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Patents

Federal Circuit Turns Down Forest Bid, Won't Rehear Standing Issue in Lexapro Case

In a loss for Forest Laboratories Inc., the U.S. Court of Appeals for the Federal Circuit June 23 refused to rehear a case in which it held that Caraco Pharmaceutical Laboratories Ltd. had standing to bring a declaratory judgment action against Forest over one of its patents despite Forest's covenant not to sue (*Caraco Pharmaceutical Laboratories Ltd. v. Forest Laboratories Inc.*, Fed. Cir., No. 2007-1404, *petition for rehearing and rehearing en banc denied*, 6/23/08).

Without opinion, the appeals court turned down Forest's petition for rehearing and rehearing en banc. Forest sought review of the Federal Circuit's April ruling, in which the appeals court found that Forest's promise not to sue Caraco for patent infringement over Caraco's abbreviated new drug application to make a generic version of Forest's antidepressant Lexapro (escitalopram oxalate) did not end the controversy between the parties (6 PLIR 383, 4/4/08).

Following the standing test enunciated by the Supreme Court in *MedImmune Inc. v. Genentech Inc.*, 127

S. Ct. 764 (U.S. 2007), the appeals court, in its April opinion, observed that, while the covenant not to sue may have mooted the declaratory judgment action under the old "apprehension of suit" standard, it did not have the same effect when the new "totality of the circumstances" standard was applied. In *MedImmune*, the U.S. Supreme Court ruled that whether a declaratory judgment action presents an Article III controversy depends on "all the circumstances" of the case (5 PLIR 25, 1/12/07).

Michael Gaertner, a partner in Locke Lord Bissell & Liddell LLP's Chicago office, told BNA June 25 that while it is likely that Forest will file a certiorari petition in the case, it is unlikely that the Supreme Court would be willing to accept the petition. In *MedImmune*, Gaertner said, the Supreme Court directed the Federal Circuit to loosen the standard for standing in declaratory judgment actions. In addition, the *MedImmune* case was decided only a little more than a year ago, he pointed out. The high court is likely to wait for the law on standing issues to develop in the Federal Circuit before taking another case on the topic, Gaertner said.

Gerald J. Flattmann Jr., John M. Desmarais, Christine Willgoos, Benjamin A. Lasky, and Peter J. Armenio, of Kirkland & Ellis LLP, New York, represented Forest.