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 CEPHALON, INC. and CIMA LABS, INC.

10 **UNITED STATES DISTRICT COURT**
 11 **DISTRICT OF NEVADA**

12 CEPHALON, INC. and CIMA LABS, INC.,

CASE NO. 3:08-cv-308

13 Plaintiffs,

14 vs.

COMPLAINT FOR
PATENT INFRINGEMENT

15 WATSON PHARMACEUTICALS, INC. and
 16 WATSON LABORATORIES, INC.,

17 Defendants.

18
 19 Plaintiffs Cephalon, Inc. and CIMA Labs, Inc. (collectively, "Plaintiffs") for their
 20 complaint against Watson Pharmaceuticals, Inc. and Watson Laboratories, Inc.
 21 (collectively "Defendants" or "Watson"), to the best of their knowledge, information and
 22 belief, hereby allege as follows:

23 **THE PARTIES**

24 1. Plaintiff Cephalon, Inc. ("Cephalon") is a Delaware corporation having a
 25 principal place of business at 41 Moores Road, Frazer, Pennsylvania 19355.

26 2. Plaintiff CIMA Labs, Inc. ("CIMA") is a Delaware corporation having a
 27 principal place of business at 10000 Valley View Road, Eden Prairie, Minnesota 55344.

28 3. Defendant Watson Pharmaceuticals, Inc. ("Watson Pharmaceuticals") is a

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1 corporation organized and existing under the laws of the State of Nevada, having a
2 principal place of business at 311 Bonnie Circle, Corona, California 92880.

3 4. Defendant Watson Laboratories, Inc. ("Watson Laboratories") is a Nevada
4 corporation having a principal place of business at 311 Bonnie Circle, Corona, California
5 92880.

6 5. Defendant Watson Laboratories is a wholly-owned subsidiary of Defendant
7 Watson Pharmaceuticals, and the two have common officers and directors.

8 6. Defendant Watson Pharmaceuticals develops, manufactures, and/or
9 markets pharmaceutical products throughout the United States, including in this judicial
10 district, through its own actions and through the actions of its agents and operating
11 subsidiaries, including Watson Laboratories, Inc.

12 **JURISDICTION AND VENUE**

13 7. This is an action for infringement of United States Patent Nos. 6,200,604 B1
14 ("the '604 patent") and 6,974,590 B2 ("the '590 patent") under the Patent Laws of the
15 United States, 35 U.S.C. § 100 et seq, including §§ 271(e)(2) and 271(b) and for a
16 declaratory judgment of infringement of the '604 and '590 patents under 28 U.S.C. §§
17 2201 and 2202. A copy of the '604 patent is attached as Exhibit A. A copy of the '590
18 patent is attached as Exhibit B.

19 8. This Court has jurisdiction over the subject matter of this action pursuant to
20 28 U.S.C. §§ 1331, 1338, 2201 and 2202.

21 9. This Court has personal jurisdiction over the Defendants by virtue of their
22 incorporation in Nevada.

23 10. In addition, Plaintiffs allege, in the following paragraphs on information and
24 belief, that this Court has personal jurisdiction over Defendants Watson Pharmaceuticals
25 and Watson Laboratories for the additional reasons set forth below and for other reasons
26 to be determined.

27 11. This Court has personal jurisdiction over Defendant Watson
28 Pharmaceuticals by virtue of, inter alia, its systematic and continuous contacts with

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1 Nevada through its distribution of pharmaceutical products throughout the United States,
2 including Nevada.

3 12. Watson Pharmaceuticals and Watson Laboratories are agents of each
4 other, and of other Watson subsidiaries that distribute pharmaceutical products into
5 Nevada with respect to the development, regulatory approval, marketing, sale and
6 distribution of pharmaceutical products, including the fentanyl citrate buccal tablets
7 described in ANDA 79-075 (defined below).

8 13. If ANDA 79-075 is approved, the Watson Generic Products (defined
9 below), which are charged with infringing the patents-in-suit, would, among other things,
10 be marketed and distributed in Nevada, and/or prescribed by physicians practicing and
11 dispensed by pharmacies located within Nevada, all of which would have a substantial
12 effect on Nevada.

13 14. Watson Pharmaceuticals and Watson Laboratories are alter egos of each
14 other, and of other Watson subsidiaries that distribute pharmaceutical products into
15 Nevada with respect to the development, regulatory approval, marketing, sale and
16 distribution of pharmaceutical products, including the fentanyl citrate buccal tablets
17 described in ANDA 79-075.

18 15. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and
19 1400(b).

20 BACKGROUND

21 Genesis of The Delaware and Nevada Actions

22 16. As discussed in further detail below, Watson filed ANDA 79-075 seeking to
23 market a generic version of Cephalon's FENTORA® brand fentanyl buccal tablets.

24 17. Cephalon markets and distributes FENTORA® nationwide, including in the
25 District of Nevada. The filing of ANDA 79-075 evidences an intent by Watson to compete
26 with Cephalon and place its product into every market where FENTORA® is currently
27 found, including the District of Nevada.

28 18. In April 2008, as required by applicable federal law, Defendants sent

1 Plaintiffs a Paragraph IV letter (defined below) that they had filed ANDA 79-075 with the
2 FDA seeking approval to engage in the commercial manufacture, use or sale throughout
3 the United States, including Nevada, of a generic version of Plaintiffs' patented drug
4 product, FENTORA®. 21 U.S.C. § 355(j)(2)(B)(i)(iii).

5 19. Under the Hatch-Waxman Act of 1984, an owner of a patented drug must
6 file an action in federal court within 45 days of receiving a Paragraph IV letter ("45-day
7 window") in order to receive certain benefits under the Act, including a 30-month stay of
8 approval of the generic drug. 21 U.S.C. § 355 (c)(3)(c).

9 20. On June 2, 2008, within the 45-day window, Plaintiffs filed and served an
10 action against Watson Pharmaceuticals and Watson Laboratories for infringement of the
11 patents-in-suit in the United States District Court for the District of Delaware, Civil Action
12 No. 08-330 (the "Delaware Action"). A copy of the Complaint in the Delaware Action is
13 attached hereto as Exhibit C.

14 21. Defendants Watson Pharmaceuticals and Watson Laboratories are properly
15 subject to personal jurisdiction in the District of Delaware and judicial economy would be
16 promoted by addressing all of Plaintiffs' claims for infringement of the patents-in-suit in
17 the Delaware Action.

18 22. Upon information and belief, Plaintiffs understand that Watson may
19 nevertheless contest personal jurisdiction in Delaware. The Hatch-Waxman Act does not
20 address squarely the consequences of the grant of a motion to dismiss for lack of
21 personal jurisdiction in a plaintiff's chosen forum. It is possible that such a dismissal
22 could result in a plaintiff losing the benefit of the 30-month stay of ANDA approval even if
23 the plaintiff refiled the action in another jurisdiction, since the refiling would occur after the
24 45-day window. Therefore, district courts have countenanced the filing of additional
25 "protective suits" within the 45-day window to ensure a plaintiff will not lose the benefits of
26 the 30-month stay should the court in the chosen forum dismiss the action for lack of
27 personal jurisdiction. See e.g., *Adams Respiratory Therapeutics, Inc. v. Perrigo Co.*,
28 2007 WL 4284877 (W.D. Mich. Dec. 3, 2007); *PDL Biopharma, Inc. v. Sun*

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1 Pharmaceutical Industries, Ltd., 2007 WL 2261386 (E.D. Mich. Aug. 6, 2007); Celgene
2 Corp. v. Abrika Pharmaceuticals, Inc., 2007 WL 1456156 (D.N.J. May 17, 2007).

3 23. Accordingly, although Plaintiffs believe the District of Delaware has
4 personal jurisdiction over both Defendants, and Delaware -- the state both Plaintiffs are
5 incorporated in -- is their preferred choice of forum to litigate the claims for relief set forth
6 in this Complaint, Plaintiffs beg the Court's indulgence and file this Complaint as a
7 "protective suit" to protect Plaintiffs' rights under the Hatch-Waxman Act in the event the
8 District of Delaware determines there is no personal jurisdiction over the Defendants in
9 Delaware.

10 **Conduct of the Defendants in Dealings With Cephalon**

11 24. As discussed above, Watson Pharmaceuticals and Watson Laboratories
12 share common officers and directors and hold themselves out to the public generally, and
13 in the Paragraph IV letter to Cephalon specifically, as a unified operation.

14 25. For example, the Paragraph IV letter received by Cephalon in this case was
15 transmitted on Watson Pharmaceuticals stationery and directed Cephalon to send any
16 correspondence or requests for confidential access to any information related to the
17 ANDA to Kenton M. Walker, who was identified as "Counsel-Intellectual Property, Watson
18 Pharmaceuticals, Inc."

19 26. Such Paragraph IV letter on the aforementioned Watson Pharmaceuticals
20 letterhead was signed, however, by a person identifying himself as Ernest Lengle, Ph.D.,
21 "Executive Director, Regulatory Affairs, Watson Laboratories, Inc." By such actions,
22 Watson Laboratories held out to the public generally and to Cephalon specifically, that
23 Dr. Engle had actual or at least apparent authority to bind Watson Pharmaceuticals.

24 27. In an ANDA communication unrelated to this case dated June 19, 2006,
25 from Watson to Warner Chilcott, Inc., Ernest Lengle, Ph.D was identified as "Executive
26 Director, Regulatory Affairs, Watson Pharmaceuticals, Inc."

27 28. In response to the Paragraph IV letter to Cephalon, Cephalon wrote, as it
28 had been instructed by Dr. Engle in his capacity as Executive Director, Regulatory

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1 Affairs, Watson Laboratories, to “Kenton M. Walker, Counsel-Intellectual Property,
2 Watson Pharmaceuticals, Inc.” In its response, Cephalon asked for further information as
3 to the identity of the Watson entities that participated in the filing of ANDA 79-075
4 because of the confusing nature of the Paragraph IV letter – specifically, the references
5 to both Watson Pharmaceuticals and Watson Laboratories.

6 29. In response, Kenton M. Walker wrote back, declining to provide the various
7 Watson entities’ roles in the ANDA filing. In this letter -- now on Watson Laboratories
8 stationery -- Walker described himself for the first time to Cephalon as “Counsel-
9 Intellectual Property, Watson Laboratories, Inc.”

10 30. In prior dealings with Cephalon, Watson has also acted as a unified entity.

11 31. Watson Pharma, Inc. (“Watson Pharma”) is a Delaware corporation having
12 a principal place of business at 360 Mount Kemble Avenue, Morristown, New Jersey
13 07962.

14 32. Watson Pharma is a wholly-owned subsidiary of Defendant Watson
15 Pharmaceuticals, and the two share at least certain common officers and directors.

16 33. On August 2, 2006, Watson Pharma entered into an agreement with
17 Cephalon captioned “Oral Transmucosal Fentanyl Citrate Sales Agent Agreement” (the
18 “Fentanyl Citrate Agreement”).

19 34. The Fentanyl Citrate Agreement appoints Watson Pharma as non-exclusive
20 sales agent for another fentanyl-citrate product that contains the same controlled
21 substance for a similar indication as the formulations used in the methods described in
22 the patents-in-suit.

23 35. In the Fentanyl Citrate Agreement, Watson Pharma agreed that Delaware
24 law governed the Fentanyl Citrate Agreement and its interpretation.

25 36. In addition, Watson Pharma agreed to bind not only itself, but other Watson
26 entities, including its parent, defendant Watson Pharmaceuticals, and its sister company,
27 defendant Watson Laboratories, in certain undertakings. Also, the Fentanyl Citrate
28 Agreement specified that any notice issued pursuant to the agreement was to be

1 delivered to the general counsel of Watson Pharmaceuticals (and not Watson Pharma),
2 further demonstrating the close relationship among the Watson companies.

3 37. The Fentanyl Citrate Agreement also incorporated a Quality Technical
4 Agreement. The Quality Technical Agreement was signed on September 21, 2006, by a
5 person identified in the Quality Technical Agreement as Senior Vice President Quality
6 Assurance for defendant Watson Pharmaceuticals, notwithstanding the fact that the
7 contracting parties were Cephalon and Watson Pharma.

8 **THE PATENTS IN SUIT**

9 38. On March 13, 2001, the '604 patent titled "Sublingual Buccal Effervescent,"
10 was duly and legally issued by the United States Patent and Trademark Office ("PTO").
11 Plaintiff CIMA is the lawful owner by assignment of all right, title and interest in and to the
12 '604 patent, including all right to sue and recover for infringement thereof.

13 39. On December 13, 2005, the '590 patent, titled "Sublingual Buccal
14 Effervescent," was duly and legally issued by the PTO. Plaintiff CIMA is the lawful owner
15 by assignment of all right, title and interest in and to the '590 patent, including all right to
16 sue and recover for infringement thereof.

17 40. Cephalon is the holder of an approved New Drug Application ("NDA") No.
18 21-947 for FENTORA® brand fentanyl buccal tablets. In conjunction with NDA No. 21-
19 947, Cephalon listed with the U.S. Food and Drug Administration ("FDA") the '604 and
20 '590 patents ("the Listed Patents") which cover methods of using the approved
21 FENTORA® brand fentanyl buccal tablets. The '604 and '590 patents appear in the
22 Approved Drug Products with Therapeutic Equivalence Evaluations ("Orange Book") for
23 FENTORA®. Cephalon is also the sole licensee of the patents-in-suit in the United
24 States with the authority to sell fentanyl buccal tablets.

25 **ACTS GIVING RISE TO THIS ACTION FOR**
26 **INFRINGEMENT OF THE '604 AND '590 PATENTS**

27 41. Upon information and belief, Defendant Watson Laboratories, jointly with,
28 and/or as the agent or alter ego of its parent Watson Pharmaceuticals, submitted

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1 Abbreviated New Drug Application (“ANDA”) No. 79-075 to the FDA under § 505(j) of the
2 Federal Food, Drug and Cosmetic Act (21 U.S.C. § 355(j)). That ANDA seeks FDA
3 approval for the commercial manufacture, use and sale throughout the United States
4 including Nevada of generic fentanyl citrate buccal tablets containing 0.1 mg, 0.2 mg, 0.3
5 mg, 0.4 mg, 0.6 mg and 0.8 mg of fentanyl citrate (“the Watson Generic Products”).
6 ANDA No. 79-075 specifically seeks FDA approval to market the Watson Generic
7 Products prior to the expiration of the ‘604 patent and prior to expiration of the ‘590
8 patent.

9 42. Pursuant to § 505(j)(2)(A)(vii)(IV) of the Federal Food, Drug and Cosmetic
10 Act, Watson alleged in ANDA No. 79-075 that the claims of the ‘604 patent and the
11 claims of the ‘590 patent are not infringed by the commercial manufacture, use or sale
12 throughout the United States including Nevada of the Watson Generic Products, and that
13 the claims of the ‘604 patent are invalid and unenforceable. CIMA Labs received written
14 notification of ANDA No. 79-075 and Watson’s §505(j)(2)(A)(vii)(IV) allegations from
15 Watson on or about April 21, 2008 (“Paragraph IV letter”). Such Paragraph IV letter was
16 sent on the letterhead of Watson Pharmaceuticals with instructions to send any request
17 for confidential access to Kenton M. Walker, Counsel – Intellectual Property, Watson
18 Pharmaceuticals. Cephalon received a similar Paragraph IV letter on or about April 22,
19 2008.

20 43. The stated purpose of the Paragraph IV letters was to notify Plaintiffs that
21 Defendants had filed a certification with the FDA under 21 C.F.R. § 314.95(c)(1) in
22 conjunction with ANDA 79-075 for approval, inter alia, to commercially manufacture and
23 sell generic versions of Cephalon’s FENTORA® brand fentanyl buccal tablets. The
24 Paragraph IV letter stated that the Watson Generic Products would not infringe the Listed
25 Patents and that the claims of the ‘604 patent are invalid.

26 44. The Paragraph IV letters failed to comply with the requirements of 21
27 U.S.C. § 355 (j)(2)(B)(iv)(II), inter alia, because they contain very limited information
28 about the generic formulation for which Defendants filed ANDA No. 79-075.

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1 45. Since receiving the Paragraph IV letters, Plaintiffs have attempted several
2 times to obtain information on the Watson Generic Products and to procure a copy of
3 ANDA No. 79-075 from Watson. Initially, Watson was unwilling to provide ANDA No. 79-
4 075 to Plaintiffs except under conditions that would not allow Plaintiffs to meaningfully
5 process the information contained in the ANDA. Through an extended negotiation
6 process Watson has withdrawn some of its objections to disclosure of its ANDA to
7 Plaintiffs but has not yet provided the ANDA for Plaintiffs' review.

8 46. Plaintiffs have also repeatedly requested that Watson disclose any role that
9 Watson Pharmaceuticals, Watson Laboratories or any other Watson entity had in the
10 preparation of the data contained in the ANDA, the preparation of the ANDA and the
11 anticipated manufacture, use, distribution, importation, and sale throughout the United
12 States including Nevada of the Watson Generic Products. However, Watson was
13 unwilling to disclose this information to Plaintiffs.

14 47. Plaintiffs sought from Defendants detailed information on the formulation of
15 the Watson Generic Products and a copy of ANDA No. 79-075 for the purpose of
16 evaluating Defendants' claim that they do not infringe the patents-in-suit but were unable
17 to obtain such information before filing suit. Accordingly, Plaintiffs make the following
18 allegations on information and belief and subject to Fed. R. Civ. P. 11(b)(3):

19 **COUNT I**

20 **(Infringement of the '604 Patent Under 35 U.S.C. § 271(e)(2))**

21 48. Paragraphs 1 to 47 are incorporated herein as set forth above.

22 49. Defendants, acting jointly, submitted ANDA No. 79-075 to the FDA to obtain
23 approval under the Food, Drug, and Cosmetic Act to engage in the commercial
24 manufacture, use, or sale throughout the United States including Nevada of the Watson
25 Generic Products. By submitting the application, Defendants, individually and
26 collectively, committed an act of infringement with respect to the '604 patent under 35
27 U.S.C. § 271(e)(2)(A).

28 50. Watson Laboratories, acting jointly with Watson Pharmaceuticals, and/or as

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1 its agent or alter ego, submitted ANDA No. 79-075 to the FDA to obtain approval under
2 the Food, Drug, and Cosmetic Act to engage in the commercial manufacture, use, or sale
3 throughout the United States including Nevada of the Watson Generic Products. By
4 submitting the application, Watson Laboratories has committed an act of infringement
5 with respect to the '604 patent under 35 U.S.C. § 271(e)(2)(A).

6 51. When Watson Laboratories submitted ANDA No. 79-075 to the FDA to
7 obtain approval under the Food, Drug, and Cosmetic Act to engage in the commercial
8 manufacture, use, or sale throughout the United States including Nevada of the Watson
9 Generic Products, it was acting jointly with Watson Pharmaceuticals and/or acting as
10 Watson Pharmaceutical's agent or alter ego. By acting jointly with Watson Laboratories
11 to submit the application and/or causing its agent or alter ego to submit the application,
12 Watson Pharmaceuticals committed an act of infringement with respect to the '604 patent
13 under 35 U.S.C. § 271(e)(2)(A).

14 52. Any commercial manufacture, use, offer for sale, sale, and/or importation of
15 the Watson Generic Products prior to patent expiry will infringe the '604 patent.

16 **COUNT II**

17 **(Infringement of the '604 Patent Under 35 U.S.C. § 271(b))**

18 53. Paragraphs 1 to 52 are incorporated herein as set forth above.

19 54. Watson Pharmaceuticals actively induced Watson Laboratories to submit
20 ANDA No. 79-075 to the FDA to obtain approval under the Food, Drug, and Cosmetic Act
21 to engage in the commercial manufacture, use, or sale throughout the United States
22 including Nevada of the Watson Generic Products. By actively inducing submission of
23 the ANDA, Watson Pharmaceuticals has committed an act of indirect infringement with
24 respect to the '604 patent under 35 U.S.C. § 271(b).

25 55. Any commercial manufacture, use, offer for sale, and/or importation of the
26 Watson Generic Products prior to patent expiry will infringe the '604 patent.

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COUNT III

**(Declaratory Judgment of Infringement of the '604 Patent
Under 35 U.S.C. § 271(a))**

56. Paragraphs 1 to 55 are incorporated herein as set forth above.

57. These claims arise under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

58. There is an actual case or controversy such that the Court may entertain Plaintiffs' request for declaratory relief consistent with Article III of the United States Constitution, and that actual case or controversy requires a declaration of rights by this Court.

59. Defendants have made, and will continue to make, substantial preparation in the United States to manufacture, sell, offer to sell, and/or import the Watson Generic Products.

60. Defendants' actions indicate a refusal to change the course of their action in the face of acts by Plaintiffs.

61. Any commercial manufacture, use, offer for sale, and/or importation of the Watson Generic Products prior to patent expiry will infringe the '604 patent.

62. Plaintiffs are entitled to a declaratory judgment that future commercial manufacture, use, offer for sale, sale, and/or importation of the Watson Generic Products by either or both of Defendants prior to patent expiry will infringe the '604 patent.

COUNT IV

(Infringement of the '590 Patent Under 35 U.S.C. § 271(e)(2))

63. Paragraphs 1 to 62 are incorporated herein as set forth above.

64. Defendants, acting jointly, submitted ANDA No. 79-075 to the FDA to obtain approval under the Food, Drug, and Cosmetic Act to engage in the commercial manufacture, use, or sale throughout the United States including Nevada of the Watson Generic Products prior to patent expiry. By submitting the application, Defendants, individually and collectively, committed an act of infringement with respect to the '590

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1 patent under 35 U.S.C. § 271(e)(2)(A).

2 65. Watson Laboratories, acting jointly with Watson Pharmaceuticals, and/or as
3 its agent or alter ego, submitted ANDA No. 79-075 to the FDA to obtain approval under
4 the Food, Drug, and Cosmetic Act to engage in the commercial manufacture, use, or sale
5 throughout the United States including Nevada of the Watson Generic Products prior to
6 patent expiry. By submitting the application, Watson Laboratories has committed an act
7 of infringement with respect to the '590 patent under 35 U.S.C. § 271(e)(2)(A).

8 66. When Watson Laboratories submitted ANDA No. 79-075 to the FDA to
9 obtain approval under the Food, Drug, and Cosmetic Act to engage in the commercial
10 manufacture, use, or sale throughout the United States including Nevada of the Watson
11 Generic Products prior to patent expiry, it was acting jointly with Watson Pharmaceuticals
12 and/or acting as Watson Pharmaceuticals' agent or alter ego. By acting jointly with
13 Watson Laboratories to submit the application and/or causing its agent or alter ego to
14 submit the application, Watson Pharmaceuticals committed an act of infringement with
15 respect to the '590 patent under 35 U.S.C. § 271(e)(2)(A).

16 67. Any commercial manufacture, use, offer for sale, sale, and/or importation of
17 the Watson Generic Products prior to patent expiry will infringe the '590 patent.

18 **COUNT V**

19 **(Infringement of the '590 Patent Under 35 U.S.C. § 271(b))**

20 68. Paragraphs 1 to 67 are incorporated herein as set forth above.

21 69. Watson Pharmaceuticals actively induced Watson Laboratories to submit
22 ANDA No. 79-075 to the FDA to obtain approval under the Food, Drug, and Cosmetic Act
23 to engage in the commercial manufacture, use, or sale throughout the United States
24 including Nevada of the Watson Generic Products prior to patent expiry. By actively
25 inducing submission of the ANDA, Watson Pharmaceuticals has committed an act of
26 indirect infringement with respect to the '590 patent under 35 U.S.C. § 271(b).

27 70. The commercial manufacture, use, offer for sale, and/or importation of the
28 Watson Generic Products prior to patent expiry will infringe the '604 patent.

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COUNT VI

(Declaratory Judgment of Infringement of the '590 Patent

Under 35 U.S.C. § 271(a))

71. Paragraphs 1 to 70 are incorporated herein as set forth above.

72. These claims arise under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

73. There is an actual case or controversy such that the Court may entertain Plaintiffs' request for declaratory relief consistent with Article III of the United States Constitution, and that actual case or controversy requires a declaration of rights by this Court.

74. Defendants have made, and will continue to make, substantial preparation in the United States to manufacture, sell, offer to sell, and/or import the Watson Generic Products prior to patent expiry.

75. Defendants' actions indicate a refusal to change the course of their action in the face of acts by Plaintiffs.

76. The commercial manufacture, use, offer for sale, and/or importation of the Watson Generic Products prior to patent expiry will infringe the '590 patent.

77. Plaintiffs are entitled to a declaratory judgment that future commercial manufacture, use, offer for sale, sale, and/or importation of the Watson Generic Products prior to patent expiry by either or both of Defendants will infringe the '590 patent.

EXCEPTIONAL CASE

78. Watson Laboratories was aware of the '604 patent and '590 patent prior to filing ANDA No. 79-075.

79. Watson Pharmaceuticals was aware of the '604 patent and '590 patent prior to filing ANDA No. 79-075.

80. The actions of Watson Pharmaceuticals and Watson Laboratories, individually and collectively, render this an exceptional case under 35 U.S.C. § 285.

///

INJUNCTIVE RELIEF

1
2 81. Plaintiffs will be irreparably harmed by Watson Laboratories' infringing
3 activities unless those activities are enjoined by this Court. Plaintiffs do not have an
4 adequate remedy at law.

5 82. Plaintiffs will be irreparably harmed by Watson Pharmaceuticals' infringing
6 activities unless those activities are enjoined by this Court. Plaintiffs do not have an
7 adequate remedy at law.

PRAYER FOR RELIEF

8
9 Plaintiffs respectfully pray for the following relief:

10 a. That judgment be entered that Defendants, individually and/or
11 collectively, have infringed the '604 patent under 35 U.S.C. § 271(e)(2)(A) by submitting
12 ANDA No. 79-075 under the Federal Food, Drug, and Cosmetic Act, and that the
13 commercial manufacture, use, offer for sale, and/or importation of the Watson Generic
14 Products prior to patent expiry will constitute an act of infringement of the '604 patent;

15 b. That judgment be entered that Watson Laboratories has infringed the
16 '604 patent under 35 U.S.C. § 271(e)(2)(A) by submitting ANDA No. 79-075 under the
17 Federal Food, Drug, and Cosmetic Act, and that the commercial manufacture, use, offer
18 for sale, sale and/or importation of the Watson Generic Products prior to patent expiry will
19 constitute an act of infringement of the '604 patent;

20 c. That judgment be entered that Watson Pharmaceuticals has
21 infringed the '604 patent under 35 U.S.C. § 271(e)(2)(A) by acting jointly with Watson
22 Laboratories or allowing Watson Laboratories to act as its agent or alter ego in submitting
23 ANDA No. 79-075 under the Federal Food Drug, and Cosmetic Act, and that the
24 commercial manufacture, use, offer for sale, and/or importation of the Watson Generic
25 Products prior to patent expiry will constitute an act of infringement of the '604 patent;

26 d. That judgment be entered that Watson Pharmaceuticals has
27 infringed the '604 patent under 35 U.S.C. § 271(b) by inducing Watson Laboratories to
28 submit ANDA No. 79-075 under the Federal Food Drug, and Cosmetic Act, and that the

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1 commercial manufacture, use, offer for sale, sale, and/or importation of the Watson
2 Generic Products prior to patent expiry will constitute an act of infringement of the '604
3 patent;

4 e. That an order be issued under 35 U.S.C. § 271(e)(4)(A) that the
5 effective date of any FDA approval of ANDA No. 79-075 shall be a date which is not
6 earlier than the expiration date of the '604 patent including any extensions;

7 f. That an injunction be issued under 35 U.S.C. § 271(e)(4)(B)
8 permanently enjoining Watson Pharmaceuticals, Watson Laboratories, their officers,
9 agents, servants, employees, licensees, representatives, and attorneys, and all other
10 persons acting or attempting to act in active concert or participation with them or acting
11 on their behalf, from engaging in the commercial manufacture, use, offer to sell, or sale
12 within the United States, or importation into the United States, of any drug product
13 covered by the '604 patent;

14 g. That damages or other monetary relief be awarded to Plaintiffs under
15 35 U.S.C. § 271(e)(4)(C) as appropriate;

16 h. That a declaration be issued under 28 U.S.C. § 2201 that if Watson
17 Pharmaceuticals, Watson Laboratories, their officers, agents, servants, employees,
18 licensees, representatives, and attorneys, and all other persons acting or attempting to
19 act in active concert or participation with them or acting on their behalf, engage in the
20 commercial manufacture, use, offer for sale, sale, and/or importation of the Watson
21 Generic Products prior to patent expiry, it will constitute an act of infringement of the '604
22 patent;

23 i. That judgment be entered that Defendants, individually and/or
24 collectively, have infringed the '590 patent under 35 U.S.C. § 271(e)(2)(A) by submitting
25 ANDA No. 79-075 under the Federal Food, Drug, and Cosmetic Act, and that the
26 commercial manufacture, use, offer for sale, and/or importation of the Watson Generic
27 Products prior to patent expiry will constitute an act of infringement of the '590 patent;

28 j. That judgment be entered that Watson Laboratories has infringed the

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1 '590 patent under 35 U.S.C. § 271(e)(2)(A) by submitting ANDA No. 79-075 under the
2 Federal Food, Drug, and Cosmetic Act, and that the commercial manufacture, use, offer
3 for sale, sale and/or importation of the Watson Generic Products prior to patent expiry will
4 constitute an act of infringement of the '590 patent;

5 k. That judgment be entered that Watson Pharmaceuticals has
6 infringed the '590 patent under 35 U.S.C. § 271(e)(2)(A) by acting jointly with Watson
7 Laboratories or allowing Watson Laboratories to act as its agent or alter ego in submitting
8 ANDA No. 79-075 under the Federal Food Drug, and Cosmetic Act, and that the
9 commercial manufacture, use, offer for sale, and/or importation of the Watson Generic
10 Products prior to patent expiry will constitute an act of infringement of the '590 patent;

11 i. That judgment be entered that Watson Pharmaceuticals has
12 infringed the '590 patent under 35 U.S.C. § 271(b) by inducing Watson Laboratories to
13 submit ANDA No. 79-075 under the Federal Food Drug, and Cosmetic Act, and that the
14 commercial manufacture, use, offer for sale, sale, and/or importation of the Watson
15 Generic Products prior to patent expiry will constitute an act of infringement of the '590
16 patent;

17 m. That an order be issued under 35 U.S.C. § 271(e)(4)(A) that the
18 effective date of any FDA approval of ANDA No. 79-075 shall be a date which is not
19 earlier than the expiration date of the '590 patent including extensions;

20 n. That an injunction be issued under 35 U.S.C. § 271(e)(4)(B)
21 permanently enjoining Watson Pharmaceuticals, Watson Laboratories, their officers,
22 agents, servants, employees, licensees, representatives, and attorneys, and all other
23 persons acting or attempting to act in active concert or participation with them or acting
24 on their behalf, from engaging in the commercial manufacture, use, offer to sell, or sale
25 within the United States, or importation into the United States, of any drug product
26 covered by the '590 patent;

27 o. That damages or other monetary relief be awarded to Plaintiffs under
28 35 U.S.C. § 271(e)(4)(C) as appropriate;

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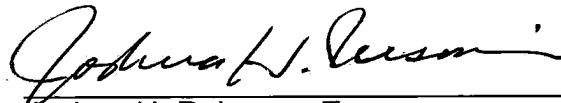
1 p. That a declaration be issued under 28 U.S.C. § 2201 that if Watson
2 Pharmaceuticals, Watson Laboratories, their officers, agents, servants, employees,
3 licensees, representatives, and attorneys, and all other persons acting or attempting to
4 act in active concert or participation with them or acting on their behalf, engage in the
5 commercial manufacture, use, offer for sale, sale, and/or importation of the Watson
6 Generic Products prior to patent expiry, it will constitute an act of infringement of the '590
7 patent;

8 q. That this is an exceptional case under 35 U.S.C. § 285, and that
9 Plaintiffs be awarded reasonable attorneys' fees and costs; and

10 r. That this Court award such other and further relief as it may deem
11 just and proper.

12 DATED this 3 day of June, 2008.

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