

Bristol-Myers, Watson Settle Pravastatin Suit

By **Ben James**, ben.james@portfoliomedia.com

Thursday, Apr 24, 2008 --- The court overseeing a Novartis AG subsidiary's patent infringement suit against Bristol-Myers Squibb Co. and Watson Pharmaceuticals Inc. over the cholesterol-lowering medication pravastatin has signed off on a settlement agreement bringing the case to a close.

Tuesday, U.S. District Judge T. John Ward signed off on a stipulated order saying that Slovenian generic drug maker LEK D.D.'s claims against Bristol-Myers Squibb and Watson have been dismissed with prejudice, as were the defendants' claims against LEK.

In filing with the U.S. Securities and Exchange Commission, Bristol-Myers Squibb said that it had agreed to pay LEK "an amount that is not material to the company."

LEK claimed that Bristol-Myers Squibb's sale of Pravachol and Watson's sale of an authorized generic version of Pravachol infringed two patents, according to the Form 10-Q Bristol-Myers Squibb filed Thursday. LEK and the defendants struck a deal on April 16, the SEC filing said.

LEK filed its suit on Dec. 29, 2006, alleging infringement of U.S. Patent Numbers 6,470,775 and 7,078,558 – both of which are owned by LEK, according to the complaint. Because of the substantial amount of Pravachol and generic pravastatin sodium sold by the defendants, they each should have known about the patents, making their alleged infringement "willful and reckless," LEK said.

LEK asked the court for injunctive relief barring the defendants from infringing the '775 and '558 patents, and unspecified damages.

In June 2007, Watson struck back, filing counterclaims seeking declaratory judgment of noninfringement, invalidity and unenforceability with respect to both of LEK's patents.

Bristol-Myers sold \$73 million worth of Pravachol worldwide in the first quarter of 2008, and \$15 million worth of the drug in the U.S. in the same time period, according to the company. Both of those figures represent sharp drops compared to the first quarter of 2007.

A representative for Watson could not be immediately reached for comment.

Bristol-Myers Squibb was represented in this matter by Fitzpatrick Cella

Harper & Scinto. Ireland Carroll & Kelley PC was of counsel.

Watson was represented by Stevens Law firm and Eric M. Albritton.

LEK was represented by Susman Godfrey LLP. Capshaw Derieux LLP, Jones & Jones, and Parker Bunt Ainsworth PC were of counsel.

The case is LEK D.D. v. Bristol-Myers Squibb Co. and Watson Pharmaceuticals Inc., case number 06-547 in the U.S. District Court for the Eastern District of Texas.