

John E. Flaherty
Jonathan M.H. Short
McCARTER & ENGLISH LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102
(973) 622-4444

*Counsel for Plaintiffs AstraZeneca AB,
Aktiebolaget Hassle, AstraZeneca LP,
KBI Inc., and KBI-E Inc.*

Einar Stole
Ed Rippey
COVINGTON & BURLING LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004
(202) 662-6000

Of Counsel for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

ASTRAZENECA AB, AKTIEBOLAGET
HASSLE, ASTRAZENECA LP, KBI INC.,
and KBI-E INC.,

Plaintiffs,

v.

KREMERS URBAN PHARMACEUTICALS,
KREMERS URBAN DEVELOPMENT CO.,
and KREMERS URBAN LLC,

Defendants.

Civil Action No.

**COMPLAINT FOR
PATENT INFRINGEMENT
AND CERTIFICATION PURSUANT TO
LOCAL CIVIL RULE 11.2**

Plaintiffs AstraZeneca AB, Aktiebolaget Hassle, AstraZeneca LP, KBI Inc., and KBI-E Inc. (collectively, “Plaintiffs”), by their attorneys, for their Complaint against Kremers Urban Pharmaceuticals, Kremers Urban Development Co., and Kremers Urban LLC (collectively, “Defendants” or “Kremers”), allege as follows:

NATURE OF THE ACTION

1. This is a civil action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 100 et seq., and in particular under 35 U.S.C. § 271(e). This action relates to Abbreviated New Drug Application (“ANDA”) No. 205563 filed by or for the benefit of Defendants with the United States Food and Drug Administration (“FDA”) for approval to market generic versions of Plaintiffs’ NEXIUM® pharmaceutical products that are sold in the United States.

THE PARTIES

2. Plaintiff AstraZeneca AB (“AZ AB”) is a corporation operating and existing under the laws of the Sweden, with its principal place of business at S-151 85 Södertälje, Sweden.

3. Plaintiff Aktiebolaget Hassle (“Hassle”) is a corporation organized and existing under the laws of Sweden, having its principal place of business at Molndal, Sweden

4. Plaintiff AstraZeneca LP (“AZ LP”) is a limited partnership operating and existing under the laws of the State of Delaware, with its principal place of business at 1800 Concord Pike, Wilmington, Delaware 19803. AZ LP holds an approved New Drug Application from the FDA for an esomeprazole magnesium formulation which it sells under the name NEXIUM®.

5. Plaintiff KBI Inc. (“KBI”) is a Delaware corporation having its principal place of business at Whitehouse Station, New Jersey.

6. Plaintiff KBI-E Inc. (“KBI-E”) is a Delaware corporation having its principal place of business at Wilmington, Delaware. KBI-E has exclusive rights in the United States to market and sell products covered by United States Patent Nos. 5,714,504, 6,369,085, 7,411,070, and 8,466,175.

7. On information and belief, Defendant Kremers Urban Pharmaceuticals (“Kremers Pharma”) is a corporation operating and existing under the laws of the State of Indiana with its principal place of business at 902 Carnegie Center, Suite 360, Princeton, New Jersey 08540.

8. On information and belief, Defendant Kremers Urban Development Co. (“Kremers Development”) is a corporation operating and existing under the laws of the State of Delaware with its principal place of business at 6140 West Executive Drive, Mequon, Wisconsin 53092.

9. On information and belief, Defendant Kremers Urban LLC (“Kremers LLC”) is a corporation operating and existing under the laws of the State of Delaware with its principal place of business at 902 Carnegie Center, Suite 360, Princeton, New Jersey 08540.

BACKGROUND

The NDA

10. AZ LP is the holder of New Drug Application (“NDA”) No. 21153 for NEXIUM® Esomeprazole Magnesium Delayed-Release Tablets, in 20 mg and 40 mg dosage forms. NEXIUM® is a prescription drug approved for use to relieve the symptoms of acid reflux disease and treat erosive esophagitis. Esomeprazole magnesium is the active ingredient in NEXIUM®.

The Patents-in-Suit

11. United States Patent No. 5,714,504 (“the ’504 patent”), entitled “Compositions,” was duly and legally issued by the United States Patent and Trademark Office (“USPTO”) on February 3, 1998 to Astra Aktiebolag upon assignment from the inventors Per Lennart Lindberg and Sverker Von Unge. The patent was subsequently assigned to AZ AB. The claims of the ’504 patent are directed, *inter alia*, to pharmaceutical formulations comprising alkaline salts of esomeprazole (including esomeprazole magnesium) and methods of using esomeprazole magnesium. A true and correct copy of the ’504 patent is attached as Exhibit A.

12. Plaintiff AZ AB has been and is still the owner of the ’504 patent. The ’504 patent will expire on February 3, 2015, and pediatric exclusivity relating to the ’504 patent expires on August 3, 2015.

13. United States Patent No. 6,369,085 (“the ’085 patent”), entitled “Form of S-Omeprazole,” was duly and legally issued by the USPTO on April 9, 2002 to AZ AB, upon assignment from the inventors Hanna Cotton, Anders Kronstrom, Anders Mattson, and Eva Moller. The ’085 patent claims, *inter alia*, magnesium salts of esomeprazole trihydrate, pharmaceutical compositions comprising the claimed salts, methods of treatment using the claimed salts, and processes for preparing the claimed salts. A true and correct copy of the ’085 patent is attached as Exhibit B.

14. Plaintiff AZ AB has been and still is the owner of the ’085 patent. The ’085 patent will expire on May 25, 2018, and pediatric exclusivity relating to the ’085 patent expires on November 25, 2018.

15. United States Patent No. 7,411,070 (“the ’070 patent”), entitled “Form of S-omeprazole,” was duly and legally issued by the USPTO on August 12, 2008 to AZ AB upon

assignment from inventors Hanna Cotton, Anders Kronstrom, Anders Mattson, and Eva Moller. The claims of the '070 patent are directed to, *inter alia*, magnesium salts of esomeprazole trihydrate and processes for preparing the claimed salts. A true and correct copy of the '070 patent is attached as Exhibit C.

16. Plaintiff AZ AB has been and still is the owner of the '070 patent. The '070 patent will expire on May 25, 2018, and pediatric exclusivity relating to the '070 patent expires on November 25, 2018.

17. United States Patent No. 8,466, 175 ("the '175 patent"), entitled "Form of S-omeprazole," was duly and legally issued by the USPTO on June 18, 2013 to AZ AB upon assignment from inventors Hanna Cotton, Anders Kronstrom, Anders Mattson, and Eva Moller. The claims of the '175 patent are directed to, *inter alia*, methods of treating Heliobacter infections comprising administration of magnesium salts of esomeprazole trihydrate. A true and correct copy of the '175 patent is attached as Exhibit D.

18. Plaintiff AZ AB has been and still is the owner of the '175 patent. The '175 patent will expire on May 25, 2018, and pediatric exclusivity relating to the '175 patent expires on November 25, 2018.

The ANDA

19. On information and belief, Kremers Pharma filed ANDA No. 205563 with the FDA under 21 U.S.C. § 355(j) to obtain FDA approval for the commercial manufacture, use, importation, offer for sale, and sale in the United States of esomeprazole magnesium delayed-release tablets, 20 mg and 40 mg ("Kremers's Esomeprazole Magnesium Delayed-Release Tablets"), which are generic versions of Plaintiffs' NEXIUM® Esomeprazole Magnesium Delayed-Release Tablets, in 20 mg and 40 mg dosage forms.

20. By letter dated October 24, 2013 (the “ANDA Notice Letter”), Kremers Pharma notified Plaintiffs that Kremers Pharma had filed ANDA No. 205563 seeking approval to market Kremers’s Esomeprazole Magnesium Delayed-Release Tablets and that Kremers Pharma was providing information to Plaintiffs pursuant to 21 U.S.C. § 355(j)(2)(B) and 21 C.F.R. § 314.95.

21. On information and belief, Kremers Pharma sells products manufactured by Kremers Development and Kremers LLC in New Jersey and throughout the United States.

JURISDICTION AND VENUE

22. Subject matter jurisdiction over this action is proper pursuant to the provisions of Title 28, United States Code, Sections 1331 and 1338(a).

23. On information and belief, Defendant Kremers Pharma is a corporation operating and existing under the laws of the State of Indiana with its principal place of business at 902 Carnegie Center, Suite 360, Princeton, New Jersey 08540.

24. On information and belief, Kremers Pharma, either directly or through one or more of its wholly owned subsidiaries and/or agents, develops, manufactures, distributes, markets, offers to sell, and sells generic drug products for sale and use throughout the United States, including within the judicial district.

25. On information and belief, Kremers Development, with the assistance and/or at the direction of Kremers Pharma, develops, manufactures, distributes, markets, offers to sell, and sells generic drug products for sale and use throughout the United States, including within the judicial district.

26. On information and belief, Defendants are in the business of developing, formulating, manufacturing, marketing, offering to sell, selling, and commercializing pharmaceutical products.

27. On information and belief, Kremers LLC, with the assistance and/or at the direction of Kremers Pharma, develops, manufactures, distributes, markets, offers to sell, and sells generic drug products for sale and use throughout the United States, including within the judicial district.

28. On information and belief, Defendants acted in concert to develop Kremers's Esomeprazole Magnesium Delayed-Release Tablets and to seek approval from the FDA to sell Kremers's Esomeprazole Magnesium Delayed-Release Tablets throughout the United States, including within this judicial district.

29. On information and belief and as stated in the ANDA Notice Letter, Kremers Pharma prepared and filed ANDA No. 205563.

30. On information and belief and as stated in the ANDA Notice Letter, the FDA received ANDA No. 205563 from Kremers Pharma.

31. On information and belief by virtue of, *inter alia*, Kremers Development's relationship with Kremers Pharma in connection with the preparation and/or filing of ANDA No. 205563 and the sales-related activities of Defendants in New Jersey, including but not limited to the substantial, continuous, and systematic distribution, marketing, and/or sales of pharmaceutical products to residents of New Jersey, this Court has personal jurisdiction over Kremers Development.

32. On information and belief by virtue of, *inter alia*, Kremers LLC's relationship with Kremers Pharma in connection with the preparation and/or filing of ANDA No. 205563 and the sales-related activities of Defendants in New Jersey, including but not limited to the substantial, continuous, and systematic distribution, marketing, and/or sales of pharmaceutical products to residents of New Jersey, this Court has personal jurisdiction over Kremers LLC.

33. On information and belief, by virtue of, *inter alia*, Defendants' continuous and systematic contacts with New Jersey, including but not limited to the above-described contacts, and the actions on behalf of Defendants in connection with ANDA No. 205563, this Court has personal jurisdiction over Defendants. These activities satisfy due process and confer personal jurisdiction over Defendants consistent with New Jersey law.

34. Venue is proper in this District pursuant to the provisions of Title 28, United States Code, Sections 1391(c) and (d), and 1400 (b).

COUNT 1: INFRINGEMENT OF THE '504 PATENT

35. Plaintiffs incorporate by reference paragraphs 1-34 of this Complaint as if fully set forth herein.

36. On information and belief, Defendants submitted ANDA No. 205563 to the FDA under 21 U.S.C. § 355(j) in order to obtain approval to market Kremers's Esomeprazole Magnesium Delayed-Release Tablets in the United States before the expiration of the '504 patent.

37. By their ANDA Notice Letter, Defendants informed Plaintiffs that they had submitted to the FDA, pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV), a certification alleging that the '504 patent is invalid, unenforceable, or will not be infringed by the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets.

38. Under 35 U.S.C. § 271(e)(2)(A), the submission by Defendants to the FDA of ANDA No. 205563 to obtain approval for the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release

Tablets before the expiration of the '504 patent constitutes infringement of one or more claims of the '504 patent, either literally or under the doctrine of equivalents.

39. On information and belief, Kremers's Esomeprazole Magnesium Delayed-Release Tablets, if approved by the FDA, will be prescribed and administered to human patients in a therapeutically effective amount to inhibit gastric acid secretion and for the treatment of gastrointestinal inflammatory disease. On information and belief, this administration will occur at Defendants' active behest and with their intent, knowledge, and encouragement. On information and belief, Defendants will actively encourage, aid and abet this administration with knowledge that it is in contravention of Plaintiffs' rights under the '504 patent.

40. The ANDA Notice Letter, which is required by statute and regulation to provide a full and detailed explanation regarding all defenses, does not allege non-infringement of any claims of the '504 patent. By not alleging non-infringement, Defendants admit that Kremers's Esomeprazole Magnesium Delayed-Release Tablets meet each limitation of each claim of the '504 patent.

41. Plaintiffs will be substantially and irreparably harmed by the infringing activities described above unless those activities are precluded by this Court. Plaintiffs have no adequate remedy at law.

COUNT 2: INFRINGEMENT OF THE '085 PATENT

42. Plaintiffs incorporate by reference paragraphs 1-34 of this Complaint as if fully set forth herein.

43. On information and belief, Defendants submitted ANDA No. 205563 to the FDA under 21 U.S.C. § 355(j) in order to obtain approval to market Kremers's Esomeprazole

Magnesium Delayed-Release Tablets in the United States before the expiration of the '085 patent.

44. By their ANDA Notice Letter, Defendants informed Plaintiffs that they had submitted to the FDA, pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV), a certification alleging that the '085 patent is invalid, unenforceable, or will not be infringed by the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets.

45. Under 35 U.S.C. § 271(e)(2)(A), the submission by Defendants to the FDA of ANDA No. 205563 to obtain approval for the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets before the expiration of the '085 patent constitutes infringement of one or more claims of the '085 patent, either literally or under the doctrine of equivalents.

46. On information and belief, Kremers's Esomeprazole Magnesium Delayed-Release Tablets, if approved by the FDA, will be prescribed and administered to human patients in a therapeutically effective amount to inhibit gastric acid secretion and for the treatment of gastrointestinal inflammatory disease. On information and belief, this administration will occur at Defendants' active behest and with their intent, knowledge, and encouragement. On information and belief, Defendants will actively encourage, aid and abet this administration with knowledge that it is in contravention of Plaintiffs' rights under the '085 patent.

47. The ANDA Notice Letter, which is required by statute and regulation to provide a full and detailed explanation regarding all defenses, does not allege invalidity of any claims of the '085 patent. By not alleging invalidity, Kremers effectively accepts the statutory presumption that the '085 patent is valid. 35 U.S.C. § 282.

48. Plaintiffs will be substantially and irreparably harmed by the infringing activities described above unless those activities are precluded by this Court. Plaintiffs have no adequate remedy at law.

COUNT 3: INFRINGEMENT OF THE '070 PATENT

49. Plaintiffs incorporate by reference paragraphs 1-34 of this Complaint as if fully set forth herein.

50. On information and belief, Defendants submitted ANDA No. 205563 to the FDA under 21 U.S.C. § 355(j) in order to obtain approval to market Kremers's Esomeprazole Magnesium Delayed-Release Tablets in the United States before the expiration of the '070 patent.

51. By their ANDA Notice Letter, Defendants informed Plaintiffs that they had submitted to the FDA, pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV), a certification alleging that the '070 patent is invalid, unenforceable, or will not be infringed by the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets.

52. Under 35 U.S.C. § 271(e)(2)(A), the submission by Defendants to the FDA of ANDA No. 205563 to obtain approval for the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets before the expiration of the '070 patent constitutes infringement of one or more claims of the '070 patent, either literally or under the doctrine of equivalents.

53. On information and belief, Kremers's Esomeprazole Magnesium Delayed-Release Tablets, if approved by the FDA, will be prescribed and administered to human patients in a therapeutically effective amount to inhibit gastric acid secretion and for the treatment of

gastrointestinal inflammatory disease. On information and belief, this administration will occur at Defendants' active behest and with their intent, knowledge, and encouragement. On information and belief, Defendants will actively encourage, aid and abet this administration with knowledge that it is in contravention of Plaintiffs' rights under the '070 patent.

54. The ANDA Notice Letter, which is required by statute and regulation to provide a full and detailed explanation regarding all defenses, does not allege invalidity of any claims of the '070 patent. By not alleging invalidity, Kremers effectively accepts the statutory presumption that the '070 patent is valid. 35 U.S.C. § 282.

55. Plaintiffs will be substantially and irreparably harmed by the infringing activities described above unless those activities are precluded by this Court. Plaintiffs have no adequate remedy at law.

COUNT 4: INFRINGEMENT OF THE '175 PATENT

56. Plaintiffs incorporate by reference paragraphs 1-34 of this Complaint as if fully set forth herein.

57. On information and belief, Defendants submitted ANDA No. 205563 to the FDA under 21 U.S.C. § 355(j) in order to obtain approval to market Kremers's Esomeprazole Magnesium Delayed-Release Tablets in the United States before the expiration of the '175 patent.

58. By their ANDA Notice Letter, Defendants informed Plaintiffs that they had submitted to the FDA, pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV), a certification alleging that the '175 patent is invalid, unenforceable, or will not be infringed by the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets.

59. Under 35 U.S.C. § 271(e)(2)(A), the submission by Defendants to the FDA of ANDA No. 205563 to obtain approval for the commercial manufacture, use, sale, offer for sale, or importation into the United States of Kremers's Esomeprazole Magnesium Delayed-Release Tablets before the expiration of the '175 patent constitutes infringement of one or more claims of the '175 patent, either literally or under the doctrine of equivalents.

60. On information and belief, Kremers's Esomeprazole Magnesium Delayed-Release Tablets, if approved by the FDA, will be prescribed and administered to human patients in a therapeutically effective amount to inhibit gastric acid secretion and for the treatment of gastrointestinal inflammatory disease, including *Helicobacter* infection. On information and belief, this administration will occur at Defendants' active behest and with their intent, knowledge, and encouragement. On information and belief, Defendants will actively encourage, aid and abet this administration with knowledge that it is in contravention of Plaintiffs' rights under the '175 patent.

61. The ANDA Notice Letter, which is required by statute and regulation to provide a full and detailed explanation regarding all defenses, does not allege invalidity of any claims of the '175 patent. By not alleging invalidity, Kremers effectively accepts the statutory presumption that the '175 patent is valid. 35 U.S.C. § 282.

62. Plaintiffs will be substantially and irreparably harmed by the infringing activities described above unless those activities are precluded by this Court. Plaintiffs have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request the following relief:

A. A judgment that the claims of the '504, '085, '070, and '175 patents are valid and enforceable;

B. A judgment that the submission of ANDA No. 205563 by Defendants infringes one or more claims of each of the '504, '085, '070, and '175 patents under 35 U.S.C. § 271(e)(2);

C. A judgment providing that, pursuant to 35 U.S.C. § 271(e)(4)(A), the effective date of any FDA approval of Defendants' ANDA No. 205563 shall be no earlier than the latest expiration date of the patents-in-suit and any additional periods of exclusivity;

D. A judgment pursuant to 35 U.S.C. § 271(e)(4)(B) permanently enjoining Defendants, and all persons acting in concert with any of them, from making, using, selling, offering to sell, or importing theesomeprazole magnesium product described in Defendants' ANDA No. 205563 prior to the latest expiration of the patents-in-suit and any additional periods of exclusivity;

E. Attorneys' fees in this action pursuant to 35 U.S.C. § 285;

F. Costs and expenses in this action; and

G. Such further and other relief as this Court may deem just and proper.

Dated: December 3, 2013.

Respectfully submitted,

s/ John E. Flaherty
John E. Flaherty
Jonathan M.H. Short
McCARTER & ENGLISH LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102
(973) 622-4444

*Counsel for Plaintiffs AstraZeneca AB,
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KBI Inc., and KBI-E Inc.*

Einar Stole
Ed Rippey
COVINGTON & BURLING LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004
(202) 662-6000

Of Counsel for Plaintiffs

CERTIFICATION PURSUANT TO L. CIV. R. 11.2

Pursuant to Local Civil Rule 11.2, I hereby certify that the matter in controversy is related to the subject matter of the following actions:

- *ASTRAZENECA AB, AKTIEBOLAGET HÄSSLE, ASTRAZENECA LP, KBI INC., and KBI-E INC. v. MYLAN LABORATORIES LTD. and MYLAN, INC.*, C.A. No. 3:12-cv-01378-JAP-TJB (District of New Jersey).
- *ASTRAZENECA AB, AKTIEBOLAGET HÄSSLE, ASTRAZENECA LP, KBI INC., and KBI-E INC. v. WATSON LABORATORIES, INC. – FLORIDA*, C.A. No. 3:13-cv-01669-JAP-TJB (District of New Jersey).
- *ASTRAZENECA AB, AKTIEBOLAGET HÄSSLE, ASTRAZENECA LP, KBI INC. and KBI-E INC. v. WOCKHARDT LIMITED and WOCKHARDT USA LLC*, C.A. No. 3:13-cv-04854-JAP-TJB (District of New Jersey).
- *ASTRAZENECA AB, AKTIEBOLAGET HÄSSLE, ASTRAZENECA LP, KBI INC., and KBI-E INC v. HANMI USA, INC., HANMI PHARMACEUTICAL CO., LTD., HANMI FINE CHEMICAL CO., LTD, and HANMI HOLDINGS CO., LTD.*, C.A. No. 3:11-cv-00760-JAP-TJB (District of New Jersey).

The foregoing cases involve NEXIUM®, a product marketed by AstraZeneca that contains an esomeprazole magnesium formulation. The NEXIUM® cases have been assigned to Hon. Joel A. Pisano, U.S.D.J. Plaintiffs respectfully request that this case likewise be assigned to Judge Pisano due to his familiarity with the subject matter.

Date: December 3, 2013

By: s/ John E. Flaherty
John E. Flaherty
Jonathan M.H. Short
McCARTER & ENGLISH LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102
(973) 622-4444

*Counsel for Plaintiffs AstraZeneca AB,
Aktiebolaget Hassle, AstraZeneca LP,
KBI Inc., and KBI-E Inc.*

Einar Stole
Ed Rippey
COVINGTON & BURLING LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004
(202) 662-6000

Of Counsel for Plaintiffs