IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MERCK KGaA, MERCK SERONO SA, and ARES TRADING SA, Plaintiffs, v. TWI PHARMACEUTICALS, INC. and TWI PHARMACEUTICALS USA, INC., Defendants.	)	C.A. No. 24-cv-700-GBW-CJB

DEFENDANTS' ANSWER TO PLAINTIFFS' COMPLAINT AND COUNTERCLAIMS OF DEFENDANT TWI PHARMACUETICALS, INC.

Defendants TWi Pharmaceuticals, Inc. and TWi Pharmaceuticals USA, Inc. (collectively "Defendants"), by and through the undersigned counsel, hereby respond to the allegations of Plaintiffs Merck KGaA, Merck Serono SA, and Ares Trading SA (collectively "Plaintiffs") Complaint, DI. 1, and assert the following answers, defenses, and counterclaims. The numbered paragraphs below restate the allegations of the Complaint for reference, and section headings are included purely for convenience of the Court and parties. The inclusion of the aforementioned is not intended as an admission of any characterization, assertion, or allegation contained therein. To the extent not specifically admitted or qualified in this Answer, all remaining allegations of the Complaint are denied.

NATURE OF THE CASE

1. This is an action for patent infringement under the patent laws of the United States, Title 35, United States Code, that arises out of the submission by Defendants TWi Pharmaceuticals, Inc. and TWi Pharmaceuticals USA, Inc. of Abbreviated New Drug Application ("ANDA") No. 217530 to the U.S. Food and Drug Administration ("FDA") seeking approval to manufacture and sell a generic version of Merck's MAVENCLAD® product prior to the expiration of U.S. Patent Nos. 7,713,947 and 8,377,903 (the "Patents-in-Suit").

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that the Complaint purports to bring an action for infringement of U.S. Patent No. 7,713,947 (the "'947 Patent") and U.S. Patent No. 8,377,903 (the "'903 Patent"). Defendants further admit that TWi Pharmaceuticals, Inc. filed ANDA No. 217530 with the FDA for approval to engage in the manufacture, use, or sale, of a generic version of Merck's MAVENCLAD® product prior to the expiration of the '947 and '903 Patents. Defendants deny all remaining allegations of this paragraph.

THE PARTIES

2. Plaintiff Merck KGaA is a German corporation having a principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Hessen, Germany.[1]

ANSWER: Defendants are without sufficient knowledge or information to form a belief as to the allegations of this paragraph, and therefore denies the same.

3. Plaintiff Merck Serono SA is a Swiss corporation having a principal place of business at Rue de l'Ouriette, 151, Zone industrielle de l'Ouriettaz, Aubonne 1170, Switzerland. Merck Serono SA is a wholly owned subsidiary of Plaintiff Merck KGaA.

ANSWER: Defendants are without sufficient knowledge or information to form a belief as to the allegations of this paragraph, and therefore denies the same.

4. Plaintiff Ares Trading SA is a Swiss corporation having a principal place of business at Rue de l'Ouriette, 151, Zone industrielle de l'Ouriettaz, Aubonne 1170, Switzerland. Ares Trading SA is a wholly owned subsidiary of Plaintiff Merck KGaA.

ANSWER: Defendants are without sufficient knowledge or information to form a belief as to the allegations of this paragraph, and therefore denies the same.

5. On information and belief, Defendant TWi Pharmaceuticals, Inc. ("TWi Pharmaceuticals") is a corporation domiciled and organized under the laws of Taiwan with its

[1] In the United States, Plaintiff Merck KGaA conducts business under the name "Merck KGaA, Darmstadt, Germany."

principal place of business at its global headquarters, 3F., No. 41, Lane 221, Gangqian Road, Neihu District, Taipei 114, Taiwan.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that TWi Pharmaceuticals, Inc. is a corporation organized and existing under the laws of Taiwan. Defendants deny the remaining allegations of this paragraph.

6. On information and belief, Defendant TWi Pharmaceuticals USA, Inc. ("TWi USA") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 115 West Century Road, Suite 135, Paramus, NJ 07652. On information and belief, TWi USA is a wholly owned subsidiary of TWi Pharmaceuticals.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that TWi Pharmaceuticals USA, Inc. is a wholly owned subsidiary of TWi Pharmaceuticals, Inc. organized under the laws of the State of Delaware, with its principal place of business at 115 West Century Road, Suite 135, Paramus, NJ 07652.

7. On information and belief, TWi Pharmaceuticals, itself and through its subsidiaries and agents, including TWi USA, manufactures, distributes and/or imports generic drugs for sale and use throughout the United States, including in this judicial district.

ANSWER: Defendants admit that TWi Pharmaceuticals is in the business of manufacturing and distributing pharmaceutical products for use in the United States. Defendants deny all remaining allegations of this paragraph.

8. On information and belief, TWi USA manufactures and/or distributes generic drugs for sale and use throughout the United States and in this judicial district at the direction, under the control, and for the direct benefit of TWi Pharmaceuticals.

ANSWER: Defendants admit TWi USA distributes generic drugs for sale and use throughout the United States. Defendants deny all remaining allegations of this paragraph.

9. On information and belief, Defendants acted collaboratively in the preparation and submission of ANDA No. 217530 for TWi USA's cladribine 10 mg tablets (the "TWi ANDA

Product"), and TWi Pharmaceuticals submitted ANDA No. 217530 on behalf of both TWi Pharmaceuticals and TWi USA,

ANSWER: This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Defendants deny all allegations of this paragraph.

10. On information and belief, following any FDA approval of ANDA No. 217530, TWi Pharmaceuticals, itself and through its subsidiaries and agents, including TWi USA, will make, use, offer to sell, and/or sell the TWi ANDA Product throughout the United States, including in the State of Delaware, and/or import such generic products into the United States.

ANSWER: Denied.

11. Hereinafter, TWi Pharmaceuticals and TWi USA are collectively referred to as "TWi" or "Defendants."

ANSWER: This paragraph does not contain an allegation, and thus no response is required. Defendants object to the collective reference and denials in the subsequent paragraphs may be based in part on Plaintiffs' use of this collective reference.

JURISDICTION AND VENUE

12. This action arises under the patent laws of the United States, 35 U.S.C. § 100, *et seq.*, and this Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331, 1338(a), 2201, and 2202.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that the Complaint purports to bring an action for patent infringement under title 35 of United States Code but denies that Plaintiffs are entitled to any relief whatsoever. Defendants deny the remaining allegations of this paragraph.

13. This Court has personal jurisdiction over TWi USA because it is incorporated in Delaware.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that TWi USA is incorporated in Delaware.

Defendants deny all remaining allegations of this paragraph.

14. Moreover, this Court has personal jurisdiction over Defendants because, on information and belief, TWi USA and TWi Pharmaceuticals, acting in concert with one another, have engaged in continuous and systematic contacts with the State of Delaware and/or purposefully availed themselves of this forum by, among other things, making, marketing, shipping, using, offering to sell or selling, or causing others to use, offer to sell, or sell, pharmaceutical products in Delaware, and deriving substantial revenue from such activities.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants do not contest personal jurisdiction as to TWi Pharmaceuticals, Inc. solely for the limited purposes of this action only. Defendants deny all remaining allegations of this paragraph.

15. On information and belief, TWi Pharmaceuticals has previously availed itself of this forum, including by consenting to jurisdiction in *Endo Pharmaceuticals Inc., et. al. v. TWi Pharmaceuticals Inc., et. al.*, C.A. No. 12-848 (D. Del.).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants do not contest personal jurisdiction as to TWi Pharmaceuticals, Inc. solely for the limited purposes of this action only. Defendants deny all remaining allegations of this paragraph.

16. On information and belief, TWi USA and TWi Pharmaceuticals, acting in concert with one another, have purposefully conducted business and/or will conduct business in the State of Delaware, and Delaware is a likely destination of TWi's products, including its proposed generic version of MAVENCLAD® that is at issue in this action.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants do not contest personal jurisdiction as to TWi Pharmaceuticals, Inc. solely for the limited purposes of this action only. Defendants deny all remaining allegations of this paragraph.

17. On information and belief, upon approval of ANDA No. 217530, TWi will market and sell the TWi ANDA Product in Delaware and throughout the United States and will derive substantial revenue therefrom.

ANSWER: This paragraph contains legal conclusions to which no response is required, otherwise denied.

18. On information and belief, upon approval of TWi's ANDA No. 217530, TWi will place the TWi ANDA Product into the stream of commerce with the expectation or knowledge and the intent that such product will be purchased and used by consumers in Delaware and throughout the United States.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants deny all remaining allegations of this paragraph.

19. Alternatively, TWi Pharmaceuticals is a foreign corporation not subject to general jurisdiction in any state's courts, and thus is subject to the jurisdiction of this Court pursuant to Federal Rule of Civil Procedure 4(k)(2).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants state that they do not contest personal jurisdiction as to TWi Pharmaceuticals, Inc. solely for the limited purposes of this action only. Defendants deny all remaining allegations of this paragraph.

20. Additionally, venue is proper in this Court under 28 U.S.C. § 1391 and 28 U.S.C. § 1400(b) because TWi USA is incorporated in Delaware. TWi Pharmaceuticals is a foreign corporation not residing in any United States district and, thus, may be sued in any judicial district. *See* 28 U.S.C. § 1391(c).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants state that they do not contest venue as to TWi Pharmaceuticals, Inc. solely for the limited purposes of this action only. Defendants deny all remaining allegations of this paragraph.

PATENTS-IN-SUIT

21. United States Patent No. 7,713,947 ("the '947 patent"), entitled "Cladribine Regimen for Treating Multiple Sclerosis" (attached as Exhibit A), was duly and legally issued on May 11, 2010.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that Exhibit A to the Complaint purports to be a copy of United States Patent No. 7,713,947. Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, which are therefore denied.

22. United States Patent No. 8,377,903 ("the '903 patent"), entitled "Cladribine Regimen for Treating Multiple Sclerosis" (attached as Exhibit B), was duly and legally issued on February 19, 2013.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants admit that Exhibit B to the Complaint purports to be a copy of United States Patent No. 8,337,903. Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, which are therefore denied.

23. The '947 and '903 patents are owned by Merck Serono SA. The claims of the '947 and '903 patents are valid, enforceable, and not expired.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants deny that the claims of the '947 and '903 Patents are valid and enforceable. Defendants lack sufficient information to form a belief as to the truth of the statements contained in this paragraph regarding ownership and expiration, an on that basis, such allegations are denied. Defendants deny all remaining allegations of this paragraph.

MERCK'S MAVENCLAD® PRODUCT

24. EMD Serono, Inc. holds New Drug Application ("NDA") No. 022561, which the FDA approved on March 29, 2019 for the marketing and sale of 10 mg strength cladribine tablets. EMD Serono, Inc. markets 10 mg strength cladribine tablets in the United States under the trade name "MAVENCLAD®." EMD Serono, Inc. is a wholly owned subsidiary of Merck KGaA.

ANSWER: This paragraph contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack sufficient information to form a belief as to the truth of the allegations contained in this paragraph, and therefore deny the same.

25. MAVENCLAD® is a purine antimetabolite. It is approved by the FDA for the treatment of relapsing forms of multiple sclerosis, including relapsing-remitting disease and active secondary progressive disease, in adults. A copy of the complete prescribing information for MAVENCLAD® is attached as Exhibit C.

ANSWER: This paragraph contains legal conclusions, to which no response is required. To the extent a response is required, Defendants admit that Exhibit C to the Complaint, which is purportedly prescribing information for MAVENCLAD®, states that "MAVENCLAD® is a purine antimetabolite indicated for the treatment of relapsing forms of multiple sclerosis (MS), to include relapsing-remitting disease and active secondary progressive disease in adults." Defendants lack sufficient information to form a belief as to the truth of the remaining allegations contained in this paragraph, and therefore deny the same.

26. The FDA's official publication of approved drugs (the "Orange Book") includes MAVENCLAD®. The Orange Book lists the '947 and '903 patents as patents covering MAVENCLAD® and its use.

ANSWER: Defendants admit that the '947 and '903 Patents are listed under the "Patent Data" section of the FDA's Orange Book entry for "CLADRIBINE® (MAVENCLAD) TABLET 10MG." The remaining allegations of this paragraph contain legal conclusions to which no response is required. To the extent a response is required, denied.

INFRINGEMENT BY TWI

27. By letter dated May 6, 2024 (the "Notice Letter"), TWi notified Merck that it had submitted to the FDA ANDA No. 217530 seeking approval to market and sell the TWi ANDA Product in the United States prior to the expiration of the '947 and '903 patents. The '947 and '903 patents expire on October 16, 2026 and May 31, 2026, respectively.

ANSWER: Defendants admit that on May 6, 2024, a letter was sent by TWi Pharmaceuticals, Inc. to EMD Serono Inc. and Merck Serono SA on behalf of TWi Pharmaceuticals, Inc. to provide notice regarding Abbreviated New Drug Application No. 217530, as well as a detailed statement of the factual and legal basis for applicant's opinion that the '903 and '947 Patents are unenforceable, not valid, and/or will not be infringed (the "TWi Pharmaceuticals Notice Letter") Defendants further admit that TWi Pharmaceuticals, Inc. filed ANDA No. 217530 with the FDA with a paragraph IV certification to obtain approval to engage in the commercial manufacture, use, or sale of their ANDA product prior to the expiration of the '947 and '903 Patents (the "TWi Pharmaceuticals ANDA"). Defendants deny all remaining allegations of this paragraph.

28. By submitting ANDA No. 217530, TWi has represented to the FDA that the TWi ANDA Product has the same active ingredient as MAVENCLAD®, has the same dosage forms and strengths as MAVENCLAD®, and is bioequivalent to MAVENCLAD®.

ANSWER: This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Defendants state that ANDA No. 217530 speaks for itself. Defendants deny all remaining allegations of this paragraph.

29. In the Notice Letter, TWi admitted that it is seeking approval to market the TWi ANDA Product for the same approved indication as MAVENCLAD®.

ANSWER: This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Defendants deny that the language of this allegation is found in

the letter dated May 6, 2024. Defendants further state that the May 6, 2024 letter speaks for itself and deny any characterization inconsistent with the explicit text thereof. Defendants deny all remaining allegations of this paragraph.

30. In the Notice Letter, TWi stated that its ANDA included certifications pursuant to 21 U.S.C. § 355(j)(2)(vii)(IV) with respect to the '947 and'903 patents, and alleged that these patents are invalid and/or will not be infringed. The Notice Letter demonstrates that TWi seeks approval to engage in the commercial manufacture, use, offer for sale, sale, or importation of the TWi ANDA Product before the '947 and '903 patents expire.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Defendants deny that the term "355(j)(2)(vii)(IV)" is contained in the TWi Pharmaceuticals Notice Letter. Defendants admit that the TWi Pharmaceuticals Notice Letter included, among other things, certifications pursuant to 21 U.S.C. § 355(j)(2)(B)(iv), as well as a detailed statement of the factual and legal basis for applicant's opinion that the '903 and '947 Patents are unenforceable, not valid, and/or will not be infringed. Defendants further admit that TWi Pharmaceuticals, Inc. filed ANDA No. 217530 with the FDA with a paragraph IV certification to obtain approval to engage in the commercial manufacture, use, or sale of their ANDA product prior to the expiration of the '947 and '903 Patents. Defendants deny all remaining allegations of this paragraph.

31. This action is being commenced before the expiration of forty-five days from the date of Merck's receipt of the Notice Letter.

ANSWER: This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Defendants admit that June 14, 2024 is less than 45 days after May 6, 2024.

COUNT I
INFRINGEMENT OF U.S. PATENT NO. 7,713,947

32. Plaintiffs incorporate each of the preceding paragraphs 1-31 as if fully set forth herein.

ANSWER: Defendants incorporate each of their responses to the proceeding paragraphs as if fully set forth herein.

33. TWi's submission of ANDA No. 217530 to the FDA for the purpose of obtaining approval to engage in the commercial importation, manufacture, use, offer for sale, and/or sale of the TWi ANDA Product in the United States before the expiration of the '947 patent was an act of infringement of the '947 patent under 35 U.S.C. § 271(e)(2).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

34. The commercial manufacture, use, offer for sale, sale and/or importation of the TWi ANDA Product in the United States would infringe one or more claims of the '947 patent under 35 U.S.C. § 271(a), (b) and/or (c), either literally or under the doctrine of equivalents. The infringed claims of the '947 patent include at least claim 36. Such infringement is imminent because, among other things, TWi has notified Merck of the submission of its ANDA seeking approval to engage in the commercial manufacture, use, offer for sale, sale, and/or importation of the TWi ANDA Product before the expiration of the '947 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

35. TWi had knowledge of the '947 patent prior to submitting its ANDA to the FDA, as demonstrated by TWi's 21 U.S.C. § 355(j)(2)(vii)(IV) allegation with respect to the '947 patent.

ANSWER: TWi Pharmaceuticals, Inc. admits that it was aware of the existence of the '947 Patent prior to submitting its ANDA to the FDA. Defendants deny all remaining allegations of this paragraph, including all characterizations contained therein, and specifically denies any wrongdoing.

36. On information and belief, use of the TWi ANDA Product in accordance with and as directed by TWi's proposed labeling for that product would infringe one or more claims of the '947 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

37. On information and belief, TWi intends to engage in the manufacture, use, offer for sale, sale, and/or importation of the TWi ANDA Product with its proposed labeling immediately and imminently upon approval of ANDA No. 217530.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

38. On information and belief, TWi will infringe and will actively induce or contribute to the infringement of the '947 patent when ANDA No. 217530 is approved, and plans and intends to, and will do so upon approval.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

39. A substantial and justiciable controversy exists between the parties hereto as to the infringement of the '947 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

40. Pursuant to 28 U.S.C. § 2201, Merck is entitled to a declaratory judgment that TWi's making, using, offering to sell, selling, and/or importing the TWi ANDA Product, and inducement thereof or contribution thereto, will infringe the '947 patent pursuant to 35 U.S.C. §§ 271(a), (b), and/or (c).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

41. On information and belief, TWi acted without a reasonable basis for believing that it would not be liable for infringing the '947 patent and/or actively inducing or contributing to the infringement of the '947 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

42. Unless TWi is enjoined from infringing the '947 patent and/or actively inducing or contributing to the infringement of the '947 patent, Plaintiffs will suffer irreparable injury. Plaintiffs have no adequate remedy at law.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

COUNT II
INFRINGEMENT OF U.S. PATENT NO. 8,377,903

43. Plaintiffs incorporate each of the preceding paragraphs 1-42 as if fully set forth herein.

ANSWER: Defendants incorporate each of their responses to the proceeding paragraphs as if fully set forth herein.

44. TWi's submission of ANDA No. 217530 to the FDA for the purpose of obtaining approval to engage in the commercial importation, manufacture, use, offer for sale, and/or sale of the TWi ANDA Product in the United States before the expiration of the '903 patent was an act of infringement of the '903 patent under 35 U.S.C. § 271(e)(2).

ANSWER: Paragraph 44 contains legal conclusions to which no response is required. To the extent a response is required, denied.

45. The commercial manufacture, use, offer for sale, sale and/or importation of the TWi ANDA Product in the United States would infringe one or more claims of the '903 patent under 35 U.S.C. § 271(a), (b) and/or (c), either literally or under the doctrine of equivalents. The infringed claims of the '903 patent include at least claim 17. Such infringement is imminent because, among other things, TWi has notified Merck of the submission of its ANDA seeking approval to engage in the commercial manufacture, use, offer for sale, sale, and/or importation of the TWi ANDA Product before the expiration of the '903 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

46. TWi had knowledge of the '903 patent prior to submitting its ANDA to the FDA, as demonstrated by TWi's 21 U.S.C. § 355(j)(2)(vii)(IV) allegation with respect to the '903 patent.

ANSWER: TWi Pharmaceuticals, Inc. admits that it was aware of the existence of the '903 Patent prior to submitting its ANDA to the FDA. Defendants deny all remaining allegations of this paragraph, including all characterizations contained therein, and specifically denies any wrongdoing.

47. On information and belief, use of the TWi ANDA Product in accordance with and as directed by TWi's proposed labeling for that product would infringe one or more claims of the '903 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

48. On information and belief, TWi intends to engage in the manufacture, use, offer for sale, sale, and/or importation of the TWi ANDA Product with its proposed labeling immediately and imminently upon approval of ANDA No. 217530.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

49. On information and belief, TWi will infringe and will actively induce or contribute to the infringement of the '903 patent when ANDA No. 217530 is approved, and plans and intends to, and will do so upon approval.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

50. A substantial and justiciable controversy exists between the parties hereto as to the infringement of the '903 patent.

ANSWER: This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, denied.

51. Pursuant to 28 U.S.C. § 2201, Merck is entitled to a declaratory judgment that TWi's making, using, offering to sell, selling, and/or importing the TWi ANDA Product, and inducement thereof or contribution thereto, will infringe the '903 patent pursuant to 35 U.S.C. §§ 271(a), (b), and/or (c).

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

52. On information and belief, TWi acted without a reasonable basis for believing that it would not be liable for infringing the '903 patent and/or actively inducing or contributing to the infringement of the '903 patent.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

53. Unless TWi is enjoined from infringing the '903 patent and/or actively inducing or contributing to the infringement of the '903 patent, Plaintiffs will suffer irreparable injury. Plaintiffs have no adequate remedy at law.

ANSWER: This paragraph contains legal conclusions to which no response is required. To the extent a response is required, denied.

RESPONSE TO PLAINTIFFS' PRAYER FOR RELIEF

Defendants deny that Plaintiffs are entitled to any of the relief sought in their Prayer for Relief.

AFFIRMATIVE DEFENSES

Further answering, and in defense of the allegations contained in the Complaint, and without altering any applicable burdens of proof, Defendants assert the following defenses to the Complaint. Defendants reserve the right to assert additional defenses.

FIRST AFFIRMATIVE DEFENSE
(Failure to State a Claim)

The Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE
(Invalidity of the '903 Patent)

The claims of the '903 Patent are invalid and/or unenforceable under 35 U.S.C. §§ 101, et. seq. or under other judicially-created bases for invalidation.

THIRD AFFIRMATIVE DEFENSE
(Invalidity of the '947 Patent)

The claims of the '947 Patent are invalid and/or unenforceable under 35 U.S.C. §§ 101, et. seq. or under other judicially-created bases for invalidation.

FOURTH AFFFIRMATIVE DEFENSE
(No Infringement of the '903 Patent)

The manufacture, use, offer for sale, sale, or importation of the products described in ANDA No. 217530 will not infringe, either literally or under the doctrine of equivalents, any valid

and enforceable claim of the ’903 Patent. Nor will it indue the infringement or contribute to the infringement of any valid and enforceable claim of the ’903 Patent.

FIFTH AFFIRMATIVE DEFENSE
(No Infringement of the ’947 Patent)

The manufacture, use, offer for sale, sale, or importation of the products described in ANDA No. 217530 will not infringe, either literally or under the doctrine of equivalents, any valid and enforceable claim of the ’947 Patent. Nor will it indue the infringement or contribute to the infringement of any valid and enforceable claim of the ’947 Patent.

SIXTH AFFIRMATIVE DEFENSE
(Failure to State a Claim for Exceptional or Willful Infringement)

Plaintiffs fail to state a proper claim for an exceptional case and/or willful infringement.

SEVENTH AFFIRMATIVE DEFENSE
(Prosecution History Estoppel)

Plaintiffs are estopped, based on statements, representations, and admissions made in the specification of the patent applications, and prosecution of the patent applications, that lead to the ’903 and ’947 Patents, or from which they claim priority, from asserting that the claims of those patents are infringed by Defendants or by Defendants’ products, either directly, indirectly, contributorily, through the doctrine of equivalents, or otherwise.

RESERVATION OF ADDITIONAL DEFENSES

Defendants reserve the right to plead additional affirmative defenses or counterclaims that may be revealed through the course of discovery, including unenforceability.

DEFENDANT TWI PHARMACEUTICALS, INC.'S COUNTERCLAIMS

Pursuant to Rule 13 of the Federal Rules of Civil Procedure, TWi Pharmaceuticals, Inc., by its attorneys, hereby states for its Counterclaims against Plaintiffs as follows. These Counterclaims are provided without prejudice to the denials in this Answer, without admitting any allegations of the Complaint not otherwise admitted, and without assuming the burden when such burden would otherwise be on Plaintiffs.

PARTIES

1. TWi Pharmaceuticals, Inc. repeats and realleges by reference each of the subsequent paragraphs as if fully stated herein.

2. TWi Pharmaceuticals, Inc. is a corporation organized and existing under the laws of Taiwan, having a principal place of business at 4F., No. 41, Lane 221, Gangqian Road, Neihu District, Taipei City 114, Taiwan.

3. Upon information and belief, Plaintiff Merck KGaA is a German corporation having a principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Hessen, Germany. Upon information and belief, in the United States, Plaintiff Merck KGaA conducts business under the name "Merck KGaA, Darmstadt, Germany."

4. Upon information and belief, Plaintiff Merck Serono SA is a Swiss corporation having a principal place of business at Rue de l'Ouriette, 151, Zone industrielle de l'Ouriettaz, Aubonne 1170, Switzerland.

5. Upon information and belief, Merck Serono SA is a wholly owned subsidiary of Plaintiff Merck KGaA.

6. Upon information and belief, Plaintiff Ares Trading SA is a Swiss corporation having a principal place of business at Rue de l'Ouriette, 151, Zone industrielle de l'Ouriettaz,

Aubonne 1170, Switzerland.

7. Upon information and belief, Ares Trading SA is a wholly owned subsidiary of Plaintiff Merck KGaA.

JURISDICTION VENUE

8. These Counterclaims arise under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq*., and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. No. 108-173, 117 Stat. 2066 (2003) ("MMA") (21 U.S.C. § 355(j) and 35 U.S.C. § 271(e)(5)).

9. This Court has original jurisdiction over the subject matter of these Counterclaims under 28 U.S.C. §§ 1331 and 1338(a); under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202; and under the MMA (21 U.S.C. § 355(j) and 35 U.S.C. § 271(e)(5)).

10. This Court has subject matter jurisdiction over these Counterclaims for declaratory judgment pursuant to 28 U.S.C. §§ 1331, 1337(a), 1338(a), 2201(a) and (b), and 2202, based on an actual controversy between Defendants and Plaintiffs, arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*

11. This Court has personal jurisdiction over Plaintiffs based, *inter alia*, on the filing of this lawsuit in this jurisdiction and because Plaintiffs are doing business in this jurisdiction.

12. Venue is proper in this judicial district under 28 U.S. C. §§ 1391(b) and (c), and 1400(b).

FACTS

13. This is an action for a declaratory judgment of non-infringement and invalidity of one or more claims of United States Patent No. 7,713,947 (the "'947 Patent") and 8,377,903 (the "'903 Patent") (collectively the "Patents-in-Suit"). Plaintiffs assert that a true and correct copy of

the Patents-in-Suit were attached to the Complaint as Exhibits A and B.

14. On or about May 11, 2010, the United States Patent & Trademark Office issued the ’947 Patent.

15. On or about February 19, 2013, the United States Patent & Trademark Office issued the ’903 Patent.

16. Upon information and belief, Merck Serono SA is the assignee of the ’947 and ’903 Patents.

17. Plaintiffs assert that EMD Serono, Inc., which is purportedly a wholly owned subsidiary of Marck KGaA, holds New Drug Application (“NDA”) No. 022561 for 10mg cladribine tablets, which Plaintiffs sell in the United States under the tradename MAVENCLAD®.

18. Plaintiffs purport to have the rights to enforce the Patents-in-Suit, and have listed each in the FDA’s Approved *Drug Products and Therapeutic Equivalence Evaluations* (the “Orange Book”) with respect to MAVENCLAD®.

19. On October 14, 2022, TWi Pharmaceuticals, Inc. filed an *inter partes* review of certain claims of the ’947 and ’903 patents, alleging that said claims are anticipated and/or obvious over certain prior art references, including Rice, George P.A., Massimo Filippi, and Giancarlo Comi. “Cladribine and progressive MS: clinical and MRI outcomes of a multicenter controlled trial.” *Neurology* Vol. 54, no. 5 (2000) pp. 1145–1155, and WO 2004/087101 A2 (the “TWi IPR”). That *inter partes* review was instituted prior to the initiation of this lawsuit.

20. On or around January 23, 2023, Hopewell Pharma Ventures, Inc. filed a separate *inter partes* review of certain claims of the ’947 and ’903 patents, alleging that said claims are obvious over certain prior art references, including Stelmasiak, Z., et al., “A pilot trial of cladribine (2-chlorodeoxyadenosine) in remitting-relapsing multiple sclerosis,” *Medical Science Monitor*,

4(1):4-8 (1998), and Bodor, N. and Dandiker, Y., "Oral Formulations of Cladribine," International Publication No. WO 2004/087101 A2 (filed March 26, 2004; published October 14, 2004) (the "Hopewell IPR"). That *inter partes* review was instituted prior to the initiation of this lawsuit.

21. TWi Pharmaceuticals Inc. filed the Abbreviated New Drug Application No. 217530 with the United States Food and Drug Administration, seeking approval for its proposed cladribine tablets described therein, and identifying NDA No. 022561 as the Reference Listed Drug pursuant to 21 C.F.R. § 314.3 ("TWi Pharmaceuticals' ANDA.") TWi Pharmaceuticals' ANDA seeks approval to market TWi Pharmaceuticals Inc.'s ANDA products described therein (the "TWi Pharmaceuticals ANDA Products") before the expiration of the Patents-in-Suit.

22. TWi Pharmaceuticals' ANDA contains a certification under 355(j)(2)(A)(vii)(IV) as to the Patents-in-Suit.

23. On May 6, 2024, TWi Pharmaceuticals Inc. provided a letter to Plaintiffs including a detailed statement of certain of the factual and legal basis for Defendant's opinion that the Patents-in-Suit are invalid, unenforceable, and/or not infringed. Therein, TWi Pharmaceuticals Inc. reiterated that the claims of the Patents-in-Suit are invalid under at least 35 U.S.C. §§ 102, 103, and 112, and that the TWi Pharmaceuticals ANDA Products are not administered in the specific dosing regimen required by certain of the claims of the Patents-in-Suit.

24. Plaintiffs brought this action for alleged infringement of the Patents-in-Suit, despite the ongoing *inter partes* reviews of various claims thereof, the likelihood of invalidation, and Defendants' non-infringement thereof.

COUNT I
(Declaratory Judgment of Invalidity of the '947 Patent)

25. TWi Pharmaceuticals, Inc. realleges and incorporates by reference the allegations of all preceding and subsequent paragraphs, as though fully set forth herein.

26. There is an actual, substantial, and continuing case or controversy between TWi Pharmaceuticals, Inc. and the Plaintiffs regarding, inter alia, the invalidity of the '947 Patent, and a judicial declaration of invalidity is necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding the invalidity of the claims of the '947 Patent.

27. The claims of the '947 Patent are invalid for failure to satisfy one or more of the conditions of patentability in Title 35 of the United States Code, or under judicially-created bases for invalidation.

28. The claims of the '947 Patent are invalid as anticipated and/or obvious under 35 U.S.C. § 102 and/or 103, because each and every element of each and every claim of the '947 Patent was disclosed, either expressly or inherently, in one or more references and/or products which were publicly available before the earliest possible priority date of the '947 Patent, including but not limited to the references listed in the TWi Pharmaceuticals Notice Letter, the TWi IPR, the Hopewell IPR, and asserted in Civil Action Nos. 22-cv-01365, 23-cv-00039, 23-cv-00655, and/or 22-cv-00974, and/or the following references:

- Bodor, N. and Dandiker, Y., "Oral Formulations of Cladribine," International Publication No. WO 2004/087101 A2 (filed March 26, 2004; published October 14, 2004) ("Bodor");
- Rice, George P.A., Massimo Filippi, and Giancarlo Comi. "Cladribine and progressive MS: clinical and MRI outcomes of a multicenter controlled trial." *Neurology* Vol. 54, no. 5 (2000) pp. 1145–1155 ("Rice");
- Stelmasiak, Z. et al., "A Pilot Trial of Cladribine (2-chlorodeoxyadenosine) in Remitting-Relapsing Multiple Sclerosis," Medical Science Monitor, 4(1):4-8 (1998) ("Stelmasiak");
- JC Sipe, et al., "Development of cladribine treatment in multiple sclerosis," 1 Multiple Sclerosis 343-347 (1996) ("Sipe");
- Beutler, E., U.S. Patent No. 5,506,214, "Use of Substituted Adenine Derivatives for Treating Multiple Sclerosis," issued April 9, 1996 ("Beutler");
- Cairo, M.S., "Dose Reduction and Delays: Limitations of Myelosuppressive Chemotherapy," 21 (Abstract) Oncology 14 (Suppl. 8) (2000) ("Cairo");

- Page, et al., "Cancer Management: A Multidisciplinary Approach," Ch. 3: Principles of Chemotherapy at 24 (2004)("Page");
- Crawford, et al., "Chemotherapy-Induced Neutropenia: Risks, Consequences, and New Directions for its Management," 100:2 Cancer 228 (2004) ("Crawford").

29. The claims of the '947 Patent would have been obvious to a person of ordinary skill in the art as of the earliest possible priority date of the '947 Patent in light of the aforementioned references, the state of the art, and the knowledge of one of ordinary skill in the art.

30. A person of ordinary skill in the art would have been motivated to combine those references and/or products as of the earliest possible priority date of the '947 Patent, and would have had a reasonable expectation of success in doing so.

31. There is no objective evidence of non-obviousness of the claims of the '947 Patent, nor would any such evidence, should it exist, have any nexus to the claimed purported inventions of the '947 Patent.

32. The claims of the '947 Patent are further invalid under 35 U.S.C. § 112 for lack of sufficient written description.

33. By way of non-limiting example, U.S. Application Ser. No. 11/722,018, PCT/EP2005/056954, U.S. Provisional Application 60/638,669, and EP 04106909 all define a "maintenance treatment" as requiring "a lower dose than the Cladribine dose orally administered during the induction treatment." Thus, at least claims 36, 38–39, and 41–48 of the '947 Patent, which recite a method in which the total dose administered during the maintenance period is equal to the total dose administered during the induction period, are invalid because the specification fails to include the requisite written description of the invention as claimed therein.

34. TWi Pharmaceuticals, Inc. is entitled to a judicial declaration that the claims of the '947 Patent are invalid.

35. TWi Pharmaceuticals, Inc. reserves the right to provide additional bases for invalidity of each claim of the '947 Patent in its contentions, responses to discovery request, expert reports, pleadings filed or served as this action progresses, or at trial.

COUNT II
(Declaratory Judgment of Invalidity of the '903 Patent)

36. TWi Pharmaceuticals, Inc. realleges and incorporates by reference the allegations of all preceding and subsequent paragraphs, as though fully set forth herein.

37. There is an actual, substantial, and continuing case or controversy between TWi Pharmaceuticals, Inc. and the Plaintiffs regarding, inter alia, the invalidity of the '903 Patent, and a judicial declaration of invalidity is necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding the invalidity of the claims of the '903 Patent.

38. The claims of the '903 Patent are invalid for failure to satisfy one or more of the conditions of patentability in Title 35 of the United States Code, or under judicially-created bases for invalidation.

39. The claims of the '903 Patent are invalid as anticipated and/or obvious under 35 U.S.C. § 102 and/or 103, because each and every element of each and every claim of the '903 Patent was disclosed, either expressly or inherently, in one or more references and/or products which were publicly available before the earliest possible priority date of the '903 Patent, including but not limited to the references listed in the TWi Pharmaceuticals Notice Letter, the TWi IPR, the Hopewell IPR, and asserted in Civil Action Nos. 22-cv-01365, 23-cv-00039, 23-cv-00655, and/or 22-cv-00974, and/or the following references:

- Bodor, N. and Dandiker, Y., "Oral Formulations of Cladribine," International Publication No. WO 2004/087101 A2 (filed March 26, 2004; published October 14, 2004) ("Bodor");
- Rice, George P.A., Massimo Filippi, and Giancarlo Comi. "Cladribine and

progressive MS: clinical and MRI outcomes of a multicenter controlled trial." *Neurology* Vol. 54, no. 5 (2000) pp. 1145–1155 ("Rice");

- Stelmasiak, Z. et al., "A Pilot Trial of Cladribine (2-chlorodeoxyadenosine) in Remitting-Relapsing Multiple Sclerosis," Medical Science Monitor, 4(1):4-8 (1998) ("Stelmasiak");
- JC Sipe, et al., "Development of cladribine treatment in multiple sclerosis," 1 Multiple Sclerosis 343-347 (1996) ("Sipe");
- Beutler, E., U.S. Patent No. 5,506,214, "Use of Substituted Adenine Derivatives for Treating Multiple Sclerosis," issued April 9, 1996 ("Beutler");
- Cairo, M.S., "Dose Reduction and Delays: Limitations of Myelosuppressive Chemotherapy," 21 (Abstract) Oncology 14 (Suppl. 8) (2000) ("Cairo");
- Page, et al., "Cancer Management: A Multidisciplinary Approach," Ch. 3: Principles of Chemotherapy at 24 (2004)("Page");
- Crawford, et al., "Chemotherapy-Induced Neutropenia: Risks, Consequences, and New Directions for its Management," 100:2 Cancer 228 (2004) ("Crawford").

40. The claims of the '903 Patent would have been obvious to a person of ordinary skill in the art as of the earliest possible priority date of the '903 Patent in light of the aforementioned references, the state of the art, and the knowledge of one of ordinary skill in the art.

41. A person of ordinary skill in the art would have been motivated to combine those references and/or products as of the earliest possible priority date of the '903 Patent, and would have had a reasonable expectation of success in doing so.

42. There is no objective evidence of non-obviousness of the claims of the '903 Patent, nor would any such evidence, should it exist, have any nexus to the claimed purported inventions of the '903 Patent.

43. The claims of the '903 Patent are further invalid under 35 U.S.C. § 112 for lack of sufficient written description.

44. By way of non-limiting example, U.S. Application Ser. No. 12/766,173, U.S. Application Ser. No. 11/722,018, PCT/EP2005/056954, U.S. Provisional Application 60/638,669, and EP 04106909 all define a "maintenance treatment" as requiring "a lower dose than the

Cladribine dose orally administered during the induction treatment." Thus, least claims 17, 19–20, and 22–29 of the '903 Patent, which recite a method in which the total dose during administered during the maintenance period is equal to the total dose administered during the induction period, are invalid because the specification fails to include the requisite written description of the invention as claimed therein.

45. TWi Pharmaceuticals, Inc. is entitled to a judicial declaration that the claims of the '903 Patent are invalid.

46. TWi Pharmaceuticals, Inc. reserves the right to provide additional bases for invalidity of each claim of the '903 Patent in its contentions, responses to discovery request, expert reports, pleadings filed or served as this action progresses, or at trial.

COUNT III
(Declaratory Judgment of Noninfringement of the '947 Patent)

47. TWi Pharmaceuticals, Inc. realleges and incorporates by reference the allegations of all preceding and subsequent paragraphs, as though fully set forth herein.

48. There is an actual, substantial, and continuing case or controversy between TWi Pharmaceuticals, Inc. and the Plaintiffs regarding, *inter alia*, the non-infringement of the claims of the '947 Patent, and a judicial declaration of invalidity is necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding TWi Pharmaceutical's non-infringement thereof.

49. The manufacture, use, offer for sale, sale, importation, and/or marketing of the TWi Pharmaceuticals ANDA Products described in ANDA No. 217530 has not, does not, and if made, used, sold, offered for sale, imported, or marketed, would not, infringe either directly or indirectly, under the doctrine of equivalents or otherwise, any valid and enforceable claim of the '947 Patent.

50. TWi Pharmaceuticals, Inc. is entitled to a judicial declaration that the manufacture,

use, offer for sale, sale, importation, and/or marketing of the TWi Pharmaceuticals ANDA Products described in ANDA No. 217530 has not, does not, and if made, used, sold, offered for sale, imported, or marketed, would not, infringe either directly or indirectly, under the doctrine of equivalents or otherwise, any valid and enforceable claim of the '947 Patent.

COUNT IV
(Declaratory Judgment of Noninfringement of the '903 Patent)

51. TWi Pharmaceuticals, Inc. realleges and incorporates by reference the allegations of all preceding and subsequent paragraphs, as though fully set forth herein.

52. There is an actual, substantial, and continuing case or controversy between TWi Pharmaceuticals, Inc. and the Plaintiffs regarding, *inter alia*, the non-infringement of the claims of the '903 Patent, and a judicial declaration of invalidity is necessary and appropriate at this time so that the parties may ascertain their respective rights and duties regarding TWi Pharmaceuticals' non-infringement thereof.

53. The manufacture, use, offer for sale, sale, importation, and/or marketing of the TWi Pharmaceuticals ANDA Products described in ANDA No. 217530 has not, does not, and if made, used, sold, offered for sale, imported, or marketed, would not, infringe either directly or indirectly, under the doctrine of equivalents or otherwise, any valid and enforceable claim of the '903 Patent.

54. TWi Pharmaceuticals, Inc. is entitled to a judicial declaration that the manufacture, use, offer for sale, sale, importation, and/or marketing of the TWi Pharmaceuticals ANDA Products described in ANDA No. 217530 has not, does not, and if made, used, sold, offered for sale, imported, or marketed, would not, infringe either directly or indirectly, under the doctrine of equivalents or otherwise, any valid and enforceable claim of the '903 Patent.

PRAYER FOR RELIEF

WHEREFORE, Defendants seek judgment awarding TWi Pharmaceuticals, Inc. the

following relief:

A. Dismissing Plaintiffs' Complaint with prejudice and denying Plaintiffs the relief requested in their Complaint and any relief whatsoever.

B. Declaring that the claims of the '903 and '947 Patent are invalid.

C. Declaring that the manufacture, use, sale, offer for sale, importation, and/or marketing of the TWi Pharmaceuticals ANDA Products in the TWi Pharmaceuticals ANDA No. 217530 has not infringed, does not infringe, and would not infringe if made, used, sold, offered for sale, imported, or marketed, either directly indirectly, through the doctrine of equivalents, or otherwise, any valid and/or enforceable claim of the '903 and '947 Patents.

D. Ordering that Plaintiffs' Complaint be dismissed with prejudice and judgment entered in favor of Defendants.

E. Declaring this case exceptional and awarding TWi Pharmaceuticals, Inc. their reasonable attorneys' fees, expenses, and costs under 35 U.S.C § 285.

F. Ordering that Plaintiffs and their officers, agents, servants, employees, attorneys, successors, and any person who acts in concert or participation with them, be preliminarily and permanently enjoined from using the '903 or '947 Patents to block, hamper, hinder, or obstruct FDA approval of the products described in TWi Pharmaceuticals Inc.'s ANDA; and

G. Awarding such other and further relief as the Court may deem just and proper.

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