

German Co. Loses 3 Patents As Suit Against J&J Backfires

By Dani Kass

Law360 (January 28, 2019, 5:57 PM EST) -- A Johnson & Johnson unit wasn't infringing three of MorphoSys AG's patents with its multiple myeloma drug Darzalex, and even if it had been, the patent claims aren't enforceable, a Delaware federal judge said in an order unsealed Monday.

Chief U.S. District Judge Leonard P. Stark handed Janssen Biotech Inc. a win on summary judgment Friday, about two weeks before a jury trial was set to begin. While the judge didn't agree with all arguments presented by Janssen and co-defendant Genmab A/S, the ruling still had the effect of resolving all but one issue in the litigation and canceling the trial.

Outstanding is Janssen and Genmab's inequitable conduct claim alleging the full patents are unenforceable because the German drugmaker withheld testing results from the U.S. Patent and Trademark Office.

MorphoSys had sued in April 2016, accusing the two companies of infringing its patents with their oncology medication. It would have been a big blow if Janssen and Genmab lost, as Darzalex brought in \$880 million in sales in the first three quarters of 2018 and more than \$1.2 billion in all of 2017, according to J&J's U.S. Securities and Exchange Commission filings.

Judge Stark said the challenged claims from the three patents were invalid because they lacked enablement, meaning the invention wasn't described in a way that would allow others to make or use it.

Additionally, the judge said the patents lacked sufficient written descriptions. Janssen had three arguments about the description, and only one passed the judge's analysis. He said the patents didn't disclose the structural elements that would let someone identify the antibodies with the patented properties.

The judge then shot down separate arguments that the claims were invalid as indefinite.

The infringement issue had rested on whether the human antibodies in MorphoSys' patents were interchangeable or equivalent to Janssen and Genmab's humanized antibodies in Darzalex, also known as daratumumab.

"No reasonable juror could conclude that daratumumab is a human antibody," as it was made "using a transgenic mouse bearing a heterologous immune system" and "is based on a human germline sequence" rather than one that's actually human, the judge said.

Judge Stark had defined "human" and "humanized" as being mutually exclusive earlier in the case, and later MorphoSys had to admit the difference based on the judge's construction.

"Therefore, having claimed only human antibodies in some claims, MorphoSys cannot now argue that those claims should also cover humanized antibodies under the doctrine of equivalents," the opinion states.

"MorphoSys's management is disappointed with the decision and is considering all of its options," the company said in a statement.

A Janssen representative said the company is "pleased" with the ruling.

The patents-in-suit are U.S. Patent Nos. 8,263,746; 9,200,061; and 9,758,590.

MorphoSys is represented by Kelly E. Farnan and Christine D. Haynes of Richards Layton & Finger PA and James F. Hurst, Patricia A. Carson, Christopher T. Jagoe and Aaron D. Resetarits of Kirkland & Ellis LLP.

Janssen and Genmab are represented by Michael A. Morin, David P. Frazier, Roger J. Chin, Max Grant, Brenda L. Danek, Ann Marie Wahls and Michael R. Seringhaus of Latham & Watkins LLP and Jack B. Blumenfeld and Brian P. Egan of Morris Nichols Arsht & Tunnell LLP.

The case is MorphoSys AG v. Janssen Biotech Inc. et al., case number 1:16-cv-00221, in the U.S. District Court for the District of Delaware.

--Editing by Haylee Pearl.

Update: This story has been updated with additional counsel for Janssen.