

For Immediate Release

## PHARMA GIANT STALLS UNSEALING COURT DOCUMENTS TO HIDE DETAILS OF SECRET DEAL WITH UNIVERSITY

## Allergan Asks Court to Maintain Lock on Documents That Would Expose 'Sweetheart Deal' With University of Georgia Forged in Violation of Public Meeting Laws

ATLANTA, Ga. (Aug. 15, 2008) – Pharmaceutical giant Allergan Inc. has filed briefs with Athens-Clarke County Superior Court Judge David Sweat demanding details of its dealings with the University of Georgia Research Foundation related to the drug Restasis be kept under lock and key pending resolution of its lengthy and costly court battle with the drug's inventor over royalties.

At stake are hundreds of millions of dollars former University of Georgia researcher and Restasis inventor Dr. Renee Kaswan says the university's research foundation gave away in licensing agreements forged in private and without Dr. Kaswan's knowledge or input. The lawsuits are credited with igniting a national debate about the processes research universities use to commercialize the results of academic research and the ownership and profits from the resulting intellectual property.

"With their reliance on university research, Allergan's insistence on keeping this questionable deal hidden may be a self-defense strategy that reaches well beyond the damages inflicted on the University of Georgia," said Dr. Kaswan. "Other universities that have struck deals with Allergan may soon be asking questions of their own."

Judge Sweat, who originally agreed to seal the documents, subsequently announced his intention to release them – only to face stern opposition from attorneys

for Allergan, who from the outset fought subpoenas to turn over information Dr. Kaswan argues should have been public. When they did comply with the document requests, Allergan requested that the court limit viewing to attorneys and supplied documents that had some names and other information blacked out.

Dr. Kaswan's attorneys say the secret documents prove Allergan knew the potential for the drug and pushed UGA to accept an upfront buy down of future royalties based on unrealistically low revenue projections shortly before Restasis received FDA approval in 2002. Subsequently, Restasis has become one of Allergan's most successful and profitable products alongside Botox, Juvederm and other cosmetic and ophthalmic remedies that, in 2007, produced sales of close to \$4 billion. Dr. Kaswan claims the university was deprived of 90 percent of its rightful share of licensing royalties, or as much as \$220 million [\$220 million is quoted elsewhere] in proceeds to the university.

Further, attorneys say the documents reveal that Allergan devised a strategy called the "Florida Plan" whereby the university and Allergan willfully excluded Dr. Kaswan from participating in the negotiations by conducting them behind closed doors, in violation of the state's open meeting laws. Those laws require that meetings of government-sponsored entities, such as public universities, be open to the public, and that minutes and other documents be available for public inspection. The documents also may reveal the existence of a \$1 million secret fund to cover the university's legal costs in the event that Dr. Kaswan took legal action.

In addition to taking legal action against Allergan and UGA, Dr. Kaswan has taken her fight and the larger debate to a national audience as founder of IPAdvocate.org, an organization dedicated to bringing transparency to university technology commercialization and intellectual property policies, processes and procedures. Through this effort, Dr. Kaswan has uncovered a number of other cases in which academics or institutions were cheated out of royalty revenues due to inadequate policies, procedures and laws that protect the interests of all parties.

"Given the many success stories arising from university research, it is shocking

that a giant like Allergan is siphoning off big bucks from an institution that provided one of its best-selling treatments," concludes Dr. Kaswan. "Research scientists need to be alerted to the hazards that lie along the path between invention and commercialization and prevent these perils from stifling the conveyance of the products of academic discovery."

## About IP Advocate

IP Advocate (<u>www.IPAdvocate.org</u>) is a non-profit organization that educates and empowers faculty researchers on patent rights and the process of commercialization – helping inventors protect their rights during the complex process of getting their invention from the lab to the people who need it. Founded by Dr. Renee Kaswan, inventor of the billion-dollar drug Restasis® and a former research professor at the University of Georgia, IP Advocate is a rich resource of information and best practices related to the commercialization of intellectual property. IP Advocate is a 501(c)(3) organization and is based in Atlanta.

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