

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF GEORGIA
ATHENS DIVISION

MERIAL LIMITED and MERIAL SAS,

Plaintiffs,

v.

CEVA ANIMAL HEALTH, LLC,

Defendant.

Civil Case No. 3:12-cv-154

JURY TRIAL DEMANDED

DECLARATORY JUDGMENT COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Merial Limited and Merial SAS (collectively, “Merial”), for their Declaratory Judgment Complaint for Patent Infringement against Defendant Ceva Animal Health, LLC (“Ceva”) allege as follows:

NATURE OF ACTION

1. This is an action in which Merial seeks declaratory and injunctive relief under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, for Ceva’s intended infringement of Merial’s U.S. Patent No. 6,096,329 (“the ’329 Patent”). A true and correct copy of the ’329 Patent is attached as Exhibit A.

2. The United States Patent and Trademark Office (“USPTO”) duly and legally issued the ’329 Patent on August 1, 2000. On October 4, 2011, the USPTO issued an *Ex Parte* Reexamination Certificate for the ’329 Patent. A true and correct copy of the *Ex Parte* Reexamination Certificate for the ’329 Patent is attached as Exhibit B.

THE PARTIES

3. Merial Limited is a company limited by shares registered in England and Wales with a registered office in England. Merial Limited is domesticated in the State of Delaware as Merial LLC. Merial Limited's North American operational headquarters are in Duluth, Georgia.

4. Merial S.A.S. is a Société Par Actions Simplifiée of France with principal offices located at 29 Avenue Tony Garnier 69007 Lyon, France.

5. Ceva is incorporated under the laws of the State of Delaware and has a principal place of business at 301 Route 17 North, Rutherford, New Jersey 07070. On information and belief, Ceva is the U.S. business unit of Ceva Santé Animale, a French company headquartered in Libourne, France. Ceva represents Ceva Santé Animale's presence in the United States animal health industry, including the sale of Ceva's flea and tick treatment products in the United States.

JURISDICTION AND VENUE

6. This is an action arising under the patent laws of the United States, Title 35 of the United States Code and the Declaratory Judgment Act of 1934, 28 U.S.C. §§ 2201-2202. This Court has subject matter jurisdiction under Title 28, United States Code, §§ 1331 and 1338(a).

7. Ceva has, directly or indirectly through third parties, including distributors and/or veterinarians, continuously and systematically advertised, offered for sale, and/or sold within the United States, including the State of Georgia, and the Athens Division of this Judicial District, animal health products, including the Vectra flea and tick prevention product.

8. Ceva has purposefully availed itself of benefits and protections of this Judicial District.

9. This Court has personal jurisdiction over Ceva.

10. Venue is proper in this Court pursuant to at least Local Rule 3.4 and 28 U.S.C. §§ 1391(b) and (c) because corporations are deemed to reside in any judicial district in which they are subject to personal jurisdiction at the time the action is commenced. Ceva has continuously and systematically advertised, offered for sale, and sold animal health products, including flea and tick treatment products, in the Athens Division of this Judicial District, and it is believed that Ceva intends to sell infringing products in this Judicial District. Under the Patent Act, an infringement claim arises where the sale of the infringing product occurs. It is believed that Ceva's infringing products soon will be offered for sale in the Athens Division of this Judicial District. Ceva's planned actions in the Athens Division of this Judicial District with regard to its infringing products will cause substantial injury to Merial in the Athens Division of this Judicial District.

11. Pursuant to Local Rule 3.4, venue is also proper in the division where the plaintiff resides. Merial Limited resides in the Athens Division of this District by virtue of its substantial presence in Athens, Georgia. For example, Merial Limited has a substantial research and development facility located in Athens, Georgia, which employs approximately 400 people, and conducts testing, research and development, and regulatory licensing-related activities with regard to, among other projects, companion animal flea and tick control products, including those at issue in this case.

UNDERLYING FACTS

12. Merial is a world-leading animal health company. Among Merial's most successful animal health products are its FRONTLINE PLUS products. Merial's FRONTLINE PLUS products are the world's bestselling flea and tick treatment for dogs and cats. Merial's FRONTLINE PLUS products provide gentle, long-lasting, fast-acting, waterproof flea and tick

control and are approved by the United States Environmental Protection Agency (“EPA”) for eliminating flea and tick infestations. Merial’s FRONTLINE PLUS products are synergistic spot-on compositions for long lasting protection against fleas and ticks on mammals which comprise synergistic effective amounts of the insecticide fipronil and synergistic amounts of methoprene, a compound which mimics juvenile hormones, as well as customary spot-on formulation adjuvants. In particular, Merial’s FRONTLINE PLUS products for dogs contain 9.8% fipronil and 8.8% (s)-methoprene. Likewise, Merial’s FRONTLINE PLUS product for cats contains 9.8% fipronil and 11.8% (s)-methoprene.

13. Merial spent substantial sums of money inventing and bringing to market its FRONTLINE PLUS products.

14. Merial’s FRONTLINE PLUS products are covered by claims of the ’329 Patent including, but not limited to, Claims 1, 4, 26, 77, 85, 101, and 106-108.

15. The ’329 Patent is assigned to Merial S.A.S., which has granted Merial Limited an exclusive license to the ’329 Patent. Merial, therefore, has all substantial rights to enforce the ’329 Patent, including all rights to recover for any and all past and present infringement thereof.

16. Ceva is aware of the ’329 Patent and Merial’s rights to the ’329 Patent.

17. On information and belief, Ceva has taken significant, concrete steps and has made meaningful preparations, either alone or in concert with third-parties, to sell, use, and offer for sale infringing flea and tick products within the United States, including the State of Georgia, and the Athens Division of this Judicial District. On information and belief, Ceva intends to begin selling those infringing products before or during the next flea and tick season, in approximately the spring of 2013. The offer for sale, sale, and/or use of such products, which are the subject of this lawsuit, will constitute infringement of the ’329 Patent.

18. On information and belief, Ceva, acting through another company, Horizon Valley Generics, Inc., (“Horizon”), has filed with the EPA applications to register generic FRONTLINE PLUS products, *i.e.* spot-on flea and tick products containing fipronil and methoprene as the only active ingredients. On information and belief, Ceva’s applications to register generic FRONTLINE PLUS products are what are known as “me-too” product registration applications. Sections 3(c)(3)(B) and 3(c)(7)(A) of Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) regulate me-too products and registrations. A me-too product is a product that is identical or substantially similar in composition and labeling to a previously registered pioneer product.

19. An applicant seeking to register a me-too product need not repeat safety, efficacy, and toxicity studies for the product, but rather can cite to the existing data previously submitted to the EPA by the registrant for the previously-registered pioneer product. The applicant seeking to register a me-too product, however, must offer to pay the registrant of the pioneer product for the use of its data.

20. On information and belief, on September 25, 2012, Merial was sent a letter from a regulatory consulting company on behalf of Horizon, and thus on behalf of Ceva, offering to pay Merial, as required by FIFRA regulations, for the use of Merial’s FRONTLINE PLUS data. That letter stated that (i) Horizon “is applying for registration of two (2) end-use products containing fipronil and S-methoprene . . . as the active ingredients” and (ii) in support of the applications for registration, Horizon, and thus Ceva, intend to rely on the acute toxicity, product performance, and companion animal safety data that Merial previously submitted to the EPA in connection with the registration of Merial’s FRONTLINE PLUS fipronil and methoprene-containing flea and tick products.

21. On information and belief, the products that Horizon is seeking to register on behalf of Ceva and that Ceva intends to sell in the United States contain the same combinations and amounts of active ingredients, fipronil and methoprene, that are present in Merial's FRONTLINE PLUS products. On information and belief, the amounts of fipronil and methoprene in Ceva's generic FRONTLINE PLUS products are within the scope of one or more claims of Merial's '329 Patent. On information and belief, Ceva's generic FRONTLINE PLUS products also contain at least one customary spot-on formulation adjuvant.

22. On or about November 7th, 2012, the General Counsel of Ceva Santé Animale, Ceva's French parent company, contacted Merial and informed Merial that Ceva intended to launch fipronil- and methoprene-containing spot-on flea and tick products in the United States and that Ceva therefore desired a license to the '329 Patent in order to permit Ceva to import, offer for sale, and sell the planned products in the United States without infringing on Merial's patent rights.

23. The Ceva representative threatened that, if Merial refused to grant Ceva a license to the '329 Patent, Ceva would attempt to invalidate the '329 Patent. The Ceva representative also explained that, because Ceva was "far down the road" in its preparations to launch the fipronil- and methoprene-containing spot-on flea and tick products in the United States, Ceva soon would need to know if Merial was willing to grant Ceva a license to the '329 Patent or, alternatively, Ceva would proceed to attempt to invalidate that patent. By these statements, Ceva admitted that it plans to offer for sale in the United States products that would infringe the '329 Patent, and threatened imminent litigation to attempt to invalidate the '329 patent unless Merial agreed to license the '329 patent to Ceva.

24. Merial is not willing to grant Ceva a license to the '329 patent or otherwise to relinquish its legal right to exclude others from exploiting its patented inventions claimed in the '329 patent.

25. If Ceva is permitted to sell, use, and offer for sale its infringing flea and tick products, Merial will suffer irreparable, unquantifiable harm. Merial has made substantial investments in its FRONTLINE PLUS products, including developing its products through research and development, marketing its products and establishing a strong brand, developing strong customer relationships, and remaining the exclusive supplier of the world's bestselling flea and tick treatment for dogs and cats.

26. To help protect its substantial investments, Merial has obtained patents, including the '329 Patent, that grant Merial the legal right to exclude others from using its inventions.

27. Ceva seeks to gain all the benefits of Merial's substantial investments in its flea and tick protection business, but pay none of the costs, by introducing infringing products into the marketplace. Ceva's attempt to "piggy-back" on Merial's substantial investments undermines the purpose of the patent laws of the United States, which allow Merial a period of exclusivity as an incentive to invest and innovate.

28. Ceva's infringement will inflict irreparable and irreversible harm, causing Merial to suffer lost market share, price erosion, and damage to the goodwill and reputation Merial has spent years to establish. These losses are impossible to recapture and impossible to quantify and may affect sales and relationships relating to not only Merial's FRONTLINE PLUS products, but also other Merial products.

29. In view of Ceva's meaningful preparations to conduct infringing activities, and the concrete steps it has taken towards that end, there is a substantial and continuing justiciable

controversy between Merial and Ceva. Ceva's actions have created a reasonable apprehension in Merial of imminent and irreparable harm and loss.

30. In light of Ceva's concrete steps, meaningful preparations, and determination to register, offer to sell, and sell infringing flea and tick products in the United States, and its threats to attempt to invalidate the '329 Patent, there is a real and immediate controversy concerning Ceva's infringement of the '329 Patent under 35 U.S.C. § 271.

COUNT I
(CLAIM FOR INFRINGEMENT OF THE '329 PATENT)

31. The allegations in Paragraphs 1 through 30 of this Complaint are incorporated by reference as if set forth in their entirety.

32. Ceva has made meaningful preparations, either alone or in concert with others, to make, use, offer to sell, and/or sell within, or import into, the United States infringing generic FRONTLINE PLUS fipronil and methoprene-containing spot-on flea and tick products. Ceva's making, using, offering to sell, or selling within, or importing into, the United States such products will infringe, contribute to the infringement of, and/or actively induce the infringement of one or more claims of the '329 Patent, including, but not limited to, Claims 1, 4, 26, 77, 85, 101, and 106-108.

33. Ceva has had notice of the '329 Patent and its infringement of the '329 Patent will be deliberate and willful.

34. Ceva's planned infringing acts have not been authorized by Merial and will be in violation of Merial's rights in the '329 Patent.

35. As a direct result of Ceva's infringing acts, Merial will suffer damages and irreparable harm.

36. Merial would have no adequate remedy at law for Ceva's infringing acts, and unless such infringing acts are enjoined by this Court, Merial will suffer damage and irreparable harm.

PRAYER FOR RELIEF

WHEREFORE, Merial prays that the Court:

- (a) Enter a judgment that Ceva's planned fipronil and methoprene-containing spot-on flea and tick products infringe, either directly, by contribution and/or active inducement, one or more claims of the '329 Patent;
- (b) Preliminarily and permanently enjoin Ceva and those in privity, or acting in concert, with it from making, using, offering to sell, or selling within, or importing into, the United States, the planned infringing fipronil and methoprene-containing spot-on flea and tick products and all other products that are not more than colorably different therefrom;
- (c) Preliminary and permanently enjoin Ceva and those in privity, or acting in concert, with it from further acts of direct infringement, contributory infringement and active inducement of infringement of the '329 Patent;
- (d) If necessary at some future date, award Merial damages in an amount adequate to compensate it for harm caused by Ceva's infringement of the '329 Patent, but in no event less than a reasonable royalty;
- (e) If necessary at some future date, award Merial pre-judgment and post judgment interest on the damages caused to it by reason of Ceva's infringement of the '329 Patent;

- (f) Declare that any infringement of the '329 Patent by Ceva has been and is willful, and enter an Order trebling any damages awarded for that infringement;
- (g) Declare this to be an exceptional case pursuant to 35 U.S.C. § 285;
- (h) Award Merial its attorneys' fees, costs and expenses in this action; and
- (i) Award Merial pre-judgment and post-judgment interest, and such further relief as the Court deems just and proper.

JURY TRIAL DEMAND

Merial requests a trial by jury of all issues so triable to a jury raised in this Complaint.

Respectfully submitted this 5th day of December, 2012.

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