

## Gilead Owed \$68M In Counterfeit Case, Magistrate Judge Says

By **Elliot Weld**

*Law360 (July 1, 2026, 8:17 PM EDT)* -- A New York federal magistrate judge has recommended awarding \$68 million to biopharmaceutical company Gilead Sciences Inc. from a group of companies it accused of producing counterfeit HIV drugs that never answered the allegations.

U.S. Magistrate Judge Joseph Marutollo said in a Monday report that he recommended granting in part Gilead's motion for default judgment, that the default defendants be held liable for two claims of federal trademark infringement, and that the rest of the case be dismissed.

Gilead filed the case in June 2024, saying it was a follow-up to a suit the company had filed against more than 100 entities in 2021 that it alleged were part of an international counterfeiting conspiracy. The 2021 case resulted in an asset freeze against one defendant and multiple consent judgments for other defendants. Gilead also filed a suit in May accusing several New York City pharmacies of selling counterfeits of the HIV medication Biktarvy.

In the present suit, Gilead said the defendants were additional members of the counterfeiting conspiracy exposed in the 2021 case. Gilead said the conspiracy involved trafficking the counterfeit medication to patients at least in New York and New Jersey. The defendants did this by purchasing bottles of the medication from patients, filling them with other medication, sealing the bottles with a fake tamper-evident seal and reselling them, according to the suit.

One party, Peter Khaim, was a defendant in both the 2024 and 2021 cases. Gilead said Khaim had two convictions for medical fraud. He reached a consent judgment with a permanent injunction in May 2025.

Gilead moved for default judgment against more than two dozen defendants in March. Among them was Ivan Ohar, a Brooklyn, New York, resident who Gilead alleged was the nominal owner of Best Scripts LLC, a retail pharmacy that is actually controlled by Khaim.

Gilead successfully showed that the default defendants used its trademark in commerce with counterfeit drugs and that the usage creates a likelihood of consumer confusion, Judge Marutollo said.



Geoffrey Potter



Thomas Kurland



Timothy Waters

Judge Marutollo assessed lost profits damages owed to Gilead by each of the default defendants. The amounts that the judge recommended amount to about \$68 million. The judge recommended ordering no damages against two entities and denied prejudgment interest and attorney fees. The judge said the default defendants should be ordered to comply with a permanent injunction against further infringement.

An attorney for Gilead did not immediately respond to requests for comment Wednesday, and the default defendants could not immediately be reached for comment.

Gilead is represented by Andrew Haddad, Geoffrey Potter, Thomas Kurland, Timothy Waters and Anna Cox of Patterson Belknap Webb & Tyler LLP.

Counsel information for the default defendants was not immediately available Wednesday.

The case is Gilead Sciences Inc. et al. v. Khaim et al., case number 1:24-cv-04259, in the U.S. District Court for the Eastern District of New York.

--Editing by Melissa Treolo.