

High Court Skips Challenge Over Doctrine Of Equivalents

By **Tiffany Hu**

Law360 (June 15, 2020, 9:24 PM EDT) -- The U.S. Supreme Court refused Monday to take up a challenge to a Federal Circuit ruling over when patent infringement can be found under the doctrine of equivalents.

The high court denied petitions for a writ of certiorari filed by Pfizer unit Hospira Inc. and Dr. Reddy's Laboratories Ltd. asking the justices to review a Federal Circuit ruling in a patent dispute over Eli Lilly's cancer treatment drug Alimta.

Counsel for Eli Lilly declined to comment Monday. Counsel for the other parties did not immediately respond to requests for comment.

Monday's order closes the book on a dispute over Eli Lilly's patent on Alimta, which treats certain types of lung cancers and mesothelioma. Alimta had \$1.2 billion in U.S. sales in 2019, according to an Eli Lilly report in January.

In August, the Federal Circuit upheld lower court rulings that drug companies Hospira and Dr. Reddy's infringed the patent under the doctrine of equivalents, which holds that infringement can be found when a product doesn't literally infringe if it is "equivalent" to the patented version. The reason the patent was amended during prosecution was tangential to the proposed methods, the panel found.

Hospira and Dr. Reddy's then appealed the rulings to the high court, arguing that the Federal Circuit applied a newly created rule regarding the doctrine of equivalents, and that the new rule flouted a 2002 Supreme Court ruling known as *Festo Corp.*

The justices in *Festo* held that when patentees narrow claims during patent prosecution to avoid rejections, they cannot use the doctrine of equivalents to broaden the patent to cover more in infringement cases. But that bar doesn't apply if the reason for narrowing the claims "bears no more than a tangential relation" to what is alleged to infringe under the doctrine.

The petitioners argued that the Federal Circuit improperly found Eli Lilly met the tangentiality exception even though the company did not explain why it had narrowed the claim at issue during patent prosecution. By doing so, the Federal Circuit created a new rule that "unfairly skews the patent playing field in favor of patentees," Hospira said in its petition.

Eli Lilly disputed the companies' contentions in April, saying that the Federal Circuit "faithfully applied" the tangentiality exception in *Festo*, and that the appeals court's purported conflict or intra-circuit conflict on how to approach the ruling was "of the petitioners' own making."

"Unsurprisingly, [the Federal Circuit] has reached different outcomes in cases involving different facts and records," Eli Lilly had responded. "That is no reason to grant certiorari. Nor is it reason to engraft petitioners' rigid rules onto the flexible approach announced in *Festo*."

Hospira is represented by Adam Unikowsky, Sara Tonnies Horton and Yusuf Esat of Jenner & Block LLP.

Dr. Reddy's is represented by John C. O'Quinn, William Burgess and C. Alex Shank of Kirkland & Ellis LLP.

Eli Lilly is represented by Adam L. Perlman of Latham & Watkins LLP, Dov P. Grossman, David M. Krinsky, Amy Mason Saharia, Charles L. McCloud and Sumeet P. Dang of Williams & Connolly LLP and in-house by James P. Leeds.

The cases are *Hospira Inc. v. Eli Lilly and Co.*, case number 19-1058, and *Dr. Reddy's Laboratories Ltd. v. Eli Lilly and Co.*, case number 19-1061, both before the U.S. Supreme Court.

--Additional reporting by Ryan Davis and Dani Kass. Editing by Jill Coffey.