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## Orrick nabs win for pharmaceutical client

*Tekmira to go home with \$65 million cash settlement and a new licensing agreement*

By Rachel Swan  
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Attorneys at the Menlo Park offices of Orrick, Herrington & Sutcliffe LLP scored a huge win by helping a small Canadian pharmaceutical company garner a \$65 million cash settlement in a multi country patent and trade secrets dispute.

More importantly, the settlement outlined a new license agreement between Massachusetts-based Alnylam Pharmaceuticals Inc. and its Canadian competitor, Tekmira Pharmaceuticals Corp.

Under the deal, Alnylam would pay \$30 million to end an old manufacturing agreement with Tekmira and access the smaller company's patents to develop its own lipid nanoparticle technology, which is used to deliver drugs through the bloodstream, Tekmira's president and CEO, Dr. Mark J. Murray, said in a prepared statement.

Both companies saw their shares rise on Tuesday following the Monday afternoon announcement.

Attorneys representing Tekmira at Orrick — led by partner Elizabeth A. Howard — declined to comment, as did Alnylam's lawyers at Wilmer Cutler Pickering Hale and Dorr LLP.

But both companies expressed optimism in separate press statements. The deal will allow Tekmira to form strategic partnerships within the pharmaceutical industry, the companies said, while granting Alnylam more autonomy in manufacturing its own products.

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It also ends years of costly litigation between the companies. Last year, Tekmira sued Alnylam for trade secrets misappropriation related to RNA interference technologies, a new type of medicine that targets genetic material that causes diseases. *Tekmira Pharmaceuticals Corp. et. al. v. Alnylam Pharmaceuticals Inc.*, SUCV2011-01010 (Suffolk Co. Super. Ct., filed March

16, 2011).

Tekmira and Alnylam were business partners developing the technology, which is touted as a medical breakthrough, even though it hasn't put any drugs on the market yet. Tekmira's attorneys at Orrick said in their complaint that Alnylam applied for patents on technology that Tekmira had developed and also sold some of its manufacturing secrets to a third party.

Alnylam launched counter-suits for patent infringement in Canada and the U.S. District Court of Massachusetts. *Alnylam Pharmaceuticals Inc. et al v. Tekmira Pharmaceuticals Corp.*, 12-10087 (D. of Mass., filed Jan. 17, 2012).

The two parties settled just two days before their case was supposed to go to trial in Massachusetts, ending what had become a global patent war.

With \$65 million in cash and an additional \$10 million in near-term milestone payments projected for 2013, Tekmira said it now had the cash to implement its business strategy and put more products in the pipeline.

As a result, Murray said, it's poised to be a leader in RNAi therapeutics.

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