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Pro-Pharmaceuticals Shakes Off Trade Secret Claims

By **Samuel Howard**

Law360, New York (July 17, 2009) -- No longer encumbered by Prospect Therapeutics Inc.'s long-running trade secret allegations, Pro-Pharmaceuticals Inc. is forging ahead with the commercialization of its treatment for colorectal cancer.

On Friday, Pro-Pharmaceutical announced that Boston's Suffolk County Superior Court had dismissed Prospect Therapeutic Inc.'s allegations, now that the plaintiff's assets have been acquired in a bankruptcy auction by a company unwilling to continue litigating the dispute.

Prospect had inherited the lawsuit from GlycoGenesys and chose to sue to recover intellectual property GlycoGenesys' former CEO David Platt allegedly misappropriated when he formed Pro-Pharmaceuticals, according to the press release.

Pro-Pharmaceuticals had been litigating the issue since 2004, and the trial kicked off in March. Two months ago, with the trial in mid-stream, Prospect abruptly announced that it was liquidating and had assigned all its assets for the benefit of its creditors, the statement says.

GlycoGenesys originally filed suit against Platt and Pro-Pharmaceuticals for allegedly misappropriating a technology platform used in developing Davanat, a potential cancer treatment that interacts with galectins, a family of proteins that promote cancer cell invasion and metastasis, according to the statement.

Prospect's assets were acquired last month at auction, and the new owner opted not to continue the litigation, leading the court to dismiss the action at Pro-Pharmaceuticals request, the statement says.

Pro-Pharmaceutical's CEO Theodore Zucconi welcomed the end of the litigation and expected the development of Davanat to be spurred by the new certainty surrounding Pro-Pharmaceuticals' intellectual property.

"Putting the lawsuit behind us is a significant event. We believed from the beginning that this lawsuit was without merit and are pleased that the court allowed our motion to dismiss," Zucconi said.

"We believe the termination of this lawsuit enhances our ability to raise the funds needed to complete our Phase III trial. It also enables us to focus our resources on gaining FDA approval for Davanat and to reach our goal to improve the quality of life for cancer patients," Zucconi said.

Pro-Pharmaceuticals' product pipeline is focused on increasing the efficacy and decreasing the toxicity of chemotherapy drugs, the company said.

Pro-Pharmaceuticals is represented by Joan M. Griffin.

Prospect Therapeutics is represented by Foley Hoag LLP.

Case information for the lawsuit in the Suffolk County Superior Court is not available.