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***Pfizer v Apotex*: What is the current standard of obviousness under 35 USC § 103?**

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INTRODUCTION

The decision of the US Court of Appeals for the Federal Circuit ('Federal Circuit') in *Pfizer v Apotex*, 480 F.3d 1348 (Fed. Cir. 2007) has been characterised as 'the single most controversial chemical practice ruling in the history of the Federal Circuit'.¹ In *Pfizer v Apotex*, the Federal Circuit reversed a district court decision that claims 1–3 of US Patent No. 4,879,303 ('the '303 patent') were not proven invalid.² On appeal, Apotex argued, in part, that the claims of the '303 patent were invalid as obvious in view of the prior art. Notwithstanding that two other district courts had upheld the validity of the '303 patent claims (see the next section), the Federal Circuit agreed with Apotex and found claims 1–3 of the '303 patent invalid as obvious. Following the Federal Circuit's decision, Pfizer filed a petition for rehearing and rehearing *en banc*. Several *amicus* briefs were filed both in support of and against Pfizer's petition. Ultimately, the Federal Circuit denied Pfizer's petition over the vigorous dissents of three appellate judges. Pfizer then filed a petition for writ of certiorari with the US Supreme Court. Pfizer's attempts to expedite Supreme Court review, however, have been unsuccessful.

BACKGROUND

Pfizer is holder of the New Drug Application for NORVASC® amlodipine besylate tablets

and the owner of the '303 patent. Apotex, Synthron and Mylan each filed an abbreviated new drug application ('ANDA') seeking US Food and Drug Administration ('FDA') approval to market generic amlodipine besylate tablets. Each ANDA included a 'Paragraph IV' certification with respect to the '303 patent, which resulted in Pfizer's bringing suit for patent infringement against each of these ANDA applicants.

The District Court Decisions

Pfizer v Apotex

Pfizer filed suit against Apotex in the US District Court for the Northern District of Illinois alleging infringement of the '303 patent. *Pfizer v Apotex*, 480 F.3d at 1352. In its answer, Apotex denied infringement and asserted that the '303 patent claims were invalid for anticipation and obviousness as well as unenforceable due to Pfizer's inequitable conduct. *Id.* Prior to trial, Apotex, however, stipulated that its ANDA product would literally infringe claims 1–3 of the '303 patent if said claims were not proven invalid or unenforceable. The district court found claims 1–3 were not proven invalid and thus found that Apotex's amlodipine besylate tablets infringed those claims.

With respect to Apotex's obviousness defence, the district court noted that '[t]he '303 patent's file wrapper shows that the

examiner originally rejected the claimed invention because of obviousness. Under these circumstances, of course, the Court must accept that the defendant has made a prima facie showing on this question'. *Id.* at 1359 (quoting from *Bench Order Tr.* 21: 20–24).³ Nevertheless, the district court noted that the examiner had considered the art raised by Apotex (see the next section below for more details on Apotex's arguments) and ultimately determined that the claims of the '303 patent were not proven obvious. The district court also stated that there would be no expectation of success in making a besylate salt because, as Berge (one of the references cited by the examiner during prosecution of the '303 patent) stated, '[t]here is no reliable way of predicting the influence of a particular salt species on the behaviour of the parent compound'. *Id.* at 1357.

In addition to the unexpected results, the district court also noted that Pfizer had changed from the development of the maleate salt to the besylate salt and that 'Pfizer would not have changed from the maleate, into which it had invested both time and research dollars, to seek out a very strange and rare besylate salt, absent an extremely good reason'. *Id.* (citing *Bench Order Tr.* 23: 16–21). Accordingly, the district court held that claims 1–3 of the '303 patent were not proven obvious. Apotex appealed the district court's decision of nonobviousness and no inequitable conduct (but not the decision of no anticipation).

Pfizer v Synthron

Pfizer filed suit against Synthron Holdings BV, *et al.*, in the US District Court for the Middle District of North Carolina alleging infringement of the '303 patent. *Pfizer v Synthron*, No. 05-00039 (M.D.N.C. 31st August, 2006) (Findings of Fact and Conclusions of Law). Echoing the decision from the Northern District of Illinois, the US District Court for the Middle District of North Carolina found that 'a person of ordinary skill in the art would not have been motivated to make amlodipine

besylate, nor would one have a reasonable expectation that amlodipine besylate would be successful based on the knowledge that besylate salts of different pharmaceutical compounds than amlodipine...had been made or suggested...Neither in 1986, nor today, is it possible to predict any of the physicochemical properties of the salt that might result from the reaction of a newly discovered chemical base and an acid pairing'. *Id.* at 25. The district court found that claims 1–3 of the '303 patent were infringed and not proven invalid. Synthron appealed the district court's decision to the Federal Circuit.

Pfizer v Mylan

Pfizer filed suit against Mylan Laboratories, Inc. and Mylan Pharmaceuticals, Inc. (collectively 'Mylan') in the US District Court for the Western District of Pennsylvania alleging infringement of the '303 patent. *Pfizer v Mylan*, No. 02-01628 (W.D. Pa. 16th March, 2007) (Findings of Fact and Conclusions of Law). Like the decisions from the Northern District of Illinois and the Middle District of North Carolina, the US District Court for the Western District of Pennsylvania found that '[a] person of ordinary skill in the art who was aware of the compound amlodipine maleate in 1986 would not have considered amlodipine besylate to be an obvious modification of amlodipine maleate...' and 'would not have had a reasonable expectation that an acid used to make a salt approved by the FDA would make a salt of the compound amlodipine'. *Id.* at 38–39. The district court found that claims 1–3 of the '303 patent were infringed and not proven invalid. Mylan appealed the district court's decision to the Federal Circuit.

THE FEDERAL CIRCUIT DECISION AND ITS AFTERMATH

The Federal Circuit decision

Turning back to the *Pfizer v Apotex* litigation, Apotex argued that the district court had

erred in holding that Apotex had not shown by clear and convincing evidence that claims 1–3 of the ‘303 patent were invalid for obviousness. In addition, Apotex contended that the district court had erred in holding that Apotex had failed to prove that Pfizer engaged in inequitable conduct before the US Patent and Trademark Office (‘USPTO’) during the prosecution of the ‘303 patent. *Pfizer v Apotex*, 480 F.3d at 1358–1359.

Prima facie obviousness

In its analysis, the Federal Circuit first turned to the district court’s holding that Apotex had established a *prima facie* case of obviousness because the patent examiner had initially rejected claims to amlodipine besylate for obviousness. The Federal Circuit stated that ‘[t]he district court’s ruling must be rejected, not only because it is legally incorrect, but also because it may reflect a serious misconception regarding the proper burden of proof each party bears in a patent litigation’. *Id.* at 1359.

The Federal Circuit went on to point out that ‘a court is never bound by an examiner’s finding in an ex parte patent application proceeding’. *Id.* Rather, ‘deference to the decisions of the USPTO takes the form of the presumption of validity under 35 U.S.C. § 282’, and therefore ‘the patent challenger bears the burden of proving the factual elements of invalidity by clear and convincing evidence. That burden of proof *never* shifts to the patentee to prove validity’. *Id.* (emphasis added). The basis of the examiner’s initial finding of *prima facie* is therefore, ‘at most, only one factual consideration that the trial court must consider in context of the totality of the evidence’. *Id.* at 1360.

Motivation to combine

The Federal Circuit then turned to the substance of the obviousness argument. The Federal Circuit first noted that there was no dispute that benzene sulphonate⁴ was known in the art at the time of the inventions claimed in the ‘303 patent or in US Patent

No. 4,572,909 (‘the ‘909 patent’).⁵ In addition, there was no debate that the ‘909 patent did not expressly disclose the benzene sulphonate anion or salts formed from benzene sulphonic acid. *Id.* at 1360–1361. The question before the court was whether Apotex had shown by clear and convincing evidence that a skilled artisan would have been motivated to combine the teachings of the prior art references to make the besylate salt of amlodipine and would have had a reasonable expectation of success in doing so. *Id.*

Pfizer argued that the ‘909 patent did not suggest or motivate the skilled artisan to make the besylate salt of amlodipine since none of the listed anions has a cyclic structure as does besylate. Furthermore, Pfizer argued, a skilled artisan would not have been motivated to make amlodipine besylate even when combining the teaching of the ‘909 patent with the teachings of the Berge reference. *Id.* at 1361–1362. The Berge reference, cited by the examiner during prosecution of the ‘303 patent, shows FDA-approved, commercially marketed anions useful for making pharmaceutically acceptable salts, including benzene sulphonate. The reference, however, also notes that besylate was one of the most rarely used anions in the pharmaceutical industry, as only 0.25 per cent of approved drugs as of 1974 were besylate salts. *Id.* at 1362. Thus, Pfizer maintained that the skilled artisan would not have chosen the besylate anion to form a pharmaceutically acceptable salt.

The Federal Circuit rejected Pfizer’s arguments. The court first noted that early in development, Pfizer had discovered that the maleate salt of amlodipine was unstable. Thus, the court reasoned, the skilled artisan would have been motivated to select an anion that had a structure different from the maleate anion to avoid the same stability problem. *Id.* In addition, the court noted that the Berge reference listed only 53 anions from which the skilled artisan could select. While the besylate anion was used in only 0.25 per cent

of approved drugs as of 1974, the court noted that ‘beyond hydrochloride, which was used in approximately 43% of approved drugs, almost all other salts could be characterized as “rarely used”’. *Id.* at 1363. The court further maintained that the prior art provided ‘ample motivation to narrow the genus of 53 pharmaceutically-acceptable anions disclosed by Berge to a few, including benzene sulphonate’. *Id.* Thus, the court concluded that Apotex had shown by clear and convincing evidence that ‘one skilled in the art...would have been motivated to combine the teachings of the ‘909 patent, Berge, and other prior art, to produce the besylate salt of amlodipine’. *Id.* at 1364.

Reasonable expectation of success

The district court had found that one of the skill in the art would have had no expectation of success in making a besylate salt of amlodipine because there was no reliable way to predict the influence of a particular salt species on the active part of the compound. *Id.* The Federal Circuit, however, took issue with the district court’s conclusion, noting that ‘obviousness cannot be avoided simply by a showing of some degree of unpredictability in the art so long as there was a *reasonable probability* of success’. *Id.* (emphasis added). To hold otherwise, the court contended, would mean that ‘any new salt — including those specifically listed in the ‘909 patent itself — would be separately patentable, simply because the formation and properties of each salt must be verified through testing’. *Id.* Thus, the Federal Circuit found that the district court had erred in concluding that Apotex had failed to show that one skilled in the art would have had a reasonable expectation of success in making the besylate salt of amlodipine. *Id.* at 1365.

‘Obvious to try’

The Federal Circuit then addressed Pfizer’s argument that at most the besylate salt of amlodipine would have been ‘obvious to try’ but would not render claims 1–3 of the ‘303

patent obvious. *Id.* The court first noted that it has ‘struggled to strike a balance between the seemingly conflicting truisms that, under 35 U.S.C. § 103, “obvious to try” is not the proper standard by which to evaluate obviousness...but that...absolute predictability is not required’. *Id.* Nevertheless, the court concluded that on the particular facts of the case, ‘it would not merely have been obvious to try benzene sulphonate, but would have been indeed obvious to make amlodipine besylate’. *Id.* at 1366.

The court supported its decision by three main arguments. First, the court maintained that in this case there were not numerous parameters to try but rather one only needed to vary the anion with which to make the salt of amlodipine. In addition, as noted above, the court maintained that based on the Berge reference and the prior art, one of an ordinary skill in the art was capable of narrowing the list of possible anions to a small group, with a reasonable expectation of success. *Id.*

Finally, the court noted that ‘[w]hile the pharmaceutical industry may be particularly adversely impacted by application of an “obvious to try” analysis,...that Pfizer had to verify through testing the expected traits of each acid addition salt is of no consequence because it does not compel a conclusion of non-obviousness here’. *Id.* at 1367. Rather, the court characterised the testing by Pfizer as ‘routine testing’, which was used ‘to *verify* the physicochemical characteristics of each salt’ and not ‘equivalent to the trial and error procedures often employed to *discover* a new compound where the prior art gave no motivation or suggestion to make the new compound nor a reasonable expectation of success’. *Id.* (emphasis in original).

Secondary considerations

The Federal Circuit disregarded the district court’s findings that Pfizer’s switch from the maleate to the besylate salt was an ‘objective consideration’ of nonobviousness. *Id.* at 1369. The court then turned to Apotex’s arguments

relating to secondary considerations. Specifically, Apotex argued, in part, that the district court erred by comparing amlodipine besylate only to the maleate preferred embodiment in the '909 patent rather than to the entire genus of amlodipine salts claimed in the '909 patent. *Id.* at 1370. In addition, Apotex argued that even if the besylate salt had better physicochemical properties, the purported superiority was not significant enough as a matter of law to make it nonobvious. *Id.*

In addressing Apotex's first argument, the court noted that since the other amlodipine salts were not expressly recited in the '909 patent, the district court could properly have compared amlodipine besylate to the closest prior art compound and need not compare it to the entire genus of compounds. 'However, there is precious little (if any) evidence to support any implicit finding by the district court that amlodipine maleate is actually the closest prior art compound to amlodipine besylate'. *Id.* at 1370–1371. In addition, the court noted that any superior property must be unexpected to be considered as evidence of nonobviousness and the record before it was 'devoid of any evidence of what the skilled artisan would have expected'. *Id.* at 1371. Finally, the court noted that the district court's finding that amlodipine besylate had adequate physicochemical characteristics was insufficient to uphold a finding of unexpected superiority. *Id.*

Alternatively, the court found that even if amlodipine besylate showed unexpectedly superior results, this secondary consideration was insufficient to overcome the strong showing of obviousness. *Id.*

Thus, the appellate court reversed the district court's decision and found claims 1–3 of the '303 patent invalid for obviousness.

Inequitable conduct

Having found claims 1–3 of the '303 patent invalid for obviousness, the Federal Circuit did not address Apotex's inequitable conduct arguments.

Pfizer's petition for rehearing and rehearing *en banc*

Having lost before a panel of Federal Circuit judges after prevailing in three different district court actions, Pfizer filed a petition with the Federal Circuit for rehearing (by that panel) and rehearing *en banc*. *Pfizer v Apotex*, 2007 WL 1175774 (5th April, 2007) (Petition For Rehearing and Rehearing *En Banc*) The bases for Pfizer's petition are discussed below.

Properties of the besylate salt were unexpected

Pfizer argued that there was 'undisputed evidence at trial that one of ordinary skill could not have expected amlodipine besylate to have properties superior to the prior art'. *Id.* at *5. In addition, Pfizer argued that '[o]ne cannot "expect" an improvement in properties when one cannot have any expectation at all about the properties of the new salt'. *Id.* In addition, Pfizer noted that none of the references cited by the panel disclosed whether the besylate would solve the problems of stickiness and solid-state stability of any compound, much less amlodipine. *Id.* Finally, Pfizer noted that 'no other salt of amlodipine had amlodipine besylate's combination of advantageous properties'. *Id.* at *7. Thus, Pfizer argued that the Federal Circuit panel had no basis to overturn the district court's finding that the superior properties of amlodipine besylate were unexpected. *Id.* at *8.

The panel improperly relied on the inventor's expectations

Pfizer also argued that in concluding that the besylate salt was obvious, the Federal Circuit panel had relied on what it perceived as the expectations of the inventor, contrary to Federal Circuit precedent. *Id.* at *9.

The closest prior art to the besylate salt

Pfizer noted that '[t]he Panel suggested that the closest prior art may be besylate salts of compounds other than amlodipine'.

Id. at *10. Pfizer, however, argued that this ruling conflicts with established case law and that '[i]t is undisputed that the only amlodipine salt in the prior art is amlodipine maleate. It necessarily is the closest prior art'. *Id.*

The improvements of the invention were sufficient

Pfizer noted that the superior properties of the besylate salt of amlodipine had practical and important economic value. Nevertheless, Pfizer argued that the Federal Circuit panel had disregarded these properties because the maleate salt had worked to deliver the drug during clinical trials. *Id.* at *11. Pfizer, however, noted, 'the prior art need not be useless for an improvement to be an invention'. *Id.* at *12. In addition, Pfizer noted that the opinion provided no standard of what would be sufficient or why the substantial improvements of the besylate salt of amlodipine were not sufficient to render the invention nonobvious. *Id.*

'Routine screening'

Pfizer noted that the panel found the invention not patentable because the invention was made 'by applying a routine screening or optimization process to select a superior species from a group of alternatives'. *Id.* at *13. Pfizer, however, argued that '[t]he elevated significance the Panel attached to routine screening would make all selection inventions of compounds from a prior art genus obvious'. *Id.* at *14. In addition, because there could be no expectation of the properties of a new salt (see Pfizer's argument above), the experiments could not have been performed to 'verify' expectations'. *Id.*

Pfizer also noted that '[t]he Panel's holding threatens a great deal of pharmaceutical research which is conducted according to common strategies, such as a trial and error screening of a family of compounds in various models'. *Id.*

No prima facie obviousness

Pfizer argued that the panel had incorrectly concluded that Apotex established a *prima facie* case of obviousness because there was no motivation to combine any of the references cited by the court. *Id.* at *17. In addition, Pfizer argued that 'when the Panel equated the suggestion of candidates for the invention with obviousness, the Panel, in substance adopted "obvious-to-try" as the standard. Yet, the Panel itself acknowledged that "obvious-to-try" was not the correct legal standard'. *Id.*

In view of the issues raised above, Pfizer maintained that its petition should be granted and the judgment of the district court affirmed.

The amicus briefs

The Biotechnology Industry Organization ('BIO'), the Pharmaceutical Research and Manufacturers of America ('PhRMA'), SmithKline Beecham and Eli Lilly ('SB/Lilly') and Mylan filed *amicus* briefs with the Federal Circuit in connection with Pfizer's petition.

BIO's amicus brief

BIO filed an *amicus* brief in support of Pfizer's petition. BIO agreed with the arguments set forth by Pfizer in its petition but wrote its brief 'to emphasize the negative impact the changes to the law of obviousness articulated by the Panel will have on the biotechnology industry'. Brief for Biotechnology Industry Organization, as *Amicus Curiae* Supporting Plaintiff-Appellee, *Pfizer v Apotex*, 2007 WL 1225620 at *2.

BIO first noted that the panel misapprehended the nature of the improvement and noted that '[t]he popularity of the present invention, and thus its value, have been endorsed in this case by the conduct of the accused infringer'. *Id.* at *4.

BIO further noted that prior decisions of the Federal Circuit had developed an approach to maximise innovation by 'adequately protecting new discoveries, even those of narrow scope, while at the same time allowing room for competition. This

important balance will be destroyed if biological improvement inventions are allowed to be attacked as obvious simply because they are similar to other biological compounds and where developed by systematic testing and screening procedures'. *Id.* at *6. In particular, BIO noted that efforts in the field of biotechnology 'often involve systematic and persistent investigation using well-characterized techniques and principles. Nevertheless, the results can be critical to success of the product and unobvious in view of the prior art'. *Id.* at *7. Thus, BIO argued that '[b]y suggesting that these types of endeavours are not worthy of even the narrow protection secured by the patent here at issue, the Panel's decision is inconsistent with prior precedent of this Court, inconsistent with § 103, and threatens the incentive to invest in biotechnology research'. *Id.*

BIO also argued that the panel's emphasis on the inventor's thought process was tantamount to *sub silentio* adoption of a 'reasonable to the inventor' standard. *Id.* at *8. Noting that laboratory notebooks often clearly state the objective of the experiment and the hoped-for results before the experiment is performed, BIO argued that '[i]f the Panel's rationale is allowed to stand, scientists would not dare to articulate the results they hoped to achieve in their experiments without the risk of invalidating any patent later sought for their invention'. *Id.* at *9.

For the foregoing reasons, BIO requested that Pfizer's petition be granted.

PhRMA's amicus brief

PhRMA filed an *amicus* brief in support of Pfizer's petition. PhRMA argued that many inventions in the pharmaceutical and chemical arts are based on the recognition that a particular chemical entity within a known class of compounds has unique properties. 'Such inventions should not be denigrated, as the panel does, merely because the entity was found, and its unexpected properties

identified, by "routine" experimentation. Not surprisingly, the panel recognized that "the pharmaceutical industry may be particularly adversely impacted by application of" its standard in this case... We agree, and urge immediate reversal of the panel's decision'. Brief for Pharmaceutical Research and Manufacturers of America, as *Amicus Curiae* Supporting Plaintiff-Appellee, *Pfizer v Apotex*, 2007 WL 1225619 at *2-3.

PhRMA further argued that the panel had focussed on the anion's effect on therapeutic activity and not its other advantageous properties. PhRMA noted that a long line of precedent holds that 'a genus of pharmaceutical compounds does not render obvious the selection of a particular species within that genus that has beneficial properties, where, as in this case, there is no disclosure in the prior art directing a person of skill in the art to select that species', and that the panel's decision was therefore contrary to this precedent. *Id.* at *4.

PhRMA further argued that '[c]reating a drug formulation does not consist merely of verifying that a particular salt will form from the combination of a free base and an anion. Rather, the process involves (among other things) substantial investigation to discover which form of the active moiety has superior properties'. *Id.* at *5. PhRMA argued that the panel's reliance on the 'routine testing' required to 'verify' the properties of particular salt formulations was inconsistent with 35 USC § 103 and the Federal Circuit's own precedent. *Id.* at *6.

PhRMA also argued that the Federal Circuit had made its own findings of fact, which was inappropriate for the appellate court. Rather, the appellate court should have remanded to the district court if further fact finding was necessary. *Id.* at *9. PhRMA also reiterated Pfizer's argument that the court had relied on the expectations of the inventor and not one of skill in the art, thus using the wrong standard to determine whether the invention was obvious. *Id.* at *10.

For the foregoing reasons, PhRMA requested that Pfizer's petition be granted.

SB/Lilly's amicus brief

SB/Lilly filed an *amicus* brief in support of Pfizer's petition for rehearing and rehearing *en banc*. *Pfizer v Apotex*, 2007 WL 1171048 (10th April, 2007) (Corrected Brief *Amici Curiae* of SmithKline Beecham Corporation and Eli Lilly and Company). In addition to restating the arguments set forth in Pfizer's petition and the other *amicus* briefs, SB/Lilly emphasised the sea change represented by the Federal Circuit's decision. SB/Lilly argued that the decision 'cast a cloud over countless patents'. *Id.* at *9.

SB/Lilly made several other points of interest. It noted that '[t]he panel based its obviousness determination upon the *inventors' own confidential, experimental work and insights gleaned from that work*. The problem the inventors recognized and then solved was not publicly known at the time of the invention'. *Id.* at *2 (emphasis in original).

With respect to the standard of obviousness, SB/Lilly noted that 'the panel effectively adopted an "obvious to try" standard and reinterpreted the requirement of reasonable expectation of success. This decision thus stands obviousness jurisprudence on its head and calls into question countless patents in every area of technology'. *Id.*

Finally, SB/Lilly noted that the process of finding the right salt is more analogous to the discovery of a new compound rather than to mere 'verification' of the salt's properties. 'In each case, numerous possible compounds exist that must be made and tested to find the species possessing the proper combination of properties, but the properties...cannot be predicted in advance'. *Id.* at *9.

SB/Lilly ended its brief by reiterating the point that 'although the panel disavows the "obvious to try" standard, it actually applies that standard in this case'. *Id.* at *10.

For the foregoing reasons, SB/Lilly requested that Pfizer's petition be granted.

Mylan's amicus brief

Mylan filed an *amicus* brief opposing Pfizer's petition for rehearing and rehearing *en banc*. *Pfizer v Apotex*, 2007 WL 1362567 (23rd April, 2007) (Brief of *Amici Curiae* Mylan Laboratories Inc. and Mylan Pharmaceuticals Inc.). Mylan emphasised that the panel decision 'involved no more than the application of settled precedent to the "particularized facts of this case."...the Panel decision did not change the law, "disregarded" no precedent, and did no more than hold that that [sic] a well-known salt of a known compound is not itself separately patentable'. *Id.* at *1.

Arguing that the panel's arguments were correct, Mylan addressed several of the points raised by Pfizer and the other *Amici*. In particular, Mylan argued that 'the panel did not treat the inventors' own work as prior art' and that 'the references themselves provided ample motivation for their combination'. *Id.* at *4.

Furthermore, Mylan argued that '[u]nder Pfizer's analysis, no salt would ever be *prima facie* obvious. This cannot be the law. The Panel correctly observed that "obvious to try" is usually invoked in connection with trial and error research...where there is no basis for expectation of a particular the [sic] outcome....In contrast, Pfizer did not randomly screen salts for activity. It made a salt of a known pharmaceutical compound with a known anion and conducted testing to confirm that it had acceptable properties'. *Id.* at *6.

In addition, Mylan noted that Pfizer's argument that the appellate court consider the *Pfizer v Mylan* and *Pfizer v Synthron* district court decisions as evidence of the patentability of the claims at issue was improper. Mylan argued that '[t]he Court should not give weight to those unreviewed trial court decisions, which followed the unquestionably flawed *Apotex* [district court] decision that Pfizer trumpeted to the other trial courts, and are on appeal'. *Id.* at *8.

Finally, Mylan reiterated the Panel's argument that 'absence of absolute predictability of properties does not lead to a conclusion that advantageous properties would not have been "expected" by a person of skill in the art'. *Id.* at *10.

For the foregoing reasons, Mylan requested that Pfizer's petition be denied.

Denial of Pfizer's petition for rehearing and rehearing *en banc*

On 21st May, 2007, in a brief two-page order, the Federal Circuit denied Pfizer's petition for rehearing and rehearing *en banc* without comment — F.3d —, 2007 WL 1464593 (Fed. Cir. May 21, 2007).⁶ Judge Newman, Judge Lourie and Judge Rader issued separate opinions in which they dissented from the denial of rehearing *en banc*.

Judge Newman's dissent

Judge Newman began her dissent by noting that 'the panel's statement of the applicable law and its application to the facts of this case are inconsistent with the court's precedent'. *Id.* at *1 (Newman, J., dissenting). Quoting from Roscoe Pound, 'The Etiquette of Justice', Judge Newman noted that the goal of judging is 'full, equal and exact' enforcement of the law. *Id.* at *3. Accordingly, Judge Newman argued that the Federal Circuit should not have declined to review the case *en banc*.

Commenting on the substance of the panel's decision, Judge Newman noted that '[t]he panel's application of the obvious-to-try standard is in direct conflict with precedent'. *Id.* at *1. In addition, Judge Newman noted that '[t]he panel decision changes the criteria as well as the analysis of patentability, with results of particular significance for their effect on the conduct of R&D, the costs of drug development, and the balance between generic access to established products and the incentive to development of new products'. *Id.* at *2. For at least the above reasons, Judge Newman dissented from the Federal Circuit's denial of rehearing *en banc*.

Judge Lourie's dissent

Judge Lourie began his dissent by noting the *en banc* review was necessary in this case because the errors made by the panel 'will confuse the law relating to rebuttal of a prima facie case of obviousness of a chemical compound'. *Id.* at *4 (Lourie, J., dissenting). Specifically, Judge Lourie pointed to three errors made by the panel.

First, Judge Lourie argued that the panel had disregarded the express findings of fact made by the district court. In particular, Judge Lourie noted that the district court had found that the besylate salt of amlodipine possessed unexpected properties and that there would have been no expectation of success with regard to using the besylate salt of amlodipine. *Id.* As the Federal Circuit is bound to defer to the findings of fact of the district court unless the findings are clearly erroneous, Judge Lourie argued that the panel had erred by substituting its own findings of fact for those of the district court.

Second, Judge Lourie argued that the panel's finding that the improvement of using amlodipine besylate was insufficient to be separately patentable 'requir[ed] a compound to possess a specific type of improvement over the prior art...to be patentable, negating other important properties, a conclusion that is not compelled by our case law and not sound'. *Id.*

Third, Judge Lourie noted that the panel's conclusion that the invention was the result of 'routine' experimentation and therefore not patentable was contrary 'to the statutory requirement that "[p]atentability shall not be negated by the manner in which the invention was made" 35 USC § 103(a)'. *Id.* at *5.

Furthermore, Judge Lourie noted that the panel's 'holding of an inventor's expectations of success against the objective unexpectedness of the properties of the compound unfairly suggests that an inventor should try only that which he doubts will work'. *Id.*

Noting that '[t]hese issues are of exceptional importance', Judge Lourie

referred to the Supreme Court's decision in *KSR Int'l Co. v Teleflex Inc.* — S.Ct. —, 2007 WL 1237837 (April 30, 2007) implying that rehearing should also have been granted to give the Federal Circuit an opportunity to apply the Supreme Court's holding in *KSR* to the case at hand.

For the above reasons, Judge Lourie dissented from the Federal Circuit's denial of rehearing *en banc*.

Judge Rader's dissent

Judge Rader argued, as did Judge Lourie, that the panel should have deferred to the findings of fact of the district court. Consistent with the other dissenting judges, Judge Rader stated that '[a]lthough the panel gives "lip service" to the principle that "obvious to try" does not work in this field, it nonetheless appears to be the basis for its decision in this case'. *Id.* at *6.

In his conclusion, Judge Rader emphasised the significant effects the panel's decision would have, noting that 'this decision calls into question countless pharmaceutical patents, which in turn could have a profoundly negative effect on investments into the design and development of new life-saving pharmaceuticals'. *Id.* Accordingly, Judge Rader dissented from the Federal Circuit's denial of rehearing *en banc*.

Pfizer's petition for writ of certiorari

At the end of May 2007, Pfizer filed a petition for writ of certiorari with the US Supreme Court. *Pfizer v Apotex*, 2007 WL 1573945 (May 30, 2007) (Petition for a Writ of Certiorari). Pfizer also filed an application requesting that the Supreme Court recall and stay the Federal Circuit's mandate and a motion for expedited consideration of its petition for writ of certiorari. On 6th June, 2007, Justice Stevens denied Pfizer's application to stay and recall the Federal Circuit's mandate and on 11th June, 2007, the Supreme Court denied Pfizer's motion to expedite.

KSR

In its petition, Pfizer argued that the case be remanded to the Federal Circuit for reconsideration in light of the Supreme Court's decision in *KSR*. Pfizer argued that 'the Court's opinion in *KSR* expressly eliminated the use of the Federal Circuit's teaching-suggestion-motivation test as the basic test for obviousness'. *Id.* at *12-13. Pfizer argued that 'the Court of Appeals' extensive focus on "motivation" in this case stands in sharp contrast to the approach articulated by this Court in *KSR*'. *Id.* at *13.

Pfizer further argued that the Court's language in *KSR* suggests that '*KSR* adopted a quite different understanding of the importance that unexpected results play in the obviousness determination'. *Id.* Thus, Pfizer argued that the case should be reconsidered in light of *KSR*.

Procedural points

The '303 patent expired on 25th March, 2007. There was, however, the issue of paediatric exclusivity which, if applicable, would have expired on 25th September, 2007. Noting that its case would become moot as of 25th September, 2007, and that the case could not be fully argued before the Supreme Court by that time, Pfizer argued that 'the only chance of securing any relief...is to ask this Court to issue a GVR order — that is, to grant the petition, vacate the judgment below, and remand with instructions for the Federal Circuit to reconsider its decision' in light of *KSR*. *Id.* at *8.

Alternatively, Pfizer argued that if the Court did not decide its petition before 25th September, Pfizer requested that 'the Court grant the petition and vacate the judgment of the Federal Circuit' to clear the path for future relitigation of the issues between the parties. *Id.* at *17. Such action by the Court would eliminate the collateral estoppel effect of the Federal Circuit's decision.

On 14th June, 2007, in light of the Federal Circuit decision, Pfizer filed a letter with the FDA seeking to have the '303 patent delisted

from the Orange Book. In a Supplemental Brief, Pfizer reiterated its arguments set forth in its petition and maintained that the delisting of the '303 patent would not moot the case as it could seek to have the '303 patent relisted if a decision was rendered prior to 25th September, 2007. *Pfizer v Apotex*, 2007 WL 1812496 at *1–*2 (21st June, 2007) (Supplemental Brief in Support of Petition for a Writ of Certiorari).

CONCLUSION

The Federal Circuit's decision in *Pfizer v Apotex* raised important questions as to the current standard of obviousness under 35 USC § 103. As pointed out in the various *amicus* briefs, there are policy arguments in both directions. In view of the Federal Circuit's decision as well as the US Supreme Court's subsequent decision in *KSR*, it is likely that more obviousness arguments will be raised. It, however, remains to be seen how courts will apply these decisions in analysing the law of obviousness. Stay tuned.

Notes

1. See *The Patent Prospector*, 15th June, 2007, p. 2, quoting Hal Wegner, 'Post-*KSR* Chemical Obviousness in Light of *Pfizer v Apotex*', at http://www.patenthawk.com/blog/2007/06/chemical_obviousness_1.html.
2. Claims 1–3 of the '303 patent appear below
 1. The besylate salt of amlodipine.
 2. A pharmaceutical composition comprising an antihypertensive, antiischaemic or angina — alleviating effective amount of the besylate salt of amlodipine as claimed in claim one together with a pharmaceutically acceptable diluent or carrier.
 3. A tablet formulation comprising an anti-hypertensive, antiischaemic or angina — alleviating effective amount of the besylate salt of amlodipine as claimed in claim one in admixture with excipients.
3. Judge Rosenbaum of the US District Court for the Northern District of Illinois issued an oral bench ruling and did not issue a written decision. Of note, the Federal Circuit stated that '[w]hile oral bench rulings are certainly authorized, they may be ill-advised in a case of this complexity'. *Pfizer v Apotex*, 480 F.3d at 1357, n. 4.
4. The court noted that 'Besylate is referred to in the art interchangeably as benzene sulphonate, benzenesulphonate or benzene sulfonate'. *Pfizer v Apotex*, 480 F.3d at 1353, n. 1.
5. The '909 patent claims certain dihydropyridine compounds and their pharmaceutically acceptable salts. More specifically, '[t]he '909 patent discloses that the pharmaceutically acceptable salts of amlodipine "are those formed from acids which form from non-toxic acid addition salts containing pharmaceutically acceptable anions such as hydrochloride, hydrobromide, sulphate...maleate...and gluconate salts," and that the preferred salt is maleate'. *Pfizer v Apotex*, 480 F.3d at 1353.
6. Subsequent to the Federal Circuit's decision in *Pfizer v Apotex*, the court of appeals reversed the district court judgments in *Pfizer v Mylan* and *Pfizer v Synthron*.