

1 COOLEY LLP
2 ANTHONY M. STIEGLER (126414)
3 (tstiegl@cooley.com)
4 DARCIE A. TILLY (239715)
5 (dtilly@cooley.com)
6 4401 Eastgate Mall
7 San Diego, CA 92121
8 Telephone: (858) 550-6000
9 Facsimile: (858) 550-6420

6 MICHELLE S. RHYU (212922)
7 (rhyums@cooley.com)
8 3175 Hanover Street
9 Palo Alto, CA 94304-1130
10 Telephone: (650) 843-5000
11 Facsimile: (650) 849-7400

10 BONNIE W. MCLEOD (*pro hac vice application pending*)
11 (bweissmcleod@cooley.com)
12 MARK L. HAYMAN (*pro hac vice application pending*)
13 (mhayman@cooley.com)
14 777 6th Street, NW, Suite 1100
15 Washington, DC 20001
16 Telephone: (202) 842-7800
17 Facsimile: (202) 842-7899

14 Attorneys for PLAINTIFF
15 THE SALK INSTITUTE FOR BIOLOGICAL STUDIES

16 UNITED STATES DISTRICT COURT
17 SOUTHERN DISTRICT OF CALIFORNIA

19 THE SALK INSTITUTE FOR
20 BIOLOGICAL STUDIES,

21 Plaintiff,

22 v.

23 FERRING PHARMACEUTICALS, INC.;
24 FERRING RESEARCH INSTITUTE, INC.;
25 FERRING INTERNATIONAL CENTER
26 S.A.; FERRING B.V.; FERRING A.B.;
27 FREDERICK PAULSEN, JR.; and DOES 1
28 through 10,

Defendants.

Case No. '10CV2649 DMS CAB

COMPLAINT FOR

- (1) Declaratory Relief;
- (2) Inducing Breach of Contract;
- (3) Intentional Interference with Economic Advantage;
- (4) Unjust Enrichment;
- (5) Unfair Competition; and
- (6) Patent Infringement

DEMAND FOR A JURY TRIAL

1 Plaintiff The Salk Institute for Biological Studies, by and through its counsel, alleges as
2 follows:

3 **INTRODUCTION**

4 **1.** This case is about the diversion and theft by Ferring Pharmaceuticals, Inc. and its
5 related entities from The Salk Institute for Biological Studies of drug discoveries that resulted in
6 the prostate cancer drug FIRMAGON (degarelix).

7 **2.** The Salk Institute was founded in 1960 by Jonas Salk, M.D., following his
8 discovery and development of the polio vaccine. The Salk Institute's major areas of study
9 include molecular biology, genetics, neurosciences, and plant biology. Knowledge acquired in
10 Salk's laboratories provides new understanding and potential therapies and treatments for a wide
11 range of diseases and disorders, including cancer, AIDS, Alzheimer's disease, cardiovascular
12 disease, and birth defects. Knowledge gained at Salk has also been used to help improve the
13 world's food supply. The Salk Institute is recognized across the world as one of the most
14 renowned biological research institutions, contributing hundreds of fundamental discoveries to
15 mankind every year. It consistently ranks among the leading research institutions in the world by
16 the objective metrics used within the field to assess faculty contributions and the practical impact
17 of their findings. The Salk Institute conducts its research under the guidance of sixty-one faculty
18 investigators and employs a scientific staff of more than 850, including visiting scientists, post-
19 doctoral fellows, and graduate students. The Salk Institute has trained more than 2000 scientists,
20 many of whom have gone on to positions of leadership in prominent research centers worldwide.
21 Five scientists trained at The Salk Institute have won Nobel Prizes and four current resident
22 faculty members are Nobel Laureates. The Salk Institute's faculty includes 16 members of the
23 National Academy of Sciences, one of the most highly respected scientific organizations in the
24 world. Originally funded by a grant from the March of Dimes, Salk is currently funded by
25 charitable gifts, bequests, and government research funding. An additional crucial means of
26 funding its important research is fees obtained by licensing others to make, use, and sell
27 inventions discovered by Salk scientists. Ferring, however, pursued a deliberate plan to exploit
28 Salk's research relating to gonadotropin-releasing hormone antagonists without obtaining any

1 rights to use such research and discoveries or providing compensation to Salk, and by filing
2 patent applications in its own name claiming ownership of discoveries that rightfully belong to
3 Salk. This lawsuit seeks ownership of the those patent rights and financial redress for the
4 Ferring's misconduct and theft.

5 **THE PARTIES**

6 **3.** Plaintiff The Salk Institute for Biological Studies ("Salk" or "The Salk Institute")
7 is a world renowned non-profit research institute organized under the laws of the State of
8 California and maintaining its principal place of business at 10010 North Torrey Pines Road, La
9 Jolla, CA 92037.

10 **4.** Defendant Ferring Pharmaceuticals, Inc. is an entity organized under the laws of
11 the State of Delaware and maintaining a principal place of business at 4 Gatehall Drive, Third
12 Floor, Parsippany, NJ 07054.

13 **5.** Defendant Ferring Research Institute, Inc. is an entity organized under the laws of
14 the State of California and maintaining a principal place of business at 4245 Sorrento Valley
15 Blvd., San Diego, CA 92121.

16 **6.** The Salk Institute is informed and believes, and therefore alleges, that defendant
17 Ferring International Center S.A. is an entity organized under the laws of Switzerland and
18 maintaining a principal place of business at Ch. de la Vergognausaz 50, 1162 Saint-Prex,
19 Switzerland.

20 **7.** The Salk Institute is informed and believes, and therefore alleges, that defendant
21 Ferring B.V. is an entity organized under the laws of the Netherlands and maintaining a principal
22 place of business at Polarisavenue 144, 2132 JX Hoofddorp, The Netherlands.

23 **8.** The Salk Institute is informed and believes, and therefore alleges, that defendant
24 Ferring A.B. is an entity organized under the laws of Sweden and maintaining a principal place of
25 business at Södergatan 26, 4tr, 211 34 Malmö, Sweden.

26 **9.** The Salk Institute is informed and believes, and therefore alleges, that defendant
27 Frederick Paulsen, Jr. is a citizen of Switzerland and resides in Lausanne, Switzerland.
28

1 **17.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
2 International Center S.A. is subject to the personal jurisdiction of the United States District Court
3 for the Southern District of California because Ferring International Center S.A. committed acts
4 within California and this judicial district which give rise to this action, and has established
5 minimum contacts with the forum, including contacts through its subsidiaries, agents, and alter
6 egos, such that the exercise of jurisdiction over Ferring International Center S.A. would not
7 offend traditional notions of fair play and substantial justice.

8 **18.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
9 B.V. is subject to the personal jurisdiction of the United States District Court for the Southern
10 District of California because Ferring B.V. committed acts within California and this judicial
11 district which give rise to this action, and has established minimum contacts with the forum, such
12 that the exercise of jurisdiction over Ferring B.V. would not offend traditional notions of fair play
13 and substantial justice.

14 **19.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
15 A.B. is subject to the personal jurisdiction of the United States District Court for the Southern
16 District of California because Ferring A.B. committed acts within California and this judicial
17 district which give rise to this action, and has established minimum contacts with the forum, such
18 that the exercise of jurisdiction over Ferring A.B. would not offend traditional notions of fair play
19 and substantial justice.

20 **20.** The Salk Institute is informed and believes, and therefore alleges, that Frederik
21 Paulsen, Jr. is subject to the personal jurisdiction of the United States District Court for the
22 Southern District of California because he committed acts within California and this judicial
23 district which give rise to this action, and he established minimum contacts with the forum such
24 that the exercise of jurisdiction over Mr. Paulsen would not offend traditional notions of fair play
25 and substantial justice.

26 **21.** Venue is proper in the United States District Court for the Southern District of
27 California under 28 U.S.C. §§ 1391(b)-(d) and 1400(b).
28

**VICARIOUS LIABILITY, ALTER EGO,
CONSPIRACY, AND AIDING AND ABETTING**

1
2
3 **22.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
4 Pharmaceuticals, Inc. is owned, operated, and/or controlled by its parent Ferring International
5 Center S.A. and worked as an agent of and in collaboration with Ferring International Center S.A.
6 The Salk Institute is further informed and believes, and therefore further alleges, that Ferring
7 Pharmaceuticals, Inc. is the United States agent for Ferring International Center S.A. for purposes
8 including, but not limited to, making regulatory submissions to the United States Food and Drug
9 Administration (“FDA”), and manufacturing and marketing the drug degarelix (trade name:
10 FIRMAGON) in the United States.

11 **23.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
12 Research Institute, Inc. is owned, operated, and/or controlled by its parent Ferring International
13 Center S.A. and worked as an agent of and in collaboration with Ferring International Center S.A.
14 The Salk Institute is further informed and believes, and therefore further alleges, that Ferring
15 Research Institute, Inc. is the United States agent for Ferring International Center S.A. for
16 purposes including, but not limited to, research and development.

17 **24.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
18 B.V. is owned, operated, and/or controlled by its parent Ferring International Center S.A. and
19 worked as an agent of and in collaboration with Ferring International Center S.A. The Salk
20 Institute is further informed and believes, and therefore further alleges, that Ferring B.V. is the
21 United States agent for Ferring International Center S.A. for purposes including, but not limited
22 to, making submissions to the United States Patent and Trademark Office (“USPTO”) for the
23 purpose of obtaining protection for potential inventions under the United States patent statutes, 35
24 U.S.C. §§ 1-376 and ownership of the website www.firmagon.us.

25 **25.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
26 A.B. is owned, operated, and/or controlled by its parent Ferring International Center S.A. and
27 worked as an agent of and in collaboration with Ferring International Center S.A. The Salk
28 Institute is further informed and believes, and therefore further alleges, that Ferring A.B. was the

1 United States agent for Ferring International Center S.A. for purposes including, but not limited
2 to, entering contractual agreements with persons associated with Ferring Research Institute, Inc.

3 **26.** The Salk Institute is informed and believes, and therefore alleges, that Ferring
4 International Center S.A., Ferring Pharmaceuticals, Inc., Ferring Research Institute, Inc., Ferring
5 B.V., and Ferring A.B., maintain a relationship with themselves that is sufficiently close to justify
6 piercing the corporate veil and holding one corporation legally accountable for the actions of the
7 others. The Salk Institute is informed and believes, based on public statements disseminated by
8 Ferring International Center S.A. and entities that generically refer to themselves as “Ferring” or
9 “Ferring Pharmaceuticals,” that there is a unity of interest and ownership between all the
10 corporations such that their separate personalities no longer exist, and that Ferring
11 Pharmaceuticals, Inc., Ferring Research Institute, Inc., Ferring B.V., and Ferring A.B., among
12 other entities, are the alter ego (i.e., a mere shell, instrumentality, agent, conduit, or adjunct) of
13 Ferring International Center S.A. For example,

14 **a.** Ferring International Center S.A. states on the “Legal Disclaimer” page of
15 its website (located at [http://www.ferring.com/en/global/legal-](http://www.ferring.com/en/global/legal-disclaimer.htm)
16 [disclaimer.htm](http://www.ferring.com/en/global/legal-disclaimer.htm)): “This site contains material about Ferring International
17 Center S.A. and its Affiliates, (hereinafter the [“]Ferring Group”). . . .
18 Affiliates shall mean any legal entity controlling, controlled by or under
19 common control by or under common control with Ferring International
20 Center S.A.”

21 **b.** Ferring International Center S.A. states on the “Research and Development
22 – r&d Centres” page of its website (located at [http://www.ferring.com/-](http://www.ferring.com/en/randd/RandD+Centres/)
23 [en/randd/RandD+Centres/](http://www.ferring.com/en/randd/RandD+Centres/)): “The Ferring Research Institute (FRI) is
24 founded in San Diego, USA to undertake drug discovery focusing
25 on peptide therapeutics. Ferring’s peptide research is transferred from
26 Sweden to the USA.”

27 **c.** Ferring International Center S.A. states on the “about us – executive board”
28 page of its website (located at [http://www.ferring.com/en/aboutus/-](http://www.ferring.com/en/aboutus/)

1 executive-board/Pascal_Danglas.htm/) that Pascal Danglas is the Executive
2 Vice President, Clinical and Product Development and “has responsibility
3 for all activities associated with the development of Ferring medicines and
4 their registration globally.” On December 24, 2009, Dr. Danglas stated in
5 a press release: “Degarelix was discovered in San Diego, developed by
6 Ferring Pharmaceuticals in the U.S. and Europe. . . . We are delighted to
7 deliver a new treatment option for advanced prostate cancer to the medical
8 community.”

9 **27.** With respect to the wrongful acts alleged in this Complaint, Ferring and Mr.
10 Paulsen (in his individual capacity) have pursued, or joined in the pursuit of, a common course of
11 conduct, and have acted in concert with and conspired with one another in furtherance of their
12 common plan or design. Defendants knowingly agreed to participate, directly or indirectly, in the
13 common plan or design alleged in this Complaint to wrongfully deprive The Salk Institute of its
14 rights to research and inventions of Salk’s scientist, Jean Rivier, Ph.D. The numerous acts
15 alleged in this Complaint were done pursuant to such knowing agreement to wrongfully deprive
16 The Salk Institute of its rights to research and inventions of Dr. Rivier. As a result of the
17 numerous acts alleged in this Complaint, The Salk Institute was harmed by being deprived of its
18 rights to the research and inventions of Dr. Rivier.

19 **28.** In addition to the wrongful conduct alleged in the Complaint as giving rise to
20 primary liability, Ferring and Mr. Paulsen (in his individual capacity) aided and abetted and/or
21 assisted each other in conduct alleged below.

22 **BACKGROUND FACTS**

23 **29.** As noted above, The Salk Institute is a world renowned research institute, which
24 has produced thousands of discoveries and inventions covering the basic science of life.

25 **30.** The Salk Institute requires considerable funding to support its scientists and their
26 basic research programs. A critical and integral component of Salk’s mission is the transfer of its
27 technology and inventions to the private sector so that it can be further developed and applied for
28 therapeutic uses across the world. Technology transfer is accomplished through Salk’s licensing

1 of its intellectual property, technical know-how and biological materials to companies and other
2 research institutions, such as Ferring. In part, Salk depends on earning a fair economic return
3 from the fundamental scientific and medical discoveries and inventions made by its scientists as a
4 source of its critical funding.

5 **31.** On or around June 17, 1970, Jean Rivier, Ph.D. began his employment at The Salk
6 Institute. Dr. Rivier is currently the Frederik Paulsen Chair in Neurosciences at The Salk Institute
7 and professor in The Clayton Foundation Laboratories for Peptide Biology. Dr. Rivier specializes
8 in the study of hormones produced by the brain. He received his education in Chemical
9 Engineering and his Ph.D. in Organic Chemistry at Ecole Polytechnique of the University of
10 Lausanne, Switzerland, and did his Postdoctoral fellowship at Rice University in Texas. He has
11 served as the President of the American Peptide Society, the Chairman of the American Peptide
12 Symposium, and has been honored with the Gordon Peptide Conference Vicent du Vigneaud
13 Award and the Sidney H. Ingbar Distinguished Service Award from the Endocrine Society.

14 **32.** Upon the commencement of his employment, Dr. Rivier executed a “Patent
15 Agreement” with The Salk Institute. The Patent Agreement states in relevant part:

16 **a.** “I [Dr. Rivier] understand and agree that every possible patentable device,
17 process, or product hereinafter referred to as invention, which I conceive or
18 develop while employed by the Institute, or during the course of utilization
19 of any Institute research facilities, shall be examined by the Institute to
20 determine rights and equities therein in accordance with the Institute’s
21 patent policy. . . .”

22 **b.** “I [Dr. Rivier] further agree that, in the event any such invention shall be
23 deemed by the Institute to be patentable, and the Institute desires, pursuant
24 to determination by the Institute as to its rights and equities therein, to seek
25 patent protection thereon, I shall execute any documents and do all things
26 necessary, at the Institute’s expense, to assign to the Institute all rights, title
27 and interest therein and to assist the Institute in securing patent protection
28 thereon.”

1 c. “In the event that the Institute does not see fit to apply for patent and
2 prosecute same, I [Dr. Rivier] shall have the right to do so; but I must,
3 nevertheless, assign the patent to the Institute and the fees will be handled
4 exactly as if it were a patent paid for and patented by the Institute except
5 that the expenses incurred by me in the patenting the invention and other
6 appropriate expenses incidental thereto shall be refunded to me out of the
7 first royalties collected.”

8 **33.** During his entire forty year career at The Salk Institute, Dr. Rivier’s research has
9 focused on the chemistry of peptide hormones produced by the brain and their pharmacology,
10 including gonadotropin-releasing hormone (“GnRH”). Dr. Rivier began his work at Salk in the
11 laboratory of Nobel Laureate Roger Guillemin. Dr. Rivier’s historic work included research
12 regarding GnRH agonists (a chemical that binds to a receptor of a cell and triggers a response by
13 that cell) and GnRH antagonists (a chemical that binds to a receptor of a cell and blocks or
14 dampens agonist-mediated responses). Dr. Rivier’s work at Salk included extensive investigation
15 into GnRH antagonists useful for the treatment of sex steroid dependent cancers (such as prostate
16 cancer) and endometriosis. Over the course of his research career at The Salk Institute, Dr. Rivier
17 obtained public and private grant funding to conduct his laboratory’s research and to publish
18 numerous articles regarding GnRH agonists and antagonists.

19 **34.** As a result of Dr. Rivier’s extensive research at The Salk Institute, Salk published
20 numerous papers and applied for and obtained patent rights to various GnRH antagonist
21 compounds.

22 **35.** For instance, Dr. Rivier’s early work with GnRH antagonists at Salk is evidenced
23 by the following publications:

24 **a.** Perrin MH, Rivier JE, and Vale WW, Radioligand assay for gonadotropin-
25 releasing hormone: relative potencies of agonists and antagonists,
26 *Endocrinology* 106(4):1289-96 (1980).

27 **b.** Perrin MH, Haas Y, Rivier JE, and Vale WW, Gonadotropin-releasing
28 hormone binding to rat anterior pituitary membrane homogenates.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Comparison of antagonists and agonists using radiolabeled antagonist and agonist, *Mol. Pharmacol.* 23(1):44-51 (1983).

c. Karten MJ and Rivier JE, Gonadotropin-releasing hormone analog design. Structure-function studies toward the development of agonists and antagonists: rationale and perspective. *Endocr. Rev.* 7(1):44-66 (1986).

d. Urban RJ, Pavlou SN, Rivier JE, Vale WW, Dufau ML, and Veldhuis JD, Increased potency and sustained suppressive actions of a new gonadotropin-releasing hormone (GnRH) antagonist peptide in man, *Trans. Assoc. Am. Physicians* 101:302-9 (1988).

36. Among Dr. Rivier’s patents assigned to The Salk Institute addressing GnRH antagonists are United States Patent Nos. 5,169,932 (the ‘932 Patent), 5,296,468 (“the ‘468 Patent”), 5,580,957 (“the ‘957 Patent”), U.S. Patent 5,506,207 (“the ‘207 Patent”), and 6,747,125 (“the ‘125 Patent”).

a. On December 8, 1992, the United States Patent and Trademark Office duly and legally issued the ‘932 Patent entitled “GnRH analogs,” which claims the benefit of U.S. Application No. 07/428,827 filed October 30, 1989. The ‘932 Patent is assigned to The Salk Institute and lists as inventors Carl A. Hoeger, Jean E.F. Rivier, Paula G. Theobald, John S. Porter, Catherine L. Rivier, and Wylie W. Vale Jr.

b. On March 22, 1994, the United States Patent and Trademark Office duly and legally issued the ‘468 Patent entitled “GnRH Analogs.” The ‘468 Patent is assigned to The Salk Institute and lists as inventors Carl A. Hoeger, Jean E.F. Rivier, Paula G. Theobald, John S. Porter, Catherine L. Rivier, and Wylie W. Vale Jr.

c. On December 3, 1996, the United States Patent and Trademark Office duly and legally issued the ‘957 Patent entitled “GnRH Analogs.” The ‘957 Patent is assigned to The Salk Institute and lists as inventors Carl A. Hoeger, Jean E.F. Rivier, Paula G. Theobald, and John S. Porter.

1 **41.** The Salk Institute is informed and believes, and therefore alleges, that in mid-1995
2 Mr. Paulsen recruited and offered Dr. Rivier a generous consulting position to establish the
3 Ferring Research Institute (“FRI”), a new research and development center for Ferring in San
4 Diego, California.

5 **42.** The Salk Institute is informed and believes, and therefore alleges, that prior to this
6 time, although Ferring had some experience with GnRH agonists, the state of Ferring’s GnRH
7 peptide antagonist program was limited or non-existent.

8 **43.** The Salk Institute is informed and believes, and therefore alleges, that Defendants
9 were aware of Dr. Rivier’s association with and work for The Salk Institute in the GnRH
10 antagonist field at the time Mr. Paulsen offered Dr. Rivier a consulting position in 1995.
11 Although unknown by Salk at the time, The Salk Institute recently now has reason to believe and,
12 therefore, alleges, that Ferring’s purpose in hiring Dr. Rivier as a consultant was for Dr. Rivier to
13 use the information and know-how he gained from years of research at The Salk Institute to
14 identify peptide GnRH antagonists for Ferring to treat prostate cancer.

15 **44.** The Salk Institute is informed and believes, and therefore alleges, that Dr. Rivier
16 did agree to serve as a scientific advisor consultant for Ferring, in addition to maintaining his
17 position at The Salk Institute. The Salk Institute is further informed and believes, and therefore
18 further alleges, that Dr. Rivier’s consulting term began in October 1995.

19 **45.** The Salk Institute is informed and believes, and therefore alleges, that when Dr.
20 Rivier started consulting for Ferring, Defendants were aware of his obligations to The Salk
21 Institute. Among other things, when Dr. Rivier sought consent from The Salk Institute to serve as
22 a consultant to Ferring in 1995, Salk made Ferring aware of Dr. Rivier’s contractual obligations
23 to Salk. Further, The Salk Institute is informed and believes, and therefore alleges, that Dr. Rivier
24 signed at least two agreements with Ferring in which Ferring expressly acknowledged that Dr.
25 Rivier was remaining an employee of Salk and that therefore Dr. Rivier continued to be required
26 to comply with his contractual obligations owed to The Salk Institute. For instance, Dr. Rivier’s
27 Non-Disclosure Agreement with Ferring A.B. dated October 1, 1995 states: “Rivier’s
28 Relationship with Salk: Ferring acknowledges that Rivier is currently employed by and has

1 contractual and other obligations to The Salk Institute for Biological Studies (“Salk”). Ferring
2 also acknowledges that Rivier remains obligated to comply with any contracts he may have with
3 Salk as well as its written regulations and policies applicable to its employees. . . .”

4 **46.** The Salk Institute is informed and believes, and therefore alleges, that in mid to
5 late 1995, Dr. Rivier directed and managed the establishment of FRI in San Diego, California.
6 Although unknown by Salk at the time, The Salk Institute now has reason to believe and therefore
7 alleges that Ferring established FRI with the objective of implementing Dr. Rivier’s hypothesis
8 for discovering a superior GnRH antagonist drug to treat prostate cancer, which was derived from
9 Dr. Rivier’s many years of research and inventions at Salk.

10 **47.** The Salk Institute is informed and believes, and therefore alleges, that Dr. Rivier
11 hired three employees to work at FRI, including Mr. Jiang, who after spending four years in Dr.
12 Rivier’s Salk laboratory, was recruited to Ferring before completing his graduate studies.

13 **48.** Although unknown by Salk at the time, The Salk Institute now has reason to
14 believe and, therefore, alleges, that Dr. Rivier did establish and direct Ferring’s research and
15 development into GnRH antagonist peptides.

16 **49.** In just over one year after FRI was founded, on April 11, 1997, Ferring filed
17 United States Patent Application No. 08/837,042 titled “GnRH Antagonists,” claiming the
18 discovery which was FIRMAGON, but only listing Mr. Jiang and Graeme Semple as inventors,
19 and omitting Dr. Rivier. A little over two years later, after many interactions between Ferring and
20 the U.S. Patent Office, on July 20, 1999, the patent application issued as United States Patent No.
21 5,925,730 (“the ‘730 Patent”), without Dr. Rivier listed as an inventor. The ‘730 Patent identifies
22 Ferring B.V. as the assignee.

23 **50.** The ‘730 Patent claims the GnRH antagonist compound degarelix. The Salk
24 Institute is informed and believes, and therefore alleges, that degarelix was referred to internally
25 at Ferring as FE200486.

26 **51.** Although unknown by Salk at the time, The Salk Institute now has reason to
27 believe and, therefore, alleges, that in fact, Dr. Rivier was the substantive and lead inventor of the
28 inventions claimed in the ‘730 Patent. Dr. Rivier’s contribution to the ‘730 Patent relates directly

1 to the research Dr. Rivier had been, was currently, and was anticipated to continue performing at
2 The Salk Institute, was based entirely on his experience in the GnRH field as part of his
3 employment with The Salk Institute, and was part of the research Dr. Rivier pursued for Salk that
4 resulted in, among other things, the '468, '957, '125, and 207 Patents assigned to Salk.

5 **52.** On March 13, 1998, Ferring filed United States Patent Application No. 09/402,698
6 titled "GnRH Antagonists Being Modified at Positions 5 and 6," listing only Mr. Jiang and Dr.
7 Semple as inventors. On April 10, 2001, the patent issued as United States Patent No. 6,214,798
8 ("the '798 Patent"). Dr. Rivier was not listed as an inventor on the '798 Patent when it published
9 in 2001. The '798 Patent identifies Ferring B.V. as the assignee.

10 **53.** Although unknown by Salk at the time, The Salk Institute now has reason to
11 believe and, therefore, alleges, that Dr. Rivier was the substantive and lead inventor of the
12 inventions claimed in the '798 Patent. Dr. Rivier's contribution to the '798 Patent relates directly
13 to the research Dr. Rivier had been, was currently, and was anticipated to continue performing at
14 The Salk Institute, was based entirely on his experience in the GnRH field as part of his
15 employment with The Salk Institute, and was part of the research Dr. Rivier pursued for Salk that
16 resulted in, among other things, the '468, '957, '125, and 207 Patents assigned to Salk.

17 **54.** Although unknown by Salk at the time, The Salk Institute now has reason to
18 believe and, therefore, alleges, that in or around 2001, Dr. Rivier approached Defendants to
19 demand inclusion as a named inventor on the '730 Patent and to receive compensation for his
20 contribution to the '730 Patent and FE200486 (degarelix).

21 **55.** Although unknown by Salk at the time, The Salk Institute now has reason to
22 believe and, therefore, alleges, that on or around August 2001, Ferring and Dr. Rivier entered an
23 agreement whereby Ferring agreed to pay Dr. Rivier for services that he had already rendered
24 with respect to the '730 Patent and the conception, inventorship and development of FE200486
25 (which became degarelix/FIRMAGON), with payments due to Dr. Rivier upon, among other
26 things, issuance of the '730 Patent and upon FDA approval of FE200486, and royalties on the
27 sale of FE200486.

28

1 **56.** Although unknown by Salk at the time, in September 2004, Dr. Rivier was added
2 by the United States Patent Office as an inventor of the ‘730 and ‘798 Patents, based on an
3 application filed by Ferring attesting that Dr. Rivier was, indeed, an inventor of the inventions
4 claimed in the patents and that he had not been omitted as an inventor with deceptive intent.

5 **57.** On Christmas Eve, December 24, 2008, Ferring obtained FDA approval to sell
6 degarelix for the treatment of prostate cancer in the United States.

7 **58.** Two months later, on March 4, 2009, Ferring issued a press release announcing the
8 “immediate availability” in the United States of degarelix for the treatment of advanced prostate
9 cancer. Ferring currently markets degarelix under the trade name FIRMAGON. The press
10 release indicates that it was issued by Ferring Pharmaceuticals, Inc.

11 **59.** Dr. Rivier first disclosed to The Salk Institute his involvement at Ferring in the
12 ‘730 and ‘798 Patents on or around November 10, 2009, when he informed Salk in a grant
13 funding disclosure notice that he was receiving royalties from Ferring for his work on degarelix.
14 Salk then began investigating the matter and learned for the first time that Dr. Rivier was an
15 inventor of degarelix and listed as an inventor on the ‘730 and ‘798 Patents.

16 **60.** The Salk Institute is informed and believes, and therefore alleges, that the reason
17 why Dr. Rivier did not disclose his involvement at Ferring in the ‘730 and ‘798 Patents until
18 November 10, 2009 was because he was coached, counseled, instructed, encouraged, and/or
19 directed by Defendants not to disclose or divulge the details of his work at Ferring to Salk, to not
20 disclose his inventorship work at Ferring to The Salk Institute, to not disclose his authorship and
21 participation in the drafting of the patent applications that later matured into the ‘730 and ‘798
22 Patents, and to not disclose to The Salk Institute facts regarding his contribution to the invention
23 of what would become the patented and FDA approved prostate cancer drug degarelix
24 (FIRMAGON). On information and belief Salk alleges that Dr. Rivier believed, based at least in
25 part on Defendants’ representations and communications with him, that disclosure to Salk was
26 unnecessary and that Dr. Rivier followed Defendants’ coaching, counseling, instruction,
27 encouragement, and/or direction to not disclose his work at Ferring to Salk, including the subject
28 matter of his GnRH peptide antagonist research at Ferring and the Ferring patent applications

1 thereon, including but not limited to the details regarding the invention of the degarelix
2 compound, how the invention was made, the identities of the inventor(s), and his role as the lead
3 inventor, the draft patent applications for the '730 and '798 Patents, that he was being
4 compensated by Ferring for various milestones achieved by Ferring with degarelix, or that he was
5 being added as an inventor of the '730 and '798 Patents.

6 **61.** The Salk Institute had no notice or reason to know that Dr. Rivier had been added
7 as an inventor to the '730 and '798 Patents at Ferring's request prior to November 10, 2009, since
8 Defendants did not volunteer or disclose those facts to Salk. The Salk Institute is informed and
9 believes, and therefore alleges, that instead Defendants chose to remain silent and intentionally
10 conceal, hide, and suppress the above facts from Salk. Neither Mr. Paulsen, nor anyone else at
11 Ferring, kept The Salk Institute apprised of the subject matter of Dr. Rivier's research at Ferring,
12 on behalf of Ferring, including any research regarding GnRH peptide antagonists. Neither Mr.
13 Paulsen, nor anyone else at Ferring, shared with The Salk Institute the details regarding the
14 invention of degarelix compound, including how the invention was made, the identities of the
15 inventor(s), or Dr. Rivier's role as the lead inventor. Neither Mr. Paulsen, nor anyone else at
16 Ferring, provided the draft patent applications for the '730 and '798 Patents to The Salk Institute
17 for Salk's review or consideration. Neither Mr. Paulsen, nor anyone else at Ferring, informed
18 The Salk Institute that Ferring agreed to compensate Dr. Rivier for various milestones achieved
19 by Ferring with degarelix which are commonly paid to inventors. Neither Mr. Paulsen, nor
20 anyone else at Ferring, informed The Salk Institute that Dr. Rivier was being added as an inventor
21 of the '730 and '798 Patents.

22 **COUNT ONE – AGAINST FERRING**

23 **(Declaratory Relief)**

24 **62.** The Salk Institutes incorporates by reference the allegations set forth in paragraphs
25 1 through 61 of this Complaint as though set forth in full in Count One.

26 **63.** An actual controversy has arisen between Ferring and The Salk Institute regarding
27 the ownership of Dr. Rivier's interest in the '730 and '798 Patents.

28

1 inventions. Dr. Rivier was employed by The Salk Institute at all relevant times alleged in this
2 complaint.

3 **71.** The Salk Institute is informed and believes, and therefore alleges, that Defendants
4 all had actual knowledge of The Salk Institute's contract rights.

5 **72.** The Salk Institute is informed and believes, and therefore alleges, that the Ferring
6 entities and Mr. Paulsen conspired with one another to intentionally cause Dr. Rivier to commit a
7 breach or disruption of The Salk Institute's contract rights.

8 **73.** As detailed more fully above, Dr. Rivier committed a breach or disruption of
9 contract by failing to disclose his inventions alleged herein to Salk, and by further failing to
10 assign his rights to the '730 and '798 Patents to The Salk Institute.

11 **74.** The conduct of the Defendants, including Ferring and Mr. Paulsen, is a proximate
12 cause of damages and harm to The Salk Institute in an amount to be proven at trial.

13 **75.** The Salk Institute is informed and believes, and therefore alleges, that the purpose
14 of the conduct of Defendants was to cause Dr. Rivier to breach his contract with The Salk
15 Institute, to wrongfully obtain assignment of Dr. Rivier's rights to the '730 and '798 Patents.
16 Thus, the conduct of Defendants was willful, wanton, malicious, fraudulent and/or oppressive,
17 and justifies an award of exemplary or punitive damages.

18 **COUNT THREE – AGAINST ALL DEFENDANTS**

19 **(Intentional Interference with Economic Advantage)**

20 **76.** The Salk Institutes incorporates by reference the allegations set forth in paragraphs
21 1 through 75 of this Complaint as though set forth in full in Count Three.

22 **77.** The Salk Institute and Dr. Rivier were in an economic relationship that would have
23 resulted in a future economic benefit to The Salk Institute.

24 **78.** Defendants knew of the relationship between The Salk Institute and Dr. Rivier.

25 **79.** The Salk Institute is informed and believes, and therefore alleges, that Defendants
26 conspired with one another to intentionally interfere with The Salk Institute's prospective
27 economic relationship with Dr. Rivier.

28

1 interest in the '730 and '798 Patents, Ferring has obtained exclusive rights to patents to which it
2 does not hold exclusive rights.

3 **86.** The benefits to Ferring of the assignment of Dr. Rivier's rights to the '730 and
4 '798 Patents has been and continues to allow Ferring to be unjustly enriched at the expense of
5 The Salk Institute has supported decades of work by Dr. Rivier in the GnRH antagonist field.

6 **87.** The conduct of Ferring is a proximate cause of damages and harm to The Salk
7 Institute in an amount to be proven at trial.

8 **COUNT FIVE – AGAINST ALL DEFENDANTS**

9 **(Unfair Competition – Cal. Bus. & Prof. § 17200)**

10 **88.** The Salk Institutes incorporates by reference the allegations set forth in paragraphs
11 1 through 87 of this Complaint as though set forth in full in Count Five.

12 **89.** Ferring's and Mr. Paulsen's acts and practices described above are likely to
13 mislead prospective purchasers of FIRMAGON that Ferring is the sole owner of the rights to
14 degarelix. These acts and practices are also unfair and prejudicial to the rights and interests of
15 The Salk Institute.

16 **90.** As a direct and proximate result of Ferring's and Mr. Paulsen's unlawful, unfair
17 and fraudulent business practices, The Salk Institute is entitled to an injunction enjoining
18 Ferring's unfair practices, restitution for any pecuniary benefits or revenues Ferring receives from
19 the sale of FIRMAGON that are attributable to Dr. Rivier's contribution to the '730 Patent.

20 **COUNT SIX – AGAINST FERRING**

21 **(Patent Infringement)**

22 **91.** The Salk Institutes incorporates by reference the allegations set forth in paragraphs
23 1 through 90 of this Complaint as though set forth in full in Count Six.

24 **92.** On April 9, 1996, the USPTO duly and legally issued the '207 Patent entitled
25 "GnRH Antagonists XIII." The '207 Patent is assigned to The Salk Institute and lists as inventors
26 Jean E.F. Rivier, John S. Porter, Carl A. Hoeger, Guangcheng Jiang, and Catherine L. Rivier. A
27 copy of the '207 Patent is attached to this Complaint as Exhibit A.

28

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

The Salk Institute For Biological Studies

(b) County of Residence of First Listed Plaintiff San Diego, CA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number) Anthony M. Stiegler, Cooley LLP, 4401 Eastgate Mall, San Diego, CA 92121 (858) 550-6000

DEFENDANTS

Ferring Pharmaceuticals, Inc.; et al.,

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known) Gary N. Frischling, Irell & Manella LLP, 1800 Avenue of the Stars, Los Angeles CA 90067 (310) 277-1010

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship and business location (Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation).

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from another district (specify), 6 Multidistrict Litigation, 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

35 U.S.C. § 271

Brief description of cause:

Patent infringement, declaratory relief, and other state law causes of action

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23, DEMAND \$, CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE, DOCKET NUMBER

DATE: 12/22/2010 SIGNATURE OF ATTORNEY OF RECORD: s/ Anthony M. Stiegler (Email: tstiegler@cooley.com)

FOR OFFICE USE ONLY

RECEIPT #, AMOUNT, APPLYING IFP, JUDGE, MAG. JUDGE