



Viagra Battle Update: Teva Moves to Dismiss Pfizer's Claims for Lack of Standing

07.07.2011

On the 11th day of a bench trial before Judge Smith, Teva has filed a motion to dismiss Pfizer's claims of infringement of US Patent No. 6,469,012 for lack of standing. In its motion, Teva contends that Pfizer has failed to demonstrate that any of the entities listed as plaintiffs in the suit has sufficient rights in the '012 patent to confer standing on Pfizer to sue for infringement. The argument highlights a rather complicated web of ownership of the '012 patent on the basis of numerous agreements among the Pfizer entities and the inventors.

The agreements between Pfizer Inc. and Pfizer Limited are as follows (putting aside arguments regarding subsequent transfers of the '012 patent to other Pfizer entities):

- On August 9, 1993, Pfizer Inc. and Pfizer Limited entered into an agreement that provides that Pfizer Limited's U.S. patent applications will be filed by Pfizer Inc. and that "Pfizer [Inc.] will act as agent for Limited, so that such applications and any patents issued thereon **shall be held by Pfizer [Inc.] in trust for Limited, as the beneficial owner thereof.**" The Agreement further provides that "[i]n consideration of Pfizer [Inc.] undertaking the obligations referred to in clause 2 hereof with respect to Limited Property patent applications, Pfizer **[Inc.] shall be entitled to obtain a non-exclusive license from Limited** with respect to any such Limited Property in the USA .?."
- On October 10, 1995, the two named inventors of the '012 patent assigned their "**entire right, title, and interest**" in the patent application that later issued as the '012 patent, and the inventions disclosed in that patent, to Pfizer Inc.
-

Also on October 10, 1995, Pfizer Limited executed a Consent Of Pfizer Limited, which states that "by virtue of the terms of employment with Pfizer Limited **Pfizer Limited is entitled to an assignment of the entire right, title and interest in and to all inventions**, whether joint or sole, made by [Dr.] Ellis and [Dr.] Terrett and whereas Pfizer Limited desires that Pfizer Inc. receive the full benefits of the foregoing assignment by its aforesaid employee(s), Pfizer Limited hereby consents to the foregoing assignment by its aforesaid employee(s)."

- On March 4, 1996, Pfizer Inc. filed U.S. Application Ser. No. 08/549,792, from which the '012 patent issued on October 22, 2002. Ex. 6 (DX-2001). **Pfizer Inc. is identified on the face of the '012 patent as the assignee.**

With respect to Pfizer Limited, Pfizer contends that Pfizer Limited "is the owner of a beneficial interest in the '012 patent" by operation of the August 9, 1993 Patent Filing Agreement entered into by Pfizer Inc. and Pfizer Limited and therefore has standing to enforce that patent. Teva argues that Pfizer, however, failed to establish that the Patent Filing Agreement has effect with respect to the '012 patent, and that even if that Agreement has effect, Pfizer failed to identify the meaning of "beneficial owner" under that Agreement and accordingly failed to establish that a beneficial owner of the '012 patent has rights that are sufficient to confer standing to enforce the patent.

With respect to Pfizer Inc., Pfizer contends that "Drs. Ellis and Terrett duly and legally assigned the '012 patent to Pfizer Inc." Pfizer Inc. received an October 10, 1995 Assignment from the inventors of all of their rights to the application that issued as the '012 patent accompanied by a Consent to that Assignment executed by Pfizer Limited on the same day. Teva asserts that Pfizer, however, failed to establish that Pfizer Inc. has rights in the '012 patent that are sufficient to convey standing because Pfizer separately contends that the August 9, 1993 Patent Filing Agreement conveys "beneficial ownership" rights to the '012 patent on Pfizer Limited. That "beneficial ownership," according to Pfizer, includes the right to grant an exclusive license to the '012 patent. But according to Teva, If Pfizer Limited has the right to convey an exclusive license under the '012 patent by virtue of being a "beneficial owner" by operation of the Patent Filing Agreement, then Pfizer Inc. cannot be the owner of such a right and cannot own rights to the '012 patent that are sufficient to confer standing. Furthermore, states Teva, the Patent Filing Agreement, which Pfizer contends has effect with respect to the '012 patent, further provides that "[i]n consideration of Pfizer [Inc.] undertaking to file and prosecute Pfizer Limited's U.S. patent applications, Pfizer [Inc.] shall be entitled to obtain a non-exclusive license from Limited with respect to any such? applications. From Teva's perspective, that provision in the Patent Filing Agreement strongly implies that Pfizer Inc. does not own rights to the '012 patent that are greater than the non-exclusive right to which the Agreement expressly states that Pfizer Inc. is entitled. Teva points out that a non-exclusive patent license is not sufficient to confer standing on the licensee or sufficient even to allow the licensee to be joined in a suit to enforce the patent. Thus, claims Teva, Pfizer has failed to establish that Pfizer Inc. has an ownership interest in the '012 patent that is sufficient to confer standing on Pfizer Inc. to enforce the '012 patent.

Pfizer has encountered other roadblocks with respect to its efforts to enforce the '012 patent, which has been under reexamination by the PTO since 2003. In February 2010, the Board of Patent Appeals and Interferences determined that claim 24 of the '012 was unpatentable for obviousness-type double patenting. The next month, in March 2010, Pfizer then dropped its pending suit against Eli Lilly over rival drug Cialis, because claim 24 was the only claim at issue in that suit, which had been stayed pending the outcome of the reexamination proceedings. Most recently, last month, Pfizer filed suit against Wilson Pharmaceuticals over its abbreviated new drug application for a generic version of Viagra.

We previously blogged on Teva's stipulation to indirect infringement [here](#).

Related People