Fed. Circ. Skinny Label Ruling Guides On Infringement Claims

By **Luke Shannon and Roshan Shrestha** (July 5, 2024)

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The U.S. Court of Appeals for the Federal Circuit's June 25 opinion in Amarin Pharma Inc. v. Hikma Pharmaceuticals USA Inc. provides the court's latest direction in the application of so-called section viii carveouts under Title 21 of the U.S. Code, Section 355(j)(2)(A)(viii).[1]

In reversing the U.S. District Court for the District of Delaware's decision granting Hikma's motion to dismiss, the Federal Circuit found distinctions between induced patent infringement cases based on label statements alone and cases involving press releases and other ex-label statements, as well as between motions to dismiss under Rule 12 on the one hand and decisions on motions for summary judgment or at trial.

Section viii remains alive and well, but generic drug manufacturers must pay close attention to the statements in their abbreviated new drug application labels, as well as their specific statements in press releases and other promotional materials to put themselves in the best position in defending against an induced infringement claim.

Case Background and Federal Circuit Opinion

The long saga between Amarin and Hikma begins with the 2012 U.S. Food and Drug Administration approval of Amarin's Vascepa, originally approved for the treatment of severe hypertriglyceridemia.

After Hikma filed its ANDA in 2016 seeking approval for its generic icosapent ethyl product, Amarin sued Hikma for patent infringement, asserting infringement under Title 35 of the U.S. Code, Section 271(e)(2)(A).[2] The patents asserted in Amarin I were held invalid as obvious.

In 2019, the FDA approved Vascepa as a treatment to reduce cardiovascular risk. Hikma, in turn, filed a section viii statement carving out from its ANDA label the cardiovascular indication — which was covered by Amarin's method-of-treatment patents — and leaving the severe hypertriglyceridemia indication in its skinny label.

After its ANDA was approved in May 2020, Hikma launched in November 2020 and also issued pre- and post-launch press releases. Initially, Hikma announced that its ANDA product was the generic version of Vascepa.

A later press release quoted Hikma's president of generics, who described Hikma's ANDA approval as an important milestone toward bringing the product to market.

Subsequent press releases continued to refer to Hikma's ANDA product as "Hikma's generic version of Vascepa." Hikma's materials clarified that its ANDA product was not approved for any other indication of the reference listed drug, i.e., Vascepa, and that it was indicated for fewer than all approved indications.

Shortly after Hikma's launch, Amarin sued Hikma again in the instant case. Amarin alleged that, despite Hikma's skinny label, Hikma's ANDA product still infringed its method-of-treatment patents related to the cardiovascular limitation by inducing others to practice the claimed method of treatment.

Meanwhile, in 2021, the Federal Circuit issued its seminal opinion in GlaxoSmithKline LLC v. Teva Pharmaceuticals USA Inc.[3] That case upheld a finding that Teva infringed method-of-treatment patents notwithstanding its use of a skinny label, in view of, among other things, remaining label statements and certain of Teva's marketing and other public statements.

Amarin likewise leaned on Hikma's public statements to support its claim for induced infringement. While the indications and usage section of Hikma's label did not provide instruction to prescribe the drug for the cardiovascular indication, Amarin alleged that physicians reading other sections of the label — e.g., the clinical studies section — would understand Hikma's ANDA label as instructing that the ANDA product could be prescribed to treat cardiovascular risk.

Hikma moved to dismiss Amarin's complaint under Rule 12(b)(6), arguing that the allegations in Amarin's complaint, taken as true, did not plausibly state a claim on which relief can be granted. Hikma's motion was first addressed by U.S. District Judge Jennifer L. Hall, who recommended denying the motion.

Reviewing the report and recommendation on a de novo standard of review, U.S. District Judge Richard G. Andrews did not adopt Judge Hall's recommendation but instead granted Hikma's motion to dismiss. Judge Andrews read GSK narrowly and distinguished it from this case.[4]

He reasoned that the listed side effects for the patented use were warnings and thus neither an instruction nor an encouragement to use the ANDA product in an infringing manner. He also found that Hikma's public statements did not sufficiently encourage or recommend the use of Hikma's ANDA product in an infringing manner.

On appeal, the Federal Circuit reversed the dismissal of Amarin's complaint. The court first clarified that Hikma's label on its own might not explicitly encourage infringement.

Digging deeper, the court highlighted that Hikma's earlier label stated that the drug was not approved for the cardiovascular indication, but upon Vascepa's FDA approval for the cardiovascular indication, Hikma removed that statement — which potentially implied to physicians that Hikma's ANDA product could be used for the patented method of treatment.

The court also noted that the infringement inquiry extends beyond the label to Hikma's public statements and marketing materials. The court pointed to Hikma's announcement that its product was the generic version of Vascepa, and, citing GSK, it explicitly "decline[d] to hold that one notation of the AB rating on Hikma's website — and nowhere else — insulates it from a claim for inducement infringement, particularly where we have upheld jury verdicts based, in part, on marketing materials containing similar language."

The court also highlighted Hikma's statements regarding Vascepa's billion-dollar sales figure, which included sales for the cardiovascular indication. Considering these allegations together, the court found it plausible, at the motion to dismiss stage, that Hikma's statements could be construed as encouraging physicians to prescribe its drug for the patented cardiovascular uses.

Considerations From the Case

Amarin v. Hikma is best understood not simply as a paring back of the availability of section viii carveouts but rather as a further fleshing out of the considerations that inform the evaluation of whether a patent holder has an infringement claim notwithstanding an attempted carveout.

For example, one critical consideration is whether the allegations point solely to the proposed ANDA label, or whether they also point to additional public statements or promotional material by the ANDA filer.

In practical terms, cases that involve solely the statements in a proposed ANDA label largely correlate with Hatch-Waxman cases asserting claims of infringement under Section 271(e)(2)(A). But the courts scrutinize promotional or other public statements when the ANDA filer launches.

Second, the procedural posture of the case factored significantly into the court's opinion. A motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) is based on the sufficiency and plausibility of the allegations in its complaint. In the Hatch-Waxman context, several notable recent cases confirm that method-of-treatment patents in carveout cases can be disposed of on a motion to dismiss.[5]

Perhaps in the background of the Federal Circuit's reasoning was that Hatch-Waxman cases tend to be decided in a bench trial, which means that fact issues such as infringement based on statements in a proposed ANDA label will ultimately be decided by a judge. In those cases, a motion to dismiss as a vehicle for deciding the sufficiency of a carveout makes sense.

On the other hand, where the case is not a Hatch-Waxman case, and where the infringement issue will presumably be decided by a jury, particularly where allegations rely on statements outside the label, a court might be inclined at least to proceed through discovery before dismissing a case.

The case also highlights various practical considerations. The circumstances leading up to the case are not unprecedented: Hikma was successful in its Hatch-Waxman litigation, i.e., Amarin I, and when a new indication was added to Vascepa, Hikma decided to carve it out. Of course, in the event of a launch, the stakes go up.

Given the prospect of litigation involving allegations based on press release, website and other marketing statements, ANDA filers in this situation will need to take particular care to hedge against infringement liability. Given that the case law continues to elucidate the types of activities that will or will not support liability in the context of a carveout, forecasting how a court will decide an issue could be difficult.

This case illustrates this difficulty — Hikma's motion to dismiss was originally the subject of Judge Hall's report and recommendation, in which she recommended denial of the motion to dismiss. Judge Andrews subsequently declined to adopt that recommendation and granted the motion to dismiss.

The Federal Circuit then reversed that denial and allowed the case to proceed. Potential litigants should be clear-eyed as they assess likelihood of success on motions to dismiss, particularly as this area of the law continues to develop.

The case also illustrates tension that exists in the current state of the law. At least in theory, an ANDA filer attempting to carve out a patented indication while leaving an unpatented indication can, in lieu of a section viii statement, file a so-called paragraph IV certification that a listed patent is not infringed by the skinny label, and proceed through potential litigation.

One benefit section viii provides is that the ANDA filer can hope to avoid the specter of litigation, although case law allows for litigation even where a carveout is attempted. Because a carveout will not necessarily insulate the ANDA filer from litigation, and because carveout cases involve nuance and can be unpredictable, section viii should not be seen as a silver bullet, at least not without careful analysis.

This case also highlights strategic procedural considerations. Rule 12 serves as the go-to tool for disposing of meritless claims at the outset of a case. Here, Amarin initially sued Hikma in Amarin II in late 2020 — nearly four years ago.

Perhaps during the pendency of Hikma's motion to dismiss, the case could have been resolved on the merits following discovery, whether through summary judgment or at trial.

Rule 12 motions can allow parties to avoid expending substantial resources for legal fees and other expenses, but where damages continue to accrue, an ANDA filer may wish to obtain final disposition of the case expeditiously to avoid added exposure to damages. A question becomes whether a Rule 12 motion to dismiss is the most effective way to achieve that goal.

In sum, Amarin v. Hikma provides direction for courts and litigants in carveout cases.

The Federal Circuit applied its analysis to the specific allegations of Amarin's complaint, and section viii carveouts, which represent a balance struck by the Hatch-Waxman Act serving the interests of both generic and brand drug makers, remain valid. But generic manufacturers should give careful heed to communications about drugs marketed under a skinny label.

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[1] No. 2023-1169, 2024 WL 3152087 (Fed. Cir. June 25, 2024).

[2] See Amarin Pharma, Inc. v. Hikma Pharms. USA Inc., 449 F. Supp. 3d 967 (D. Nev. 2020) ("Amarin I"), aff'd summarily, 819 F. App'x 932 (Fed. Cir. 2020).

[3] 7 F.4th 1320 (Fed. Cir. 2021) (per curiam) ("GSK").

[4] 578 F.Supp.3d 642 (D.Del. 2022).

[5] E.g., Zogenix, Inc. v. Apotex Inc., No. 21-1252-RGA, 2023 WL 5835828 (D. Del. Sept. 8, 2023).