma's Proposed Products do not infringe any valid claim of the '358 patent.

THIRD COUNT

Declaratory Judgment of Unenforceability of the '358 Patent due to Inequitable Conduct

53. Actavis Pharma and Actavis Inc. repeat and reallege paragraphs 1 – 52 of the Counterclaims.

54. The claims of the '358 patent are unenforceable due to Novo Nordisk's inequitable conduct before the USPTO, as described above.

55. During the prosecution of the '358 patent, Novo Nordisk, its respective attorneys involved in the prosecution of the '358 patent, Dr. Müller, and Dr. Sturis did not disclose the results of clinical studies AGEE-3010 and AGEE-3018 and the existence of clinical study AGEE-1411 to the USPTO. Upon information and belief, the data and results from the clinical studies were material to the patentability of the '358 patent.

56. The data and results from the clinical studies were not cumulative of any information disclosed during the prosecution of the '358 patent.

57. Upon information and belief, Novo Nordisk, its respective attorneys involved in the prosecution of the '358 patent, Dr. Müller, and Dr. Sturis were aware of the materiality of the data and results from the clinical studies, or were deliberately ignorant of those studies.
58. Novo Nordisk, its respective attorneys involved in the prosecution of the '358 patent, Dr. Müller, and Dr. Sturis also did not disclose that Example 3 was insufficient to determine if the combination of repaglinide and metformin had synergistic effects. The non-disclosure of this information was material to the patentability of the '358 patent because Example 3 provided support for the sole reason for the allowance of the '358 patent, namely the alleged synergistic effects of the combination of repaglinide and metformin to patients with NIDDM, and such information is inconsistent with Plaintiffs', Dr. Müller's and Dr. Sturis's argument that Example 3 shows that there is a synergism between repaglinide and metformin.
59. Dr. Sturis also made materially misleading statements in his declaration concerning the applicability of the results from his rat study. Upon information and belief, Dr. Sturis did not disclose in his declaration his belief that his rat study may not be relevant to determine the effect of the combination of repaglinide and metformin in humans. This belief conflicts with Dr. Sturis's representation to the USPTO that his rat study taken with Example 3 "strongly suggest that the combination of repaglinide and metformin has synergistic properties in type 3 diabetic patients."
60. Upon information and belief, there exists a reasonable basis to infer that Plaintiffs' attorneys, Dr. Müller, Dr. Sturis and/or others substantively involved in the preparation and/or prosecution of the application that led to the '358 patent made the

aforementioned acts and omissions specified in paragraphs 11 – 28 and 64 – 71 with the intent to deceive the USPTO.

61. Actavis Pharma and Actavis Inc. are entitled to a declaration that the ‘358 patent is unenforceable due to inequitable conduct.

FOURTH COUNT

Declaratory Judgment of Unenforceability of the ‘358 Patent due to Patent Misuse

62. Actavis Pharma and Actavis Inc. repeat and reallege paragraphs 1 – 61 of the Counterclaims.
63. Plaintiffs’ original Prandin[®] use code for the ‘358 patent was: “U-546: use of repaglinide in combination with metformin to lower blood glucose.”
64. On or about May 6, 2009, Plaintiffs changed the use code for the ‘358 patent in reference to Prandin[®] to one with a much broader scope: “U-968: a method for improving glycemic control in adults with Type 2 diabetes mellitus.” This new use code does not purport to specifically or accurately describe the patented method of use found in claim 4 of the ‘358 patent, as required by the FDA regulations.
65. Novo Nordisk’s revised use code could be read as suggesting that the ‘358 patent covers all approved methods of using repaglinide (including monotherapy and combination with TZDs).
66. The only method of use covered by the ‘358 patent involves the use of “repaglinide in combination with metformin.”
67. Through its manipulation of the use code for the ‘358 patent to encompass drug products and methods for using drug products not covered by the ‘358 patent, Novo Nordisk misused the ‘358 patent and has drawn anticompetitive strength from the ‘358 patent.

68. Novo Nordisk's anticompetitive use of the '358 patent has prevented competitors from entering the market with competing repaglinide products.
69. Actavis Pharma and Actavis Inc. are entitled to a declaration that the '358 patent is unenforceable due to patent misuse.

PRAYER FOR RELIEF

WHEREFORE, Actavis Pharma and Actavis Inc. demand judgment in their favor and against Plaintiffs, and respectfully request that this Court:

1. Dismiss Plaintiffs' claims with prejudice;
2. Declare that the claims of the '358 patent are invalid;
3. Declare that Actavis Pharma and Actavis Inc. have not infringed any valid claim of the '358 patent;
4. Declare that the '358 patent is unenforceable due to inequitable conduct and/or patent misuse;
5. Adjudge and award treble damages, under Clayton Act § 4, against Novo Nordisk for Sherman Act violations;
6. Declare this case to be exceptional under 35 U.S.C. § 285;
7. Award Actavis Pharma and Actavis Inc. their costs and attorney's fees;
8. Preliminarily and permanently enjoin Plaintiffs, their officers, agents, servants, employees, attorneys and any person who acts in concert or participation with Plaintiffs, from using the '358 patent to block, hamper, hinder or obstruct FDA approval of the product described in ANDA No. 91-400;
9. Permanently enjoin Plaintiffs, their officers, agents, servants, employees, attorneys and any person who acts in concert or participation with Plaintiffs, from asserting or otherwise seeking to assert the '358 patent against Actavis Pharma and/or Actavis Inc. and/or anyone in privity with Actavis Pharma and/or Actavis Inc.; and

10. Award Actavis Pharma and/or Actavis such other and further relief as the Court
deems just and proper.

DATED: July 1, 2010

Respectfully submitted,

By: /s/ Nicholas E. O. Gaglio
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