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of any drugs may be approved if the generic is the same as the

DRUG PRICE AND PATENT TERM ACT
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DRUG PRICE COMPETITION AND PATENT
TERM RESTORATION ACT

P.L. 98-417, see page 98 Stat. 1585

Senate Report (Judiciary Committee) No. 98-547,
June 26, 1984 [To accompany S. 1538]

House Report (Energy and Commerce Committee) No. 98-857(I),
June 21, 1984 [To accompany H.R. 3605]

House Report (Judiciary Committee) No. 98-857(II),
Aug. 1, 1984 [To accompany H.R. 3605]

Cong. Record Vol. 130 (1984)

DATES OF CONSIDERATION AND PASSAGE

Senate June 29, August 10, September 12, 1984

House September 6, 1984

S. 1538 was passed in lieu of the House bill after amending its language to contain the text of the House bill. The House Report (Part I, this page, and Part II, page 2686) and a Related Report (page 2721) are set out.

HOUSE REPORT NO. 98-857, Part I

[page 1]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3605) to amend the Federal Food, Drug, and Cosmetic Act to authorize an abbreviated new drug application under section 505 of that Act for generic new drugs equivalent to approved new drugs, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

* * * * *

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PURPOSE AND SUMMARY

TITLE I

The purpose of Title I of the bill is to make available more low cost generic drugs by establishing a generic drug approval procedure for pioneer drugs first approved after 1962. Under current law, there is a generic drug approval procedure for pioneer drugs approved before 1962, but not for pioneer drugs approved after 1962.

Title I of the bill generally extends the procedures used to approve generic copies of pre-62 drugs to post-62 drugs. Generic copies

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of any drugs may be approved if the generic is the same as the original drug or so similar that FDA has determined the differences do not require safety and effectiveness testing.

Title I also requires patent owners to submit information to FDA regarding produce and use patents that cover approved drugs. Generic copies of these drugs may be approved when the patents expire unless the generic company certifies that the patent is invalid or will not be infringed. In such cases, the generic company must notify the patent owner about its certification and approval of the generic drug may not be made effective until the court decides the suit for patent infringement or a period of 18 months, whichever occurs first. Notification must be given when the generic has submitted an ANDA with bioequivalence data.

In addition, Title I affords four years of exclusive market life to drugs which may not be patented and which are approved for the first time after enactment of the bill. Further, drugs which were approved for the first time between 1982 and the date of enactment received ten years of exclusive market life.

TITLE II

The purpose of Title II of the bill is to create a new incentive for increased expenditures for research and development of certain products which are subject to premarket government approval. The incentive is the restoration of some of the time lost on patent life while the product is awaiting pre-market approval. Under current law, a patent continues to run while the maker of the product is testing and awaiting approval to market it.

Title II of H.R. 3605 provides for one extension of the earliest patent on certain products subject to pre-market approval. The extension would be for a period equal to: (1) half of the time required to test the product for safety (and effectiveness in some cases); and (2) all of the time required for the agency to approve marketing of the product. These products include: human drugs, animal drugs, medical devices, and food and color additives.

Title II places several limits on the period of patent extension. First, the period of extension may not exceed two years for products either currently being tested or awaiting approval. For all other products, the period of extension may not exceed five years. Second, the period of patent extension when added to the patent time left after approval of the product may not exceed fourteen years. Third, any time that the product's manufacturer did not act with due diligence during the regulatory review period would be subtracted.

Finally, Title II provides that it is not an act of patent infringement for a generic drug maker to import or to test a patented drug in preparation for seeking FDA approval if marketing of the drug would occur after expiration of the patent.

HEARINGS

The Committee's Subcommittee on Health and the Environment held one day of hearings on H.R. 3605, the Drug Price Competition Act, on July 15, 1983. Testimony was received from 15 witnesses,

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representing nine organizations, with additional material submitted by two individuals and organizations.

COMMITTEE CONSIDERATION

On August 2, 1983, the Committee's Subcommittee on Health and the Environment met in open session and ordered favorably reported H.R. 3605 without amendment by voice vote. On June 12, 1984, the Committee met in open session on H.R. 3605, amended the bill, and ordered it favorably reported by a voice vote. The title of the bill, as amended, is the "Drug Price Competition and Patent Term Restoration Act of 1984."

BACKGROUND AND NEED FOR THE LEGISLATION

TITLE I—ABBREVIATED NEW DRUG APPLICATIONS

Prior to 1962, the Federal Food, Drug and Cosmetic Act (FFDCA) required that all drugs be approved as safe before they could be marketed. The 1962 amendments required that all new drugs, generic and pioneer, must be approved as safe and effective prior to marketing.

As a result of the 1962 amendments, FDA did two things regarding pre-1962 drugs. First, the agency created the Drug Efficacy Study (DESI) to determine if all pre-1962 drugs were effective. Second, FDA established a policy permitting the approval of a generic drug equivalent to a safe and effective pre-1962 pioneer drug.

As a result of the 1962 amendments, the manufacturer of a pioneer drug must conduct tests on humans that show the product to be safe and effective and submit the results in a new drug application (NDA). A manufacturer of a generic drug must conduct tests that show the generic drug is the same as the pioneer drug and that it will be properly manufactured and labeled. This information is submitted in an abbreviated new drug application (ANDA).

The only difference between a NDA and an ANDA is that the generic manufacturer is not required to conduct human clinical trials. FDA considers such retesting to be unnecessary and wasteful because the drug has already been determined to be safe and effective. Moreover, such retesting is unethical because it requires that some sick patients take placebos and be denied treatment known to be effective.

The FDA allows this ANDA procedure only for pioneer drugs approved before 1962. There is no ANDA procedure for approving generic equivalents of pioneer drugs approved after 1962. While the FDA has been considering since 1978 an extension of the pre-1962 ANDA policy to post-1962 drugs, it has not extended the regulation. Because of the agency's failure to act, Title I of H.R. 3605 is necessary to establish a post-1962 ANDA policy.

Some have suggested that "Paper NDAs" be used to approve generic equivalents of pioneer drugs approved after 1962. Under the Paper NDA procedure, the generic manufacturer may submit scientific reports, instead of clinical trials, to support findings of safety and efficacy. This procedure is inadequate, however, because FDA estimates that satisfactory reports are not available for 85 percent of all post-1962 drugs.

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Currently, there are approximately 150 drugs approved after 1962 that are off patent and for which there is no generic equivalent. All of these drugs could be approved in generic form if there was a procedure. Each year, more pioneer drugs go off patent and become available for approval as generics.

Among the drugs available or soon to be available for generic approval are five best sellers: valium, motrin, inderal, dyazide, and lasix. Dyazide, for example, is the most widely used diuretic for the treatment of high blood pressure. Its patent expired in 1981. Valium is a popular tranquilizer whose patent expires in 1985. Another drug whose patent has expired is indocin, an anti-inflammatory drug used in the treatment of arthritis that is the tenth highest selling drug in the United States.

The availability of generic versions of pioneer drugs approved after 1962 would save American consumers \$920 million over the next 12 years. Older Americans, in particular, would benefit because they use almost 25 percent of all prescription drugs.

Moreover, the lack of generics for post-1962 pioneer drugs will cost Federal and State governments millions of dollars. For the drug metronidazole, purchased by the Department of Defense, the taxpayers saved approximately \$1.2 million in one year as a result of the availability of a lower priced generic version. Federal and State governments will be denied comparable savings on drugs approved after 1962 because of the lack of an approval procedure.

TITLE II—PATENT TERM RESTORATION

Patents are designed to promote innovation by providing the right to exclude others from making, using, or selling an invention. They enable innovators to obtain greater profits than could have been obtained if direct competition existed. These profits act as incentives for innovative activities.

Although the patent term in the United States is 17 years, the period during the patent term in which products are marketed (the effective patent term) is usually less than 17 years because patents often are obtained before products are ready to be marketed.

Effective patent terms are influenced by many factors, including Federal pre-marketing and premanufacturing regulations. The products covered by these regulations include pharmaceuticals, medical devices, food additives, and color additives. Pharmaceuticals for instance cannot be marketed in the United States until they have been approved by the Food and Drug Administration (FDA). To obtain such approval, drugs must undergo extensive testing to prove they are both safe and effective. All these products are subject to different regulations that have had varying impacts on effective patent terms.

In testimony before several Congressional committees, representatives from the pharmaceutical firms that are heavily involved in basic research and rely upon patents, claimed that the average effective patent term of drugs has declined. They argued that a continuation of the decline would result in decreased expenditures for research and development and, eventually, in a decline in the introduction of new drugs.

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As compensation for the loss of patent term due to government review, the research intensive firms argued for patent term extension legislation. They stated that the legislation would create a significant, new incentive which would result in increased expenditures for research and development, and ultimately in more innovative drugs.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of Rule XI of the Rules of the House of Representatives, the Committee reports that oversight of the Food and Drug Administration and the Federal Food, Drug, and Cosmetic Act was conducted by the Subcommittee on Health and the Environment. A hearing was held on July 15, 1983. The findings of the Committee's oversight activities have been incorporated into the legislation and are discussed in those portions of this report entitled "Background and Need for the Legislation" and "Section-by-Section Analysis."

COMMITTEE ON GOVERNMENT OPERATIONS

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

COMMITTEE COST ESTIMATE

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the Committee believes that the costs, if any, incurred in carrying out H.R. 3605 will be offset by savings to the Federal government. In testifying before the Committee's Subcommittee on Health and the Environment, officials from the Food and Drug Administration estimated that any greater workload resulting from the approval of generic drugs under Title I would be absorbed initially. Later, the officials estimated, some additional staff might be required to process generic drug applications. This additional staff could cost up to \$1.1 million. The actual cost to the Federal government cannot be estimated because it is unknown how much additional staff, if any, might be hired.

Enactment of the legislation, however, will result in significant cost savings to the Federal government. Unlike the costs of H.R. 3605, these savings are certain. The Federal government spent about \$2.4 billion for drugs in 1983. Many of these drugs will be available as low cost generic after enactment of H.R. 3605. For example, the Department of Defense saved approximately \$1.2 million in one year when a lower priced generic version of metronidazole became available.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clauses 2(1)(3) (B) and (C) of rule XI of the Rules of the House of Representatives, the Committee sets forth the following letter and cost estimate prepared by the Congressional Budget Office with respect to the reported bill:

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U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 19, 1984.

HON. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3605, the Drug Price Competition and Patent Term Restoration Act of 1984, as ordered reported by the House Committee on Energy and Commerce on June 12, 1984.

Title I of this bill would allow drug manufacturers to use an abbreviated new drug application (ANDA) when seeking approval to make generic copies of drugs that were approved by the Food and Drug Administration (FDA) after 1962. An estimated 150 drug products approved after 1962 are currently off patent and would become available for generic copy using the ANDA procedure proposed in this bill.

The FDA estimates that the enactment of H.R. 3605 would at least triple the workload of the division responsible for approving ANDAs. Currently, this division reviews ANDAs for generic copies of pre-1962 approved drug products. The workload would increase as several manufacturers file an ANDA for each drug product that becomes available for generic copy. Because they would be reviewing information on new drugs, the FDA believes it would take them a year to process each of the new applications. This is about three months longer on average than it currently takes to process a pre-1962 ANDA. Dr. Marvin Seife, Director of FDA's Division of Generic Drug Monographs, testified before the Subcommittee on Health and the Environment that a greater workload could at first be absorbed, but may later require additional office space and 15 new FDA employees. Assuming an average full-time equivalent position plus overhead and fringe benefits is \$70,000, the potential cost to the FDA of implementing this legislation could be about \$1.1 million. The actual cost to the federal government would depend on the extent to which the FDA would expand to accommodate the increased workload.

Enactment of this legislation could also result in savings to both the federal and state and local governments. In fiscal year 1983, the federal government spent approximately \$2.4 billion for drugs in the Medicaid program, and in veteran and military hospitals. Data on drug costs in the Medicare program are unavailable. If the federal government is currently purchasing these 150 copiable drug products at higher, brand name prices, savings may result if lower priced, generic copies of these drugs are substituted.

It is difficult to know in advance which of the available 150 drug products manufacturers would choose to copy. It is also difficult to estimate the price at which these generic copies would be sold. Generic versions of ten popular drug products show their price to be on average 50 percent less than their brand name equivalent. The dollar amount the federal government currently spends on these 150 brand name drug products is unknown.

Title II of this bill would extend the amount of time for which certain patents are issued to include some or all of the time re-

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21 U.S.C. 355.

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quired for a manufacturer to test a product for safety and efficacy and to receive marketing approval. Products affected by this legislation would be drugs, medical devices, and food and color additives. Manufacturers must show due diligence in their product testing or this amount of time will be subtracted from the total life of the patent. This provision would place an additional burden on the FDA. They would be responsible for keeping track of a manufacturer's product testing time and for determining their diligence in completing the testing. These costs, however, would be negligible.

Enactment of this bill could result in increased personnel costs to the federal government of approximately \$1.1 million. The bill, however, does not specifically authorize additional appropriations for the FDA. This bill may also result in savings if cheaper, generic drugs are made available for purchase by the federal government. These savings would occur in various programs throughout the budget such as Medicare, Medicaid, and the Veterans Administration. However, the magnitude of these savings is unknown.

Please call me if I can be of additional assistance, or your staff may wish to contact Carmela Pena (226-2820) of our Budget Analysis Division for further details on this estimate.

Sincerely,

ERIC HANUSHEK

(For Rudolph G. Penner, Director).

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflationary impact of the reported bill:

The Committee believes that enactment of H.R. 3605 will not have an inflationary impact upon the economy. In fact, Title I of the bill will have a deflationary effect because it makes available lower priced generic versions of drugs. Such generic drugs are three to fifteen times less costly than their brand name counterparts. The estimated \$1 billion cost savings to consumers as a result of Title I's generic drug approval procedure will have a deflationary effect upon the national economy. While Title II of the bill provides for a limited extension of the patents on certain products, the Committee believes that the additional patent term will act as a spur to develop innovative and, ultimately, less costly treatments for diseases.

SECTION-BY-SECTION ANALYSIS

TITLE I—DRUG PRICE COMPETITION ACT

Section 101

Section 101 amends section 505 of the Federal Food, Drug and Cosmetic Act (FFDCA)¹ to establish a new subsection (J) providing for the approval of abbreviated new drug applications (ANDA). Paragraph (1) of subsection (j) sets forth the information which must be included in an ANDA.

¹ 21 U.S.C. 355.

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June 19, 1984.

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ANDA's for drugs which are the same

In the case of drugs which are the same as the listed drug, the focus of the bill is to provide the Food and Drug Administration (FDA) with sufficient information to assure that the generic drug is the same as the listed drug² that has previously been determined to be safe and effective. Some have suggested that a generic drug must be identical in all respects to the listed drug instead of the same. The regulations that permit ANDA's for pre-1962 pioneer drugs make no such distinction.³ In rejecting the use of the term identical, the FDA regulation comments that "identical means a product that is the same in dosage form, strength, and route of administration, contains the same active ingredient, and is recommended for use under the same conditions of use."⁴ The Committee has adopted the FDA's policy of utilizing the term "same" except that the bill permits an ANDA to be approved for less than all of the indications for which the listed drug has been approved as explained below.

First, an ANDA must include sufficient information to show that the conditions of use for which the applicant is seeking approval are the same as those that have been previously approved for the listed drug. The applicant need not seek approval for all of the indications for which the listed drug has been approved. For example, if the listed drug has been approved for hypertension and angina pectoris, and if the indication for hypertension is protected by patent, then the applicant could seek approval for only the angina pectoris indication.

While the FDA's current regulations for considering ANDA's for pioneer drugs approved before 1962 permit an applicant to petition for approval for an indication other than that which has been approved for the pioneer drug, section 101 of the bill overturns that policy.⁵ Thus, an ANDA may not be considered for a condition of use that has not been previously approved for the listed drug.

An ANDA must also contain sufficient information to show that the active ingredients of the generic drug are the same as those of the listed drug. If the listed drug has one active ingredient, then the active ingredient of the generic must be the same. If the listed drug has more than one active ingredient, then sufficient information must be included to show that all of the active ingredients in the generic drug are the same.

In addition, an ANDA must contain sufficient information to show that the route of administration, the dosage form and the strength of the generic drug are the same as those of the listed drug.

Further, an ANDA must include sufficient information to show that the generic drug is bioequivalent to the listed drug.

² The term "listed drug" is explained in paragraph (6) of new section 505(j) of the FDCA. Generally, a listed drug includes any drug that has been approved for safety and effectiveness or that has been approved under new subsection (j).

³ 48 Fed. Reg. 2751 (1983).

⁴ Id. at 2755.

⁵ Id. at 2755.

⁶ 21 C.F.R. 314.2(c) provides in part:

"A prospective applicant may seek a determination of the suitability of an abbreviated new drug application for a product that the applicant believes similar or related to a drug product that has been declared to be suitable for an abbreviated new drug application . . ."

Fifth, an ANDA must include sufficient information to show that the generic drug is the same as the listed drug in the following respects: the name and the expiration date of the listed drug must be the same as the generic drug, and the generic drug must be of the same color as the listed drug manufacturer, who is the manufacturer of the generic drug.

Sixth, an ANDA must include sufficient information to show that the generic drug, in its description of processing and its packaging, is the same as the listed drug and its packaging.

Seventh, an ANDA must include sufficient information regarding the generic drug if the patent for the listed drug is in effect or (c). With respect to the listed drug and all other drugs for which the applicant is seeking approval and to the listed drug.

The applicant must include sufficient information under section 101 of the bill in each case. If approved, the applicant must include sufficient information regarding the product.

Third, the applicant must include sufficient information regarding the product specified date of expiration, if the product is a listed drug. Last, an ANDA must include sufficient information regarding the product if the product is a listed drug.

The Committee will have to determine whether the applicant will have to include sufficient information regarding the product if the product is a listed drug and a year, then the applicant must include sufficient information regarding the product and the other information that the applicant must include regarding the product and the other information.

Eighth, if the listed drug is a listed drug and if the ANDA must include sufficient information regarding the product, the listed drug applicant is seeking approval for the product. The applicant must include sufficient information regarding the product and the other information.

Finally, the applicant must include sufficient information regarding the product and the other information.

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Fifth, an ANDA must contain adequate information to show that the proposed labeling for the generic drug is the same as that of the listed drug. The Committee recognizes that the proposed labeling for the generic drug may not be exactly the same. For example, the name and address of the manufacturers would vary as might the expiration dates for the two products. Another example is that one color is used in the coating of the listed drug and another color is used in that of the generic drug. The FDA might require the listed drug maker to specify the color in its label. The generic manufacturer, which has used a different color, would have to specify a different color in its label.

Sixth, an ANDA must include a list of all the components of the generic drug, a description of the composition of the generic drug, a description of the methods and controls used in the manufacture, processing and packing of the generic drug, samples of the generic drug and its components, and specimens of the proposed labeling.

Seventh, an ANDA must include a certification by the applicant regarding the status of certain patents applicable to the listed drug if the patent information has been submitted under section 505 (b) or (c). With respect to all product patents which claim the listed drug and all use patents which claim an indication for the drug for which the applicant is seeking approval (hereafter described as a controlling use patent), the applicant must certify, in his opinion and to the best of his knowledge, as to one of four circumstances.

The applicant may certify that the patent information required under sections 505 (b) and (c) has not been submitted if that is the case. If appropriate, the applicant may certify that one or more of the product or controlling use patents provided have expired. Third, the applicant may certify when appropriate that one or more of the product or controlling use patents will expire at some specified date in the future. When the applicant makes these certifications, it must rely upon the patent information supplied to the FDA. Last, an applicant may certify if applicable that one or more of the product or controlling use patents are invalid or will not be infringed.

The Committee recognizes that in some instances an applicant will have to make multiple certifications with respect to product or controlling use patents. For example, if the product patent has expired and a valid controlling use patent will not expire for three years, then the applicant must certify that one patent has expired and the other will expire in three years. The Committee intends that the applicant make the appropriate certification for each product and controlling use patent.

Eighth, if there are indications which are claimed by any use patent and for which the applicant is not seeking approval, then an ANDA must state that the applicant is not seeking approval for those indications which are claimed by such use patent. For example, the listed drug may be approved for two indications. If the applicant is seeking approval only for indication No. 1, and not indication No. 2 because it is protected by a use patent, then the applicant must make the appropriate certification and a statement explaining that it is not seeking approval for indication No. 2.

Finally, the Committee intends that an ANDA contain any information available to the applicant regarding reports of adverse ef-

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fects not reflected in the labeling, an environmental impact analysis pursuant to FDA regulations, statements regarding the protection of human subjects in clinical investigations as required by FDA regulations, and a statement regarding compliance with good laboratory practices in non-clinical investigations as required by FDA regulations.⁶

ANDA's for drugs which are different

Paragraph (2)(C) prohibits any person from submitting an ANDA for a generic drug which differs from the listed drug unless the change is permitted by the statute and the FDA has granted a petition requesting the change.

If an applicant wishes to vary the route of administration, dosage form or strength of the generic drug from the listed drug, it must first petition the FDA for permission to file an ANDA for the differing generic drug. In addition, an applicant may request to vary one of the active ingredients in the generic drug from the listed drug when the listed drug is a combination product. The remaining active ingredients of the generic drug must be the same as the other active ingredients of the listed drug.

These are the only changes from the listed drug for which an applicant may petition. As is explained in the ANDA regulations for pre-1962 drugs, the Committee generally expects that approval of petitions will "ordinarily be limited to dosage forms for the same route of administration or to closely related ingredients."⁷ If the FDA grants a petition for a change from the listed drug, the FDA may require such additional information in the ANDA regarding the change as it deems necessary.

The FDA must approve a petition to submit an ANDA for a differing generic drug unless clinical studies are needed to show the safety and effectiveness of the change. In reviewing a petition to change one of the active ingredients in a combination product, the Committee does not intend to change the FDA's current policy regarding the evaluation of the safety and effectiveness of combination products. If the FDA finds that safety and effectiveness testing of the active ingredients of the drug, individually or in combination, is required, then the FDA must deny the petition.

The FDA must either approve or disapprove a petition within 90 days of its submission. As is the case under the current regulations, "there is no legal requirement that the hearing opportunity provided by section 505(c) be made available to ANDA applicants who disagree with an adverse agency decision" on whether clinical studies are needed to show the safety and effectiveness of the differing generic drug.⁸ "Appropriate review of such decisions may be had . . . under the applicable standard—that applicable to administrative decisionmaking generally—which is whether the agency's decision is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law (5 U.S.C. 706(2)(A))."⁹ If the FDA

⁶ Id. at 2756. See 21 CFR 314.20(4), (5), (6), (7), and (8).

⁷ Id. at 2755. See 21 CFR 314.2(c).

⁸ Id. at 2752.

⁹ Id.

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If the FDA approves one of the active ingredients listed combination product to show that including the varying logical or therapeutic the differing generic therapeutic effect condition of use.

An example of that the FDA might approve for aspirin might be the substitution of an active ingredient. The FDA is required to ensure safety and effectiveness under section 201(p) of

Certification of

When an applicant's patent is invalid that it must grant the patent or terminate when 505(b) or (c) of a procedure for patent owner. to the holder of drug which is claimed by a

This notice is an ANDA. The Committee intend effort to meet regarding the

While the minor piece of the notice

¹⁰ 21 U.S.C. 321g "therapeutic drug" and 201(p) of the FDCA that is generally required for a material time

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does not approve a petition, then an ANDA may not be filed for a generic drug that varies from the listed drug.

An ANDA for a drug which differs from the listed drug and for which a petition has been approved by the FDA must contain such additional information regarding the difference as the FDA may require when it granted the petition. For example, if the route of administration of the generic drug differs from that of the listed drug, then the FDA may require such additional information on that change as it deems necessary.

If the FDA approves a petition permitting an applicant to vary one of the active ingredients of a generic drug from those of the listed combination drug, the ANDA must contain sufficient information to show that the active ingredients of the generic drug (including the varying active ingredient) are of the same pharmacological or therapeutic class as those of the listed drug. In addition, the differing generic drug must be expected to have the same therapeutic effect when administered to patients for an approved condition of use.

An example of such a change in one of the active ingredients that the FDA might find acceptable is the substitution of acetaminophen for aspirin in a combination product. Another example might be the substitution of one antihistamine for another. The active ingredient, which the applicant wishes to vary and which the FDA has granted a petition, must have been approved for safety and effectiveness or must not be within the requirements of section 201(p) of FFDCA.¹⁰

Certification of invalidity of noninfringement of a patent

When an applicant certifies that any product or controlling use patent is invalid or will not be infringed, paragraph (2)(B) requires that it must give notice of such certification to either the owner of the patent or the representative of the patent owner that was designated when the patent information was submitted under section 505(b) or (c) of the FFDCA. The FDA may, by regulation, establish a procedure for designating in the NDA the representative of the patent owner. In addition, notice of the certification must be given to the holder of the approved New Drug Application (NDA) for the drug which is claimed by a product patent or the use of which is claimed by a use patent.

This notice must be given simultaneously with the submission of an ANDA. The Committee does not intend that applicants be permitted to circumvent this notice requirement by filing sham ANDA's or ANDA's which are substantially incomplete. The Committee intends that the applicant must have made a good faith effort to meet the requirements set forth in paragraph (2)(A) regarding the contents of an ANDA.

While the Committee does not intend that failure to include a minor piece of information in an ANDA vitiates the effectiveness of the notice required under paragraph (2)(B), an ANDA must in-

¹⁰ 21 U.S.C. 321(p). For example, a drug marketed prior to 1938 and unchanged is a "grandfathered drug" and thus not within the scope of the definition of "new drug" set forth in section 201(p) of the FFDCA. Another example of a drug outside the scope of section 201(p) is a product that is generally recognized as safe and effective and that has been used to a material extent or for a material time.

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clude the results of any required bioavailability or bioequivalence tests. Failure to include the results of such tests when required will void the effectiveness of any notice under paragraph (2)(B). Notice must then be given again when an ANDA with any required bioavailability or bioequivalence data is submitted to the FDA.

When the applicant gives notice of the certification of patent invalidity or non-infringement, the notice must state that an ANDA has been submitted to obtain approval of the drug to engage in the commercial manufacture, use or sale of the generic drug before the expiration of the patent which has been certified as invalid or non-infringed.

If an ANDA is amended after submission to include a certification that a product patent or controlling use patent is invalid or not infringed, then the notice of such certification must be given to the appropriate parties when the amended application is submitted.

Grounds for disapproval of an ANDA

Paragraph (3) provides that the FDA shall approve an ANDA except in one of the following circumstances.

First, the FDA shall not approve an ANDA if the methods used in, or the facilities and controls used for, the manufacture, processing and packing of the generic drug are inadequate to assure and preserve its identity, strength, quality and purity.

Second, an ANDA shall not be approved if it does not contain adequate information to show that each of the conditions for use for the generic drug have been previously approved for the listed drug. If an ANDA includes a condition for use for which the listed drug has not been approved, then the generic drug may not be approved.

Third, an ANDA must be disapproved if the active ingredient of the generic drug is not the same as that of the listed drug and the listed drug has only one active ingredient. An ANDA must also be disapproved if any of the active ingredients in the generic drug are not the same as those of the listed drug unless a petition regarding a change in one of the active ingredients has been granted. If the listed drug is a combination product and a petition permitting a change in one of the active ingredients in the generic drug has been granted, then the ANDA must be disapproved if the other active ingredients of the generic drug are not the same as those of the listed drug. Further, ANDA must be disapproved in such a circumstance if the different active ingredient in the generic drug is not a listed drug or if the different active ingredient is a drug within the requirements of section 201(p) of the FDCA.

Fourth, an ANDA for a drug which is the same must be disapproved if it does not show that the route of administration, dosage form, or strength of the generic drug are all the same as those of the listed drug. If the route of administration, dosage form, or strength of the generic drug differs from that of the listed drug, an ANDA must be disapproved if no petition regarding the change was granted.

Fifth, an ANDA must be disapproved if the generic drug differs from the listed drug and a petition regarding the change has been

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granted, but the ANDA does not contain all of the additional information that the FDA required in granting the petition.

A sixth ground requiring disapproval of an ANDA for a generic drug whose active ingredients are the same as those of the listed drug is that there is insufficient information to show that the generic drug is bioequivalent to the listed drug. If a petition regarding a change in one of the active ingredients in a combination generic drug has been granted, then the ANDA must be disapproved if the application fails to show that the active ingredients of the generic drug are of the same pharmacological or therapeutic class as those of the listed drug. In addition, such an ANDA must be disapproved if it fails to show that the differing generic combination drug can be expected to have the same therapeutic effect as the listed combination product when administered to patients for an approved condition of use.

Seventh, an ANDA must also be disapproved if it fails to show that the proposed labeling for the generic drug is the same as that of the listed drug. Changes in the proposed labeling due to the fact that the generic drug is produced or distributed by a different manufacturer are not a grounds for disapproval. Similarly, changes in the proposed labeling of the generic drug because a petition regarding a change has been granted is not a grounds for disapproval.

Eighth, an ANDA must be disapproved if it or any other information before the FDA shows that the inactive ingredients of the generic drug are unsafe for use under the conditions prescribed, recommended, or suggested in the proposed labeling for the generic drug. An ANDA must also be disapproved if the composition of the generic drug is unsafe under approved conditions of use. For example, the composition of the generic drug might be unsafe because of the type or quantity of the inactive ingredient included or because of the manner in which the inactive ingredient was included.

Ninth, an ANDA may not be approved if the approval of the listed drug has been withdrawn or suspended for reasons of safety or effectiveness under section 505(e) (1)-(4) of the FDCA.¹¹ The ANDA may also not be approved if the FDA determines that the listed drug has been voluntarily withdrawn from the market for safety or effectiveness reasons. The Committee recognizes that the maker of a listed drug might withdraw it from the market without specifying the reason or without articulating safety or effectiveness concerns. For this reason, the Committee authorized the FDA to examine whether safety or effectiveness concerns were one of the reasons for the voluntary withdrawal of the drug from the market. If the FDA so finds, then an ANDA for a generic version of that drug may not be approved.

Tenth, an ANDA may not be approved if it does not meet any of the requirements set forth in paragraph (2)(A). For example, an ANDA that does not contain the certifications regarding patents required in paragraph (a)(vii) cannot be approved.

Last, an ANDA may not be approved if it contains any untrue statement of material fact.¹²

¹¹ 21 U.S.C. 352(e)(1)-(4).

¹² See Untrue statements in application, 21 C.F.R. 314.12 (1982).

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Approval of an ANDA

Paragraph (4)(A) requires the FDA to approve or disapprove an ANDA within 180 days of initial receipt of the application. The Committee recognizes that extensions may be necessary so the bill permits extensions of this period for so long as the applicant and the FDA may agree upon.

Effectiveness of an ANDA approval

The Committee recognizes that some ANDA's will be submitted and ready for approval before the patent on the listed drug has expired. To deal with this situation and to assure that the FDA concerns itself solely with the safety and effectiveness of the generic drug, paragraph (4)(B) permits the FDA to approve an ANDA but make the approval effective at some later date when appropriate.

If the applicant certified in an ANDA that no patent information was supplied or that the relevant patents have expired, then the approval of the ANDA may be made effective immediately. If the applicant certified based upon the submitted patent information that the patent or patents would expire in one year, then an ANDA may be approved and the approval made effective in one year.

If the applicant certified that one or more of the product or controlling use patents were invalid or not infringed, then approval of the ANDA may be made effective immediately except in the following situation. If within 45 days after notice of the certification of invalidity or non-infringement is received, an action for patent infringement regarding one or more of the patents subject to the certification is brought,¹³ then approval of the ANDA may not be made effective immediately. Instead, approval of the ANDA may not be made effective until 18 months after the notice of the certification was provided unless a district court has decided a case for patent infringement earlier. Once either of these events occurs and the approval of the ANDA becomes effective, then the FDA has discharged its statutory responsibility with respect to making the approval of the generic drug effective.

Each party to the action has an affirmative duty to reasonably cooperate in expediting the action. If the plaintiff breaches that duty, the court may shorten the 18 month period as it deems appropriate. If the defendant breaches that duty, the court may extend the 18 month period as it deems appropriate.

If the court decides that the patent is invalid or not infringed before the expiration of the 18 month period (or such shorter or longer period as the court decides), then the approval may be made effective on the date of the court decision. If the court decides that the patent is valid or infringed before the expiration of the 18 month period, then the approval may be made effective on such date as the court orders. The Committee wishes to emphasize that the court may not order an ANDA approved under this provision.

¹³ The Committee recognizes that, in certain instances, the patent owner may agree with the certification of the applicant. For example, when the applicant certifies that patent No. 1 is invalid and patent No. 2 is not infringed, the patent owner may agree with the certification regarding patent No. 2. Then an action for patent infringement need only be brought with respect to patent No. 1.

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These are times when approval of an ANDA may be made effective if the FDA has approved the ANDA.

This additional remedy permits the commencement of a legal action for patent infringement before the generic drug maker has begun marketing. The Committee believes this procedure fairly balances the rights of a patent owner to prevent others from making, using, or selling its patented product and the rights of third parties to contest the validity of a patent or to market a product which they believe is not claimed by the patent.

The provisions of this bill relating to the litigation of disputes involving patent validity and infringement are not intended to modify existing patent law with respect to the burden of proof and the nature of the proof to be considered by the courts in determining whether a patent is valid or infringed.

Concern has been expressed that permitting an applicant to market its drug at the conclusion of the 18 month period and possibly before the resolution of the patent infringement suit overturns the statutory presumption of a patent's validity. On the contrary, the Committee intends that a patent would have the same statutory presumption of validity as is afforded under current law.

In most instances, an ANDA will contain multiple certifications. The FDA should make approval of the ANDA effective upon the last certification. For example, if an ANDA contains a certification that a product patent is expired and a controlling use patent will expire in three years, then the FDA must make approval of the ANDA effective in three years. In the case where the patent certification is amended in an ANDA to allege invalidity or non-infringement of a patent, the FDA may not make the approval effective within the 45 day period that an action for patent infringement may be brought.

No action for a declaratory judgment regarding the patent at issue may be brought before the expiration of the 45 day period commencing with the provision of notice of the certification of patent invalidity or non-infringement. Any suit for declaratory judgment after the 45 day period must be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

Subsequent ANDA's certifying patent invalidity or noninfringement

If an ANDA certifying patent invalidity or non-infringement is filed subsequent to an ANDA for the same listed drug that has made the same certification of invalidity or non-infringement, paragraph (4)(B)(iv) provides that the approval of the subsequent ANDA may not be made effective sooner than 180 days after the previous applicant has begun commercial marketing, or the date on which the court holds the patent invalid or not infringed, whichever occurs first. In the event of multiple ANDA's certifying patent invalidity or non-infringement, the courts should employ the existing rules for multidistrict litigation, when appropriate, to avoid hardship on the parties and witnesses and to promote the just and efficient conduct of the patent infringement actions.¹⁴

¹⁴ 28 U.S.C. 1407.

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Disapproval of an ANDA

If the FDA decides to disapprove an ANDA, paragraph (4)(C) provides that the FDA must give the applicant notice of the opportunity for a hearing on the issue of the approvability of the ANDA. To avail itself of this hearing, the applicant must submit a written request within 30 days of the notice. If a hearing is requested, it must begin not later than 120 days after the notice. However, the hearing may be held later if both the applicant and the FDA agree. The hearing shall be conducted on an expedited basis. The FDA's order regarding the hearing shall be issued within 90 days after the date for filing final briefs.

Transition rule

Paragraph (4)(D)(i) provides that the FDA may not make effective the approval of an ANDA for a drug including an active ingredient (including any ester or salt of the active ingredient) which was approved for the first time in an NDA between January 1, 1982 and the date of enactment of this bill until 10 years after the date of approval of the NDA. For example, if active ingredient X was approved in a drug for the first time in 1983, when the approval of an ANDA for a drug containing active ingredient X could not be made effective until 1993.

Unpatentable drugs

If the active ingredient (including any ester or salt of the active ingredient) of a drug is approved for the first time in an NDA after the enactment of this bill, then paragraph (4)(D)(ii) provides that the FDA may not make the approval of an ANDA for a drug which contains the same active ingredient effective until four years after the approval of the NDA if the following conditions are met.

First, the holder of the NDA must certify that no patent has ever been issued to any person for such drug or for a method of using such drug. Second, the holder must certify that it cannot receive a patent for such drug or for a method using such drug for any known therapeutic purpose. In determining whether a drug meets these two patent stipulations, the FDA may rely upon the certifications of the NDA holder.

If the FDA determines at any time during the four year period that an adequate supply of the drug will not be available, it may make the approval of an ANDA effective before the expiration of the four year period. The FDA may also make the approval of an ANDA for such drug effective before the four year period if the holder of the NDA consents.

Withdrawal or suspension of listed drug's approval

Paragraph (5) provides that the approval of an ANDA is withdrawn or suspended if approval of the listed version of the generic drug has been withdrawn or suspended for safety or effectiveness reasons as set forth in section 505(e) (1)-(4) of the FFDCA. The approval of an ANDA is also withdrawn or suspended if it refers to a drug whose approval is withdrawn or suspended under section 505(j)(5) of the FFDCA. In addition, the approval of an ANDA is withdrawn or suspended if the FDA determines that the listed

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drug has been voluntarily withdrawn from sale due to safety or effectiveness concerns.

The Committee recognizes that the maker of a listed drug might withdraw it from the market without specifying the reason or without articulating safety or effectiveness concerns. For this reason, the Committee authorized the FDA to examine whether safety or effectiveness concerns were one of the reasons for the voluntary withdrawal of the drug from the market. If the FDA so finds, then the approval of an ANDA for a generic version of that drug must be withdrawn or suspended.

The ANDA must be withdrawn or suspended from sale for the same period as the approval of the drug to which it refers has been withdrawn or suspended. When the listed drug has been voluntarily withdrawn from the market and the FDA has determined that the listed drug was withdrawn due to safety or effectiveness reasons, then the approval of the ANDA must be withdrawn until such time as the FDA determines that the listed drug was not withdrawn from sale for safety or effectiveness reasons.

Listings of drugs

Within 60 days after enactment of this bill, Paragraph (6) requires the FDA to publish and to make available a list of drugs eligible for consideration in an ANDA. The list must include the official and proprietary name of each drug that has been approved for safety and effectiveness prior to the date of enactment of the bill. The list must be in alphabetical order. If the drug was approved after 1981, the list must include the date of approval of the drug and the NDA number. Third, the list must specify whether in vitro or in vivo bioequivalence studies, or both, are required for ANDA's.

At 30-day intervals, the FDA must update the list to include drugs that have been approved for safety and effectiveness after enactment of H.R. 3605 and drugs approved in ANDA's under this subsection. In addition, the FDA must integrate into the list patent information submitted under sections 505 (b) and (c) of the FDCA as it becomes available.

A drug approved for safety and effectiveness under section 505(c) or under subsection (j) shall be considered as published and thus eligible for approval in an ANDA on the date of its approval or the date of enactment, whichever is later.

Paragraph (6)(C) provides a drug may not be listed as eligible for consideration in an ANDA if the approval of the pioneer drug is withdrawn or suspended for safety or effectiveness reasons as set forth in section 505 (e)(1)-(4) of the FDCA or if approval of the generic drug was withdrawn or suspended under Section 505(j)(5) of the FDCA. In addition, a drug may not be listed if the FDA determines that the drug has been voluntarily withdrawn from sale due to safety or effectiveness concerns. If such a drug has already been listed, then it must be immediately removed from the list.

The Committee recognizes that the maker of a listed drug might withdraw it from the market without specifying the reason of without articulating safety or effectiveness concerns. For this reason, the Committee authorized the FDA to examine whether safety or effectiveness concerns were one of the reasons for the voluntary withdrawal of the drugs from the market. If the FDA so finds, then

aph (4)(C) provide the opportunity to submit an ANDA. To obtain a written request, it must be approved, the hearing, the FDA agrees. The FDA's order is effective after the date

to make effective (active ingredient) which is in effect on January 1, 1982, or after the date of approval of the active ingredient X. If the approval of X could not

of the active ingredient in an ANDA after the date of approval of a drug which is in effect after

has ever been used for the treatment of a disease. The FDA will not receive a drug for any disease if the drug does not meet the criteria for the certification

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ANDAs are withdrawn if the generic drug is not approved. The FDCA. The application refers to a drug under section 505(j)(5) of the FDCA. An ANDA is not approved if the listed

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the drug may not be listed. Persons adversely affected by this decision may seek judicial review under Title 5 of the United States Code.

A drug may not be listed as long as its approval is withdrawn or suspended. If the drug has been voluntarily withdrawn from the market, then the drug may not be listed until the FDA determines that the drug was not withdrawn from sale for safety or effectiveness reasons. A notice regarding the removal of any drug from the list must be published in the Federal Register.

Bioavailability and bioequivalence studies

As used in this bill, the term "bioavailability" means the rate and extent to which the active ingredient or therapeutic ingredient is absorbed from a drug and becomes available at the site of drug action.¹⁵

A drug shall be considered bioequivalent to a listed drug if the rate and extent of absorption of the generic drug do not show a significant difference from the rate and extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses. A generic drug shall also be considered to be bioequivalent to a listed drug if the extent of absorption of the generic drug does not show a significant difference from the extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses and the difference from the listed drug in the rate of absorption of the generic drug is intentional, is reflected in the proposed labeling, is not essential to the attainment of effective body drug concentrations on chronic use, and is considered medically insignificant for the drug.¹⁶

Section 102

Section 102 of the bill requires that certain patent information be filed with all new NDA's and with all NDA's previously filed but not yet approved. Pending and future NDA's may not be approved unless they contain the appropriate patent information. The FDA shall publish the patent information upon approval of the NDA.

This section also requires that any previously approved NDA be amended within 30 days of enactment of this bill to include certain patent information. The FDA shall publish the patent information upon its submission. An NDA may be revoked if the patent information available is advisable and is not filed within 30 days after receipt of a written notice from the FDA specifying the failure to provide the patent information.

The patent information to be filed includes the patent number and the expiration date of any patent which claims the drug in the NDA or which claims a method of using such drug with respect to which a claim of patent infringement could reasonably be asserted

¹⁵ See Definition of Bioavailability, 21 C.F.R. 320.1(a) (1982).

¹⁶ See Definition of Bioequivalent Drug Products, 21 C.F.R. 320.1(e) (1982).

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if a person not licensed by the owner engaged in the manufacture, sale or use of the drug. Patents which claim a method of manufacturing such drug are not required to be submitted.

Finally, section 102 makes a number of technical changes.

Section 103

Section 103 amends section 505(b) of the FFDCA to require an applicant filing a Paper NDA's for a listed drug under section 505(j)(6) to make the same certifications regarding patents as mandated in the filing of ANDA's under new subsection (j) of the FFDCA. In addition, the FDA must make approvals for such Paper NDA's effective under the same conditions that apply to ANDA's submitted under subsection (j). Finally, section 103 applies the 10 year transition rule and the 4 year unpatentable substances rule to Paper NDA's.

Paper NDA's

Paper NDA's are defined as any application submitted under section 505(b) of the FFDCA in which the investigations relied upon by the applicant to show safety and effectiveness were not conducted by or for the applicant and the applicant has not obtained a right of reference or use from the person who conducted the studies or for whom the studies were conducted.

Patent certifications in paper NDA's for listed drugs

When a Paper NDA's is submitted for a listed drug under section 505(j)(6), it must include a certification by the applicant regarding the status of certain patents applicable to the listed drug if such information has been provided to the FDA. With respect to all product patents which claim the listed drug and all use patents which claim an indication for the drug for which the applicant is seeking approval (hereafter described as a controlling use patent), the applicant must certify, in his opinion and to the best of his knowledge, as to one of four circumstances.

First, the applicant may certify that the patent information required under sections 505 (b) and (c) has not been submitted if that is the case. Second, if appropriate, the applicant may certify that one or more of the product or controlling use patents provided have expired. Third, the applicant may certify when appropriate that one or more of the product or controlling use patents will expire at some specified date in the future. When the applicant makes these certifications, it must rely upon the patent information supplied to the FDA. Last, an applicant may certify if applicable that one or more of the product or controlling use patents are invalid or will not be infringed.

The Committee recognizes that in some instances an applicant will have to make multiple certifications with respect to product and controlling use patents. For example, if the product patent has expired and valid controlling use patent will not expire for three years, then the applicant must certify that one patent has expired and the other will expire in three years. The Committee intends that the applicant make the appropriate certification for each product and controlling use patent.

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Every Paper NDA for a listed drug must also state, when applicable, that the applicant is not seeking approval for an indication which is claimed by any use patent for which it has not made a certification. For example, the listed drug may be approved for two indications. If the applicant is seeking approval only for indication No. 1, and not indication No. 2 because it is protected by a use patent, then the applicant must make the appropriate certifications and a statement explaining that it is not seeking approval for indication No. 2.

Certification of invalidity or noninfringement of a patent

When an applicant certifies that any product or controlling use patent is invalid or will not be infringed, section 505(b)(3) requires that it must give notice of such certification to either the owner of the patent or the representative of the patent owner that was so designated when the patent information was submitted under section 505 (b) or (c) of the FFDCA. The FDA may, by regulation, establish a procedure for designating in the NDA the representative of the patent owner. In addition, notice of the certification must be given to the holder of the approved New Drug Application (NDA) for the drug which is claimed by the product patent or the use of which is claimed by the use patent.

This notice must be given simultaneously with the submission of a Paper NDA. The Committee does not intend that applicants be permitted to circumvent this notice requirement by filing sham Paper NDA's or Paper NDA's which are substantially incomplete. The Committee intends that the applicant must have made a good faith effort to meet the requirements regarding the contents of a Paper NDA as set forth in section 505(b) of FFDCA.

When the applicant gives notice of the certification of invalidity or non-infringement, the notice must state that a Paper NDA has been submitted to obtain approval of the drug to engage in the commercial manufacture, use or sale of the generic drug before the expiration of the patent which has been certified as invalid or non-infringed.

If a Paper NDA is amended after submission to include a certification that a product patent or controlling use patent is invalid, then the notice of such certification must be given to the appropriate parties when the amended application is submitted.

Effectiveness of approval of a paper NDA for a listed drug

The Committee recognizes that some Paper NDA's for listed drugs will be submitted and ready for approval before the patent on the listed drug has expired. To deal with this situation and to assure that the FDA concerns itself solely with the safety and effectiveness of the generic drug, section 505(c)(3) requires the FDA to approve a Paper NDA but make the approval effective at some later date when appropriate.

If the applicant certified in the Paper NDA that no patent information was supplied or that the relevant patents have expired, then the approval of the Paper NDA may be made effective immediately. If the applicant certified based upon the submitted patent information that the patent would expire in one year, then the

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Paper NDA may be made effective one year.

If the applicant certifies that a controlling use patent on the Paper NDA is invalid following a determination of invalidity of the patent, the certification may not be made effective in the Paper NDA until the expiration of the patent.

Each party must cooperate in the determination of the validity of the patent. If the court extends the 18-month period for the court to determine the validity of the patent, the court may extend the 18-month period for the court to determine the validity of the patent.

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If the court extends the 18-month period for the court to determine the validity of the patent, the court may extend the 18-month period for the court to determine the validity of the patent.

Transition rule

Section 505(b)(3) requires the approval of a Paper NDA for a listed drug (active ingredient) which was approved on or before January 1, 1982, after the date of approval of a Paper NDA for the same active ingredient could not be made effective until the expiration of the patent on the active ingredient.

Unpatentable

If the active ingredient is unpatentable, the approval of a Paper NDA for the active ingredient may be made effective immediately.

¹⁷ The Committee's certification of the validity of a patent is based on the information provided in the Paper NDA regarding the patent. The Committee does not conduct an independent search of the patent literature.

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Paper NDA may be approved and the approval made effective in one year.

If the applicant certified that one or more of the product of controlling use patents were invalid or not infringed, then approval of the Paper NDA may be made effective immediately except in the following situation. If within 45 days after notice of the certification of invalidity or non-infringement is received, an action for patent infringement regarding one or more of the patent subject to the certification is brought,¹⁷ then approval of the Paper NDA may not be made effective immediately. Instead, approval of the Paper NDA may not be made effective until 18 months after the notice of the certification was provided.

Each party to the action has an affirmative duty to reasonably cooperate in expending the action. If the plaintiff breaches that duty, the court may shorten the 18 month period as it deems appropriate. If the defendant breaches that duty, the court may extend the 18-month period as it deems appropriate.

If the court decides that the patent is invalid or not infringed before the expiration of the 18-month period (or such shorter or longer period as the court decides), then the approval may be made effective on the date of the court decision. If the court decides that the patent invalid or infringed before the expiration of the 18 month period, then the approval may be made effective on such date as the court orders. The Committee wants to emphasize that the court may not order the Paper NDA approved. These are times when the approval of a Paper NDA may be made effective if the FDA has completed its review of the Paper NDA.

No action for a declaratory judgment regarding the patent at issue may be brought before the expiration of the 45 day period commencing with the provision of notice of the certification of patent invalidity or non-infringement. After the 45 day period, any suit for declaratory judgment regarding the patent at issue must be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

Transition rule

Section 505(c)(3)(D)(i) provides that the FDA may not make effective the approval of a Paper NDA for a drug which contains an active ingredient (including any ester or salt of the active ingredient) which was approved for the first time in an NDA between January 1, 1982 and the date of enactment of this bill until 10 years after the date of approval of the NDA. For example, if active ingredient X was approved in a drug for the first time in 1983, then the approval of a Paper NDA for a drug containing active ingredient X could not be made effective until 1993.

Unpatentable drugs

If the active ingredient (including any ester or salt of the active ingredient) of a drug is approved for the first time in an NDA after

¹⁷ The Committee recognizes that in certain instances, the patent owner may agree with the certification of the applicant. For example, when the applicant certifies that patent No. 1 is invalid and patent No. 2 is not infringed, the patent owner may agree with the certification regarding patent No. 2. Then an action for patent infringement need only be brought with respect to patent No. 1.

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the enactment of this bill, then section 505(c)(3)(D)(ii) provides that the FDA may not make the approval of a Paper NDA for a drug which contains that active ingredient effective until four years after the approval of the NDA if the following conditions are met.

The holder of the NDA must certify that no patent has ever been issued to any person for such drug or for a method of using such drug. Further, the holder must certify that he cannot receive a patent for such drug or for a method using such drug for any known therapeutic purpose.

If the FDA determines at any time during the four year period that an adequate supply of the drug will not be available, it may make the approval of a Paper NDA effective before the expiration of the four year period. The FDA may also make the approval of a Paper NDA for the drug effective before the four year period if the holder of the NDA consents.

Section 104

Section 104 amends section 505 of the FFDCA to add a new subsection (1). This new subsection provides that safety and effectiveness information that has been submitted in an NDA and which has not been previously disclosed to the public shall be made available to the public upon request under the following circumstances unless extraordinary circumstances are shown.

First, the safety and effectiveness information and data shall be disclosed upon request if the NDA has been abandoned. Second, such information and data shall be made available upon request if the FDA has determined that the NDA is not approvable and all legal appeals have been exhausted. Third, the data and information shall be released upon request if the approval of the NDA under section 505(c) of the FFDCA has been withdrawn and all legal appeals have been exhausted. Fourth, such information and data shall be released upon request if the FDA has determined that the drug which is the subject of the NDA is not a new drug.

These conditions under which such safety and effectiveness data shall be released upon request, unless extraordinary circumstances are shown, are merely a restatement of the current regulation. The Committee intends that all terms in new section 505(1) be given the same meaning that they have in the regulation.¹⁸ It is not the intent of the Committee to alter the rights of the public under the Freedom of Information Act.

The Committee does intend, however, to clarify the interpretation of 21 C.F.R. 314.14(f)(5).¹⁹ In this circumstance, safety and ef-

¹⁸ See Confidentiality of data and information in a new drug application (NDA) file, 21 C.F.R. 314.14(f)(1)-(4) (1982).

¹⁹ 21 C.F.R. 314.14(f)(5) provides:

"(5) A final determination has been made that the drug may be marketed without submission of such safety and/or effectiveness data and information."

The Committee was concerned that this provision of the regulation might be interpreted as permitting the disclosure of such information and data upon enactment of this bill. This is because all drugs approved for safety and effectiveness prior to enactment of this bill are deemed listed and thus eligible for consideration in an ANDA upon enactment of the bill. The Committee wished to avoid any possibility that listing of a drug under this bill would be deemed a final determination that the drug could be approved without the submission of safety and effectiveness information.

D) effective date of the new subsection information and disclosure of an ANDA submitted for approval of an ANDA. To deal with this data effective.

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