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6 Attorneys for Plaintiffs
7 JRX BIOTECHNOLOGY, INC. and
8 PROFESSIONAL COMPOUNDING CENTERS OF AMERICA, INC.

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IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

JRX BIOTECHNOLOGY, INC., a California corporation; and PROFESSIONAL COMPOUNDING CENTERS OF AMERICA, INC., a Texas corporation, Plaintiffs, v. FREEDOM PHARMACEUTICALS, INC., an Oklahoma corporation, Defendant.) Case No.: 8:14-CV-0079)) COMPLAINT FOR PATENT) INFRINGEMENT)) DEMAND FOR JURY TRIAL)))
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1 Plaintiffs JRX Biotechnology, Inc. (“JRX”) and Professional
2 Compounding Centers of America, Inc. (“PCCA”), (collectively “Plaintiffs”), for
3 their Complaint against Defendant Freedom Pharmaceuticals, Inc. (“Freedom”),
4 hereby allege as follows:

5 **I. PARTIES**

6 1. Plaintiff JRX is a California corporation having a principal place of
7 business at 1401 Quail Street, Suite 115, Newport Beach, California 92660.

8 2. JRX researches and develops products in the area of
9 biotechnology. JRX has received patents on the products it develops and licenses
10 its patents. JRX owns the patents at issue in this action.

11 3. Plaintiff PCCA is a Texas corporation having a principal place of
12 business at 9901 S. Wilcrest Drive, Houston, Texas 77099.

13 4. PCCA is the exclusive licensee in the compounding pharmacy
14 distribution channel of the patents at issue in this action.

15 5. Upon information and belief, Defendant Freedom is a corporation
16 organized and existing under the laws of the state of Oklahoma, having a
17 principal place of business at 801 W. New Orleans St., Broken Arrow, OK
18 74011.

19 **II. JURISDICTION AND VENUE**

20 1. This action arises under the Patent Laws of the United States, 35
21 U.S.C. §§ 100, *et seq.*

22 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
23 §§ 1331 and 1338(a).

24 3. Upon information and belief, Freedom conducts business throughout
25 the United States, including in this Judicial District, and has committed the acts
26 complained of in this Judicial District and elsewhere.

27 4. This Court has personal jurisdiction over Freedom by virtue of its
28 systematic and continuous contacts with California and by virtue of its actions in

1 California, including in this Judicial District, constituting infringement of the
2 patents in suit.

3 5. Upon information and belief, Freedom offers for sale its infringing
4 product, SiloMac Anhydrous Gel, to all pharmacies across the United States.
5 Freedom makes this product available to purchase through its website at
6 [http://www.freedomrxinc.com/categories/316/bases/freedom-silomac-anhydrous-
8 gel](http://www.freedomrxinc.com/categories/316/bases/freedom-silomac-anhydrous-
7 gel).

8 6. By way of example, Freedom sold a unit of Freedom SiloMac
9 Anhydrous Gel 500GM (Lot #F10942D) which was purchased and received by
10 California Pharmacy & Compounding Center at 4000 Birch Street, Ste 120,
11 Newport Beach, CA 92660. A copy of the receipt for this purchase is attached as
12 Exhibit 9.

13 7. Venue is proper in this Judicial District pursuant to 28 U.S.C.
14 § 1391(b), (c) and 1400(b), and by Plaintiffs' choice of venue.

15 **III. FIRST CLAIM FOR RELIEF**

16 **INFRINGEMENT OF U.S. PATENT NO. 7,201,919**

17 6. Plaintiffs incorporate by reference and reallege each of the
18 allegations set forth in Paragraphs 1-5 above.

19 7. On April 10, 2007, U.S. Patent No. 7,201,919 ("the '919 Patent"),
20 entitled "MIXTURE FOR TRANSDERMAL DELIVERY OF LOW AND HIGH
21 MOLECULAR WEIGHT COMPOUNDS," was duly and legally issued by the
22 United States Patent and Trademark Office. JRX is the owner by assignment of
23 all right and title, both legal and equitable, to the '919 Patent. A copy of the '919
24 Patent is attached hereto as Exhibit 1.

25 8. PCCA is the exclusive licensee of the '919 Patent in the
26 compounding pharmacy distribution channel.

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1 9. Upon information and belief, Freedom manufactures, distributes,
2 imports, offers to sell, and/or sells in the United States certain products that
3 infringe the '919 Patent, including but not limited to the product SiloMac
4 Anhydrous Gel.

5 10. Upon information and belief, Freedom has contributed to the
6 infringement of the '919 Patent by others, through Freedom's activities relating to
7 its SiloMac Anhydrous Gel product.

8 11. Upon information and belief, Freedom has induced infringement of
9 the '919 Patent by others, through Freedom's activities relating to its SiloMac
10 Anhydrous Gel product.

11 12. Each of Freedom's infringing activities is without the consent of,
12 authority of, or license from Plaintiffs.

13 13. On October 30, 2013, JRX's attorney sent a cease and desist letter
14 to Freedom informing them of JRX's rights to the '919 Patent and that Freedom's
15 activities relating to the SiloMac Anhydrous Gel product infringed the '591
16 Patent. A copy of that letter is attached hereto as Exhibit 5.

17 14. On November 15, 2013, JRX received a response from Freedom,
18 through counsel, which requested additional information regarding the
19 infringement of JRX's patents. A copy of that letter is attached hereto as Exhibit
20 6.

21 15. On December 3, 2013, JRX's attorney sent a letter to Freedom
22 detailing Freedom's infringement of the '919 Patent. A copy of that letter is
23 attached hereto as Exhibit 7.

24 16. On December 16, 2013, JRX received a letter from Freedom
25 effectively refusing to cease infringement of the '919 Patent. A copy of that letter
26 is attached hereto as Exhibit 8.

27 17. Freedom's acts of infringement have caused damage to Plaintiffs in
28 an amount to be determined at trial.

1 18. Freedom's infringement of the '919 Patent is causing irreparable
2 harm to Plaintiffs, for which there is no adequate remedy at law. Freedom's
3 infringement will continue, and will continue to cause irreparable harm to
4 Plaintiffs, unless Freedom's infringement is enjoined by this Court.

5 19. Upon information and belief, Freedom's infringement of the '919
6 Patent was and is willful and deliberate, entitling Plaintiffs to enhanced damages
7 under 35 U.S.C. § 284 and attorneys' fees and non-taxable costs under 35 U.S.C.
8 § 285.

9 **IV. SECOND CLAIM FOR RELIEF**

10 **INFRINGEMENT OF U.S. PATENT NO. 7,220,427**

11 20. Plaintiffs incorporate by reference and reallege each of the
12 allegations set forth in Paragraphs 1-19 above.

13 21. On May 22, 2007, U.S. Patent No. 7,220,427 ("the '427 Patent"),
14 entitled "MIXTURE FOR TRANSDERMAL DELIVERY OF LOW AND HIGH
15 MOLECULAR WEIGHT COMPOUNDS," was duly and legally issued by the
16 United States Patent and Trademark Office. JRX is the owner by assignment of
17 all right and title, both legal and equitable, to the '427 Patent. A copy of the '427
18 Patent is attached hereto as Exhibit 2.

19 22. PCCA is the exclusive licensee of the '427 Patent in the
20 compounding pharmacy distribution channel.

21 23. Upon information and belief, Freedom manufactures, distributes,
22 imports, offers to sell, and/or sells in the United States certain products that
23 infringe the '427 Patent, including but not limited to the product SiloMac
24 Anhydrous Gel.

25 24. Upon information and belief, Freedom has contributed to the
26 infringement of the '427 Patent by others, through Freedom's activities relating to
27 its SiloMac Anhydrous Gel product.

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1 25. Upon information and belief, Freedom has induced infringement of
2 the '427 Patent by others, through Freedom's activities relating to its SiloMac
3 Anhydrous Gel product.

4 26. Each of Freedom's infringing activities is without the consent of,
5 authority of, or license from Plaintiffs.

6 27. On October 30, 2013, JRX's attorney sent a cease and desist letter
7 to Freedom informing them of JRX's rights to the '427 Patent and that Freedom's
8 activities relating to the SiloMac Anhydrous Gel product infringed the '427
9 Patent. A copy of that letter is attached hereto as Exhibit 5.

10 28. On November 15, 2013, JRX received a response from Freedom,
11 through counsel, which requested additional information regarding the
12 infringement of JRX's patents. A copy of that letter is attached hereto as Exhibit
13 6.

14 29. On December 3, 2013, JRX's attorney sent a letter to Freedom
15 detailing Freedom's infringement of the '427 Patent. A copy of that letter is
16 attached hereto as Exhibit 7.

17 30. On December 16, 2013, JRX received a letter from Freedom
18 effectively refusing to cease infringement of the '427 Patent. A copy of that letter
19 is attached hereto as Exhibit 8.

20 31. Freedom's acts of infringement have caused damage to Plaintiffs in
21 an amount to be determined at trial.

22 32. Freedom's infringement of the '427 Patent is causing irreparable
23 harm to Plaintiffs, for which there is no adequate remedy at law. Freedom's
24 infringement will continue, and will continue to cause irreparable harm to
25 Plaintiffs, unless Freedom's infringement is enjoined by this Court.

26 33. Upon information and belief, Freedom's infringement of the '427
27 Patent was and is willful and deliberate, entitling Plaintiffs to enhanced damages
28 under 35 U.S.C. § 284 and attorneys' fees and non-taxable costs under 35 U.S.C.

1 § 285.

2 **V. THIRD CLAIM FOR RELIEF**

3 **INFRINGEMENT OF U.S. PATENT NO. 7,300,666**

4 34. Plaintiffs incorporate by reference and reallege each of the
5 allegations set forth in Paragraphs 1-33 above.

6 35. On November 27, 2007, U.S. Patent No. 7,300,666 (“the ’666
7 Patent”), entitled “MIXTURE FOR TRANSDERMAL DELIVERY OF LOW
8 AND HIGH MOLECULAR WEIGHT COMPOUNDS,” was duly and legally
9 issued by the United States Patent and Trademark Office. JRX is the owner by
10 assignment of all right and title, both legal and equitable, to the ’666 Patent. A
11 copy of the ’666 Patent is attached hereto as Exhibit 3.

12 36. PCCA is the exclusive licensee of the ’666 Patent in the
13 compounding pharmacy distribution channel.

14 37. Upon information and belief, Freedom manufactures, distributes,
15 imports, offers to sell, and/or sells in the United States certain products that
16 infringe the ’666 Patent, including but not limited to the product SiloMac
17 Anhydrous Gel.

18 38. Upon information and belief, Freedom has contributed to the
19 infringement of the ’666 Patent by others, through Freedom’s activities relating to
20 its SiloMac Anhydrous Gel product.

21 39. Upon information and belief, Freedom has induced infringement of
22 the ’666 Patent by others, through Freedom’s activities relating to its SiloMac
23 Anhydrous Gel product.

24 40. Each of Freedom’s infringing activities is without the consent of,
25 authority of, or license from Plaintiffs.

26 41. On October 30, 2013, JRX’s attorney sent a cease and desist letter
27 to Freedom informing them of JRX’s rights to the ’666 Patent and that Freedom’s
28 activities relating to the SiloMac Anhydrous Gel product infringed the ’666

1 Patent. A copy of that letter is attached hereto as Exhibit 5.

2 42. On November 15, 2013, JRX received a response from Freedom,
3 through counsel, which requested additional information regarding the
4 infringement of JRX's patents. A copy of that letter is attached hereto as Exhibit
5 6.

6 43. On December 3, 2013, JRX's attorney sent a letter to Freedom
7 detailing Freedom's infringement of the '666 Patent. A copy of that letter is
8 attached hereto as Exhibit 7.

9 44. On December 16, 2013, JRX received a letter from Freedom
10 effectively refusing to cease infringement of the '666 Patent. A copy of that letter
11 is attached hereto as Exhibit 8.

12 45. Freedom's acts of infringement have caused damage to Plaintiffs in
13 an amount to be determined at trial.

14 46. Freedom's infringement of the '666 Patent is causing irreparable
15 harm to Plaintiffs, for which there is no adequate remedy at law. Freedom's
16 infringement will continue, and will continue to cause irreparable harm to
17 Plaintiffs, unless Freedom's infringement is enjoined by this Court.

18 47. Upon information and belief, Freedom's infringement of the '666
19 Patent was and is willful and deliberate, entitling Plaintiffs to enhanced damages
20 under 35 U.S.C. § 284 and attorneys' fees and non-taxable costs under 35 U.S.C.
21 § 285.

22 **VI. FOURTH CLAIM FOR RELIEF**

23 **INFRINGEMENT OF U.S. PATENT NO. 7,316,820**

24 48. Plaintiffs incorporate by reference and reallege each of the
25 allegations set forth in Paragraphs 1-47 above.

26 49. On January 8, 2008, U.S. Patent No. 7,316,820 ("the '820 Patent"),
27 entitled "MIXTURE FOR TRANSDERMAL DELIVERY OF LOW AND HIGH
28 MOLECULAR WEIGHT COMPOUNDS," was duly and legally issued by the

1 United States Patent and Trademark Office. JRX is the owner by assignment of
2 all right and title, both legal and equitable, to the '820 Patent. A copy of the
3 '8206 Patent is attached hereto as Exhibit 4.

4 50. PCCA is the exclusive licensee of the '820 Patent in the
5 compounding pharmacy distribution channel.

6 51. Upon information and belief, Freedom manufactures, distributes,
7 imports, offers to sell, and/or sells in the United States certain products that
8 infringe the '820 Patent, including but not limited to the product SiloMac
9 Anhydrous Gel.

10 52. Upon information and belief, Freedom has contributed to the
11 infringement of the '820 Patent by others, through Freedom's activities relating to
12 its SiloMac Anhydrous Gel product.

13 53. Upon information and belief, Freedom has induced infringement of
14 the '820 Patent by others, through Freedom's activities relating to its SiloMac
15 Anhydrous Gel product.

16 54. Each of Freedom's infringing activities is without the consent of,
17 authority of, or license from Plaintiffs.

18 55. On October 30, 2013, JRX's attorney sent a cease and desist letter
19 to Freedom informing them of JRX's rights to the '820 Patent and that Freedom's
20 activities relating to the SiloMac Anhydrous Gel product infringed the '820
21 Patent. A copy of that letter is attached hereto as Exhibit 5.

22 56. On November 15, 2013, JRX received a response from Freedom,
23 through counsel, which requested additional information regarding the
24 infringement of JRX's patents. A copy of that letter is attached hereto as Exhibit
25 6.

26 57. On December 3, 2013, JRX's attorney sent a letter to Freedom
27 detailing Freedom's infringement of the '820 Patent. A copy of that letter is
28 attached hereto as Exhibit 7.

- 1 F. A trebling of the award of damages under 35 U.S.C. § 284, or such
- 2 other enhancement of the award of damages that the Court deems appropriate;
- 3 G. An award of attorneys' fees and non-taxable costs under 35 U.S.C. §
- 4 285 on account of Freedom's willful infringement;
- 5 H. An award of taxable costs; and
- 6 I. Such other and further relief as this Court may deem just and proper.

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8 Respectfully Submitted,
9 KNOBBE, MARTENS, OLSON & BEAR, LLP

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12 Dated: January 17, 2014

13 By: /s/ Brenton R. Babcock
14 Brenton R. Babcock
15 Rustin Mangum
16 Attorneys for Plaintiffs
17 JRX BIOTECHNOLOGY, INC. and
18 PROFESSIONAL COMPOUNDING CENTERS
19 OF AMERICA, INC.
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JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), Plaintiffs JRX Biotechnology, Inc. and Professional Compounding Centers Of America, Inc. demand a trial by jury of all issues raised by this Complaint that are triable by jury.

Respectfully Submitted,
KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: January 17, 2014

By: /s/ Brenton R. Babcock
Brenton R. Babcock
Rustin Mangum
Attorneys for Plaintiffs
JRX BIOTECHNOLOGY, INC. and
PROFESSIONAL COMPOUNDING CENTERS
OF AMERICA, INC.