

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

CIPLA USA, INC.

10 Independence Boulevard
Suite 300
Warren, NJ 07059

Civil Action No. _____

Plaintiff,

v.

ANI PHARMACEUTICALS, INC.,

210 Main Street West
Baudette, MN 56623

- and

NIKHIL LALWANI

12 Hunters Path
Skillman, NJ 08558

Defendants.

COMPLAINT

Plaintiff Cipla USA, Inc. (“Cipla” or the “Company”), by counsel, file this Complaint against Defendants Nikhil Lalwani and ANI Pharmaceuticals, Inc. (“ANI”) (collectively “Defendants”), and state as follows:

INTRODUCTION

1. Nikhil Lalwani, Cipla’s long-time executive with whom Cipla’s parent company entrusted its entire United States operations, left Cipla approximately a year ago to work for Cipla’s direct competitor, ANI.

2. Such a move is not, in and of itself, particularly noteworthy. Corporate executives frequently move between companies and even competitors. However, Lalwani did not just leave

to work for a competitor—he concocted, in conjunction with ANI and while he was still an employee at Cipla, a scheme to poach key members of Cipla’s commercial and supply chain leadership team—i.e., Cipla’s Head of Supply Chain, Cipla’s Head of Sales, and Cipla’s Director of Marketing Operations—to enhance ANI at Cipla’s expense and to obtain Cipla’s trade secrets.

3. Lalwani and ANI executed this scheme while deceiving Cipla regarding Lalwani’s true intentions and misrepresenting the true nature of Lalwani’s actions. Worse yet, Cipla believes that the scheme may be ongoing, and that Lalwani and ANI continue to attempt to poach Cipla employees.

4. In so doing, Lalwani breached his Confidentiality Agreement with Cipla, and together with ANI, violated federal and state law. For these reasons, and for the reasons set forth herein, Lalwani’s and ANI’s scheme must be stopped once and for all, and they must be forced to compensate Cipla for the substantial harm their unlawful actions have caused.

PARTIES

5. Cipla USA is a corporation organized under the laws of the State of Delaware that maintains its principle place of business at 10 Independence Boulevard, Suite 300, Warren, NJ 07059.

6. Defendant ANI Pharmaceuticals, Inc. is a company organized under the laws of the State of Delaware that maintains its principal place of business at 210 Main Street West, Baudette, MN 56623.

7. Defendant Nikhil Lalwani is the former CEO of Cipla and current President and CEO at ANI. He is a resident and citizen of New Jersey, and he lives at 12 Hunters Path, Skillman, New Jersey.

JURISDICTION AND VENUE

8. Lalwani is subject to personal jurisdiction in this Court, because he resides in New

Jersey, and he has contracted to work for ANI primarily from his home in New Jersey.

9. ANI is subject to personal jurisdiction in this Court because, among other things, ANI has committed acts within New Jersey giving rise to this action and has purposefully availed itself of the privilege of conducting activities within New Jersey such that the exercise of jurisdiction would not offend traditional notions of fair play and substantial justice. In particular, Lalwani has been working in New Jersey on behalf of ANI since September 8, 2020, and two of the employees he unlawfully poached, Eric Martin and Parasaran V.S., have been working in New Jersey on behalf of ANI since November 2021.

10. This Court has subject matter jurisdiction over this dispute pursuant to 28 U.S.C. § 1331. This dispute raises claims under the Defend Trade Secrets Act, 18 U.S.C. § 1836, which grants the district courts of the United States original jurisdiction over civil actions brought under the statute. *See* 18 U.S.C. § 1836(c).

11. This Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1337 over Cipla's remaining claims as those claims relate to the federal statutory claims in this action and form part of the same case or controversy under Article III of the United States.

12. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) and (2). Lalwani is a resident of the judicial district within which this Court sits, and a substantial part of the events or omissions giving rise to the claims alleged herein occurred in this district.

FACTS

I. CIPLA'S BUSINESS

13. Established in 1935, Cipla Limited ("Cipla Ltd.") is a global pharmaceutical company that uses technology and innovation to meet the everyday needs of all patients through the development, manufacturing, and sale of pharmaceutical products.

14. Cipla Ltd. operates in more than 80 countries, including in the United States via its

subsidiary, Cipla. In 1984, Cipla Ltd. became the first Indian company ever to receive drug approval from the Food and Drug Administration.

15. For over 30 years, Cipla has been dedicated to providing access to medicines at an affordable price, and the Company maintains a diverse portfolio of over 1,500 products across a wide range of therapeutic categories.

16. Cipla takes a humanitarian approach to healthcare, and the Company differentiates itself in the global pharmaceutical industry by offering essential medications at a fraction of the cost of its competitors. As a result, Cipla is widely acknowledged as having contributed to bringing inclusiveness, accessibility, and affordability to some of the world's most dire healthcare segments.

II. LALWANI'S RELATIONSHIP WITH CIPLA

17. Lalwani worked for Cipla Ltd. and Cipla for nearly a decade, beginning his employment with Cipla Ltd. in India in 2012.

18. As he progressed at the company, Lalwani held positions of increasing responsibility.

19. In 2015, Lalwani became the Head of Operations for Cipla Ltd.'s global respiratory business.

20. Beginning on or around September 3, 2015, Cipla began the process of acquiring two companies to expand its presence in the United States—InvaGen Pharmaceuticals Inc. (“InvaGen”) and Exelan Pharmaceuticals Inc. (“Exelan”).

21. Cipla Ltd. tapped Lalwani to move to the United States to oversee the integration of InvaGen and Exelan with Cipla beginning in December 2015.

A. Lalwani's Confidentiality Agreement with Cipla

22. Lalwani began his employment with Cipla in or around January 2016, serving as the Head of Strategy, Mergers and Acquisitions, and Integration.

23. On or about May 2016, Lalwani was also named CEO of InvaGen.

24. Shortly thereafter, on or about April 2017, Lalwani was promoted to CEO of Cipla's North American operations. Lalwani held this position until he departed for ANI.

25. In each of these roles, Lalwani occupied a position of significant trust and assumed fiduciary duties to Cipla.

26. On May 23, 2016, Lalwani entered into an Employee Confidentiality Agreement with Cipla ("Confidentiality Agreement"), attached hereto as Exhibit 1.

27. Given that Lalwani was a high-level executive in the company, that agreement contains certain provisions designed to protect the Company and prevent Lalwani from undermining Cipla's business or disclosing its trade secrets.

28. Of particular importance here, the Confidentiality Agreement contains a "No Interference with Employees" provision, which states:

For a period of two (2) years following the cessation of [Lalwani's] employment with the [Cipla] for any reason, [Lalwani] will not, on behalf of [Lalwani] or any third-party, employ, retain, solicit for employment or retention, knowingly assist in the employment or retention of, or seek to influence or induce to leave the [Cipla's] employment or service, any individual who is currently employed by the [Cipla] or was employed by [Cipla] at any time within one year of the date [Lalwani] ceased employment with [Cipla].

Confidentiality Agreement § 2.

29. The Confidentiality Agreement also contains a provision entitled "Maintaining the Company's Proprietary Information," which states:

[Lalwani] agrees not to use, utilize, disclose, or reverse engineer [Cipla's] Confidential Information or Trade Secrets for any purpose other than [Cipla's] business, except as authorized in writing by [Cipla]. The covenants made by

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