

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

TEVA PHARMACEUTICALS
INTERNATIONAL GMBH and
TEVA PHARMACEUTICALS
USA, INC.,

Plaintiffs,

v.

ELI LILLY AND COMPANY,

Defendant.

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Civil Action No. 18-cv-12029-ADB

ORDER

BURROUGHS, D.J.

I. THE DISPUTE

The Court has reviewed the parties’ letters regarding Teva’s request to compel corporate testimony as to Topics 1 and 2 of its Federal Rule of Civil Procedure 30(b)(6) deposition notice. [ECF Nos. 130, 133, 136]. Topic 1 concerns Lilly’s efforts to search for prior art references generally, and Topic 2 relates to Lilly’s knowledge of a specific prior art reference, the Tan Thesis. [ECF No. 130-1 at 8–9]. Lilly did not designate a corporate representative for these topics because the “information [Topics 1 and 2] seek[] is privileged and/or can and is being sought from other available sources.” [Id. at 9–10].

This dispute stems from Lilly’s assertion of a prior art invalidity defense based on the Tan Thesis and Teva’s argument that Lilly is estopped from asserting that defense under 35 U.S.C. § 315(e)(2). “[A] prior-art reference not raised in the [*inter partes* review (“IPR”)] proceeding is subject to the statutory bar of 35 U.S.C. § 315(e)(2) if (1) the IPR petitioner actually knew of the reference or (2) a skilled searcher conducting a diligent search reasonably

could have been expected to discover the reference.” Palomar Techs., Inc. v. MRSI Sys., LLC, No. 18-cv-10236, 2020 WL 2115625, at *3 (D. Mass. May 4, 2020).

Teva argues that Lilly has waived any claim that the information sought in Topics 1 and 2 is privileged because Lilly put its prior art searches and its knowledge of the Tan Thesis “at issue” in this case. [ECF No. 130-1 at 1]. In support of its position, Teva states that it propounded the following contention interrogatory regarding Lilly’s prior art defense:

If Defendant contends that the outcome of any *inter partes* review proceedings concerning the patents-in-suit does not estop Defendant from asserting that any of the patents-in-suit are invalid under 35 U.S.C. §§ 102 and/or 103, state all factual and legal bases for that contention, including all facts, documents, things or other evidence supporting, contradicting or otherwise concerning that contention and the bases for invalidity for which Defendant contends it is not estopped from arguing.

[ECF No. 130-1 at 15].

Lilly’s responded, in part, that

Lilly did not discover the Tan Thesis until after each of the petitions for IPR had been instituted by the Patent Trial and Appeal Board (“PTAB”), and the reference could not have been found through a reasonably diligent search.

[ECF No. 130-1 at 18].

Lilly contends that any privilege-waiver argument lacks merit because (1) Lilly’s response to a contention interrogatory cannot trigger a waiver and (2) Lilly has disclosed only facts, not privileged information, surrounding its knowledge of the Tan Thesis. [ECF No. 133 at 2].

II. DISCUSSION

“While this is a patent case, the issues raised here pertaining to privilege and waiver are not unique to patent law and thus First Circuit law concerning privilege applies.” Crane Sec. Techs., Inc. v. Rolling Optics, AB, 230 F. Supp. 3d 10, 15 (D. Mass. 2017). Courts in this district have recognized the concept of an “at issue” waiver—whereby a party waives privilege

as to a certain topic by putting the privileged information “at issue”—and apply the following three factors in determining whether such a waiver has occurred:

1) whether the proponent of the privilege took some affirmative step such as filing a pleading; 2) whether the affirmative act put the privileged information at issue by making it relevant to the case; and 3) whether upholding the privilege would deny the opposing party access to information vital to its case.

Bacchi v. Mass. Mut. Life Ins. Co., 110 F. Supp. 3d 270, 276 (D. Mass. 2015); Traverse v. Gutierrez Co., No. 18-cv-10175, 2019 WL 12291347, at *6 (D. Mass. May 6, 2019).

Turning first to Topic 2, Lilly’s actual knowledge of the Tan Thesis is directly relevant to the estoppel analysis. The first step of the estoppel analysis is a subjective one that asks whether the party asserting prior art “actually knew of the prior art references at the time of the IPR proceedings.” Palomar Techs., Inc., 2020 WL 2115625 at *9. Lilly is asserting the prior art defense and its contention interrogatory response indicates that its position in this litigation is that it did not know about the Tan Thesis prior to IPR proceedings. Accordingly, Lilly has put its subjective knowledge of the Tan Thesis at issue. Lilly therefore cannot disclose certain facts about its discovery of the Tan Thesis, while also relying on privilege to withhold other information that may directly speak to when that thesis was discovered. Accordingly, Teva is entitled to know the circumstances surrounding Lilly’s discovery of the Tan Thesis and that information cannot be withheld on privilege grounds. As to the form of this discovery, given the narrow scope of the inquiry (i.e., when and how Lilly learned about the Tan Thesis), a written response to an interrogatory encompassing the information sought in Topic 2 will afford Teva the necessary relief.

As for Topic 1, it is not obvious from the record before the Court that Lilly is relying on its own prior art searches to demonstrate that the Tan Thesis could not have been located with a reasonable search. Unlike the subjective inquiry described above, “[w]hether a skilled searcher

conducting a diligent search reasonably could have been expected to discover [the Tan Thesis]” is an objective inquiry, and “any actual search performed at the relevant time is not conclusive evidence of a reasonable search[,] . . . [although] evidence concerning the design, performance, and results of such a search may be relevant on the issue of what a reasonably diligent search would have produced.” Palomar Techs., Inc., 2020 WL 2115625, at *9.

The Court is hesitant to make assumptions when deciding whether a party has waived privilege. If Lilly does not intend to rely on its own searches regarding the Tan Thesis and prior art generally, then Lilly is not attempting to use privilege as both a shield and a sword as Teva contends, and there is no basis for ordering Lilly to disclose privileged information. For this reason, it is ordered that Lilly shall serve and file within seven (7) days of the date of this Order written notice as to whether it intends to rely on its own prior art search efforts in connection with its prior art invalidity defense or Teva’s estoppel argument. If Lilly provides notice that it will not rely on its own prior art searches, it shall be precluded from relying on evidence regarding its own prior art searches at later stages of this case. If Lilly does intend to rely on its prior art searches, the Court will then enter an appropriate order on the scope of any discovery relating to Topic 1.

Finally, at this time and based on the briefing before it, the Court declines Lilly’s request to order reciprocal relief because Lilly has not demonstrated that Teva is relying on its subjective knowledge of the Tan Thesis and/or its own prior art searching, or that Teva’s own actions and knowledge are relevant to the estoppel analysis.

III. CONCLUSION

Accordingly, Teva’s request, [ECF No. 130], is GRANTED in part and DENIED in part.

- Lilly shall provide a written response to Topic 2 and shall not withhold information responsive to that request based on privilege.
- Within seven (7) days of the entry of this Order, Lilly shall file a written notice with the Court stating whether it will rely on its own prior art searches.

SO ORDERED.

August 9, 2021

/s/ Allison D. Burroughs
ALLISON D. BURROUGHS
U.S. DISTRICT JUDGE