

Astra Aktiebolag v. Kremers Urban Development Co., 61 USPQ2d 1767 (DC SNY 2001)

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Astra Aktiebolag v. Kremers Urban Development Co.
U.S. District Court Southern District of New York

Nos. 99 Civ. 8928 (BSJ), 99 Civ. 9888 (BSJ)
Decided October 26, 2001

Headnotes

PATENTS

[1] Patent misuse — Improper procurement and enforcement (§140.03)

JUDICIAL PRACTICE AND PROCEDURE

Procedure — Pleadings (§410.26)

Patent infringement defendants have failed to adequately plead affirmative defenses or counterclaims of patent misuse as to three of four patents in suit, since defendants allege that plaintiffs listed patents in Food and Drug Administration's "Orange Book," and asserted those patents against defendants, both of which can be entirely legal and appropriate actions taken by patent holder, and since defendants do not allege that such actions were taken in bad faith or with improper purpose; defendants have sufficiently pled patent misuse with respect to fourth patent, however, since defendants allege that plaintiffs "falsely certified" to FDA that patent covers approved product sold under "Prilosec" trademark, and that such false certification forced defendants to file certificate under 21 U.S.C. §355(j)(2)(A)(vii)(IV) with respect to that patent.

Case History and Disposition

Action by Astra Aktiebolag, Aktiebolaget Ha'ssle, KBI-E Inc., KBI Inc., and Astra Pharmaceuticals LP against Kremers Urban Development Co. and Schwarz Pharma Inc. for patent infringement, in which defendants counterclaimed. On plaintiffs' motion to dismiss portions of defendants' affirmative defenses

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and counterclaims alleging patent misuse. Granted in part and denied in part.

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Ronald M. Daignault and Brian M. Poissant, of Pennie & Edmonds, New York; Michael E. Husmann, of Michael, Best & Friedrich, Milwaukee; Mark D. Schuman and Ronald A. Daignault, of Merchant & Gould, Minneapolis, Minn., for defendants.

Opinion Text

Opinion By:

Jones, J.

Plaintiffs Astra Aktiebolag, Aktiebolaget Hassle, KBI-E, Inc., KBI, Inc., and Astra Pharmaceuticals, L.P. (collectively "Astra") move this court pursuant to Fed. R. Civ. P. 8, 9 and 12 for a judgment dismissing parts of defendants' Answer and Counterclaims related to allegations of misuse. Defendants Kremers Urban Development Co. and Schwarz Pharma, Inc. (collectively "KUDCo") contend that they have properly pled misuse with respect to the '794, '305, '324 and '499 patents. For the reasons set forth below, Astra's motion is GRANTED with respect to the '794 '305 and '324 patents and DENIED with respect to the '499 patent.

Patent misuse is a defense to patent infringement, which if proven, renders the patent unenforceable until purged. *B. Braun Med., Inc. v. Abbott Laboratories*, 124 F.3d 1419, 1427 [43 USPQ2d 1896] (Fed. Cir. 1997). The elements of an allegation of patent misuse include a patentee's impermissible use of its patent to broaden the physical or temporal scope of its patent with an anticompetitive effect. *Windsurfing Int'l, Inc. v. AMF Inc.*, 782 F.2d 995, 1001 [228 USPQ 562] (Fed. Cir. 1986). Patent misuse, therefore, requires bad faith and some improper purpose. *Glaverbel Societe Anonyme v. Northlake Mktg. & Supply, Inc.*, 45 F.3d 1550, 1558 [33 USPQ2d 1496] (Fed. Cir. 1995) ("The bringing of a lawsuit to enforce legal rights does not of itself constitute ... patent misuse; there must be bad faith and improper purpose in bringing the suit, in

implementation of an illegal restraint of trade.”).

[1] The allegations that KUDCo makes as to the '794, '305 and '342 patents are that Astra committed patent misuse by listing the three patents in the “Orange Book” and asserting them against KUDCo, both of which can be entirely legal and appropriate actions taken by a patent-holder. KUDCo fails to allege that either Astra's listing the patents in the “Orange Book” or Astra's attempt to enforce those patents against KUDCo was done in bad faith or with an improper purpose. Here, KUDCo offers nothing more than conclusory allegations that lack sufficient factual basis for an affirmative defense or counterclaims of patent misuse. KUDCo's affirmative defenses of patent misuse as to the '794, '305 and '342 patents are stricken under Fed. R. Civ. P. 12(f). Moreover, KUDCo's counterclaims relating to patent misuse as to the '794, '305 and '342 patents are dismissed pursuant to Fed. R. Civ. P. 12(b)(6).

The allegations that KUDCo makes as to the '499 patent are that Astra “falsely certified” to the FDA “that the '499 patent covers the approved product sold under the PRILOSEC® trademark” and that the false certification “forced Defendants to file a certificate under 21 U.S.C. §355(j)(2)(A)(vii)(IV) with respect to the '499 patent.” (See Counterclaims ¶¶ 53-54.) These allegations are sufficient to state a claim of patent misuse with respect to the '499 patent; therefore, Astra's motion is denied with respect to the '499 patent.

For the foregoing reasons, Astra's motion to dismiss portions of KUDCo's Answer and Counterclaims is GRANTED in part and DENIED in part. KUDCo's affirmative defenses of patent misuse as to the '794, '305 and '342 patents—Affirmative Defenses ¶¶ 17-19—are stricken. Moreover, KUDCo's counterclaims relating to patent misuse as to the '794 '308 and '342 patents—Counterclaims ¶¶ 67-68, 77-78, 87-88—are dismissed.

SO ORDERED.

**- End of Case -
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