

NOT FOR PUBLICATION**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

**IMMUNEX CORPORATION; AMGEN
MANUFACTURING, LTD.; AND
HOFFMAN-LA ROCHE, INC.,**

Plaintiffs,

v.

**SANDOZ INC.; SANDOZ
INTERNATIONAL GMBH; SANDOZ
GMBH,**

Defendants.

Civil Action No. 16-1118 (CCC)

**MEMORANDUM OPINION
& ORDER**

FALK, U.S.M.J.

This is a patent infringement suit involving five patents covering Immunex's biologic etanercept, referred to by the brand name Enbrel®. The suit is brought pursuant to a new federal statute—the Biologics Price Competition and Innovation Act (“BCPIA”)—which was enacted as part of the Affordable Care Act. Sandoz seeks approval to license a “biosimilar” to Enbrel pursuant to a new abbreviated regulatory pathway.

A. Current Dispute

Before the Court is a letter motion by Immunex requesting the Court's *in camera* review of and ruling on the application of the common-interest doctrine to thirty-one (31)

communications exchanged between Immunex and co-Plaintiff Hoffman La-Roche. The Court was asked to decide these privilege questions in an extremely expedited fashion prior to depositions scheduled for the next few weeks and well in advance of the June 30 discovery end-date.

The dispute was not submitted as a traditional motion and lacks the depth that an ordinary privilege motion of this nature might otherwise have. Likewise for Defendant Sandoz's opposition, which runs 4 pages and was also submitted on short notice. All agree that the reason for this approach is because this case has a very specific, tight schedule, carefully negotiated by the parties and approved by the Court. The schedule includes important milestones for nearly every aspect of the case, e.g., the completion of discovery by June 30, 2017, and a trial date of April 17, 2018. The parties have repeatedly emphasized that maintaining the current schedule is crucial.¹

After receipt of Immunex's letter motion, the Undersigned held two telephone conferences to discuss how the parties would like this motion decided, and the fact that, perhaps, detailed submissions might be more ideal in a dispute of this type. Several options were proposed by the Court, including more substantive briefing followed by an in-court document-by-document hearing. However, with an eye on the joint goal of keeping the case on schedule, all parties elected to have the Court decide the privilege

¹ Indeed, the parties have agreed that Defendants won't launch their product, provided the schedule and trial date are adhered to (and subject to certain other agreements), thus avoiding what inevitably would be a challenging preliminary injunction proceeding in this complex and substantial case.

dispute as quickly as possible on the papers submitted. The Court agreed to do so and to move this motion to the top of the list, subject to the following. If any party feels that a further appellate record is necessary, the parties will submit the issue for reconsideration, and the Court will address the issue in more detail prior to any appeal.² The parties agreed to this approach.

The rulings herein represent the Court's best efforts to make informed privilege determinations based on the letters and argument presented. However, privilege issues are often quite complex and not easily susceptible to speedy decision. This is especially true in certain patent cases, where there is relatively little binding precedent, yet a wide range of published and unpublished trial court authority. Thus, despite the absence of plenary briefing, the Court devoted many hours to studying the law on the subject to provide a solid basis for making accelerated calls. On a general level and as a result of the Court's research, the Court is inclined to agree with a noted commentator's conclusion in a privilege treatise that "[s]ubstantial chaos continues to exist in the patent law area on the question of whether and when the privilege is available." Edna Selan Epstein, *The Attorney-Client Privilege and the Work-Product Doctrine* at 347 (5 ed. 2007). It is against this backdrop that we turn to the issues.

The principal issues involved are application of the attorney-client privilege and

² Any reconsideration motion of this type will not be subject to the normal high-burden reconsideration standard, but rather will be a vehicle to highlight a particular document for which additional argument and a record may be necessary.

the common-interest doctrine. The Court highlights the elements of these doctrines below and then applies them document-by-document.³

B. Attorney-Client Privilege

The attorney-client privilege is the client’s right to refuse to disclose “confidential communications between attorney and client made for the purpose of obtaining legal advice.” *Genetech, Inc. v. U.S. Int’l Trade Comm’n*, 122 F.3d 1409, 1415 (Fed. Cir. 1997). It exists to promote the public interest in “the observance of law and the administration of justice,” *Westinghouse Elec. Corp. v. Republic of the Philippines*, 951 F.2d 1414, 1423 (3d Cir. 1991), which is accomplished by encouraging “full and frank communications between attorneys and their clients.” *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981). The privilege applies only if:

- (1) the asserted holder of the privilege is or sought to become a client;
- (2) the person to whom the communication was made
 - (a) is a member of the bar of a court, or his subordinate and
 - (b) in connection with this communication is acting as a lawyer;
- (3) the communication relates to a fact of which the attorney was informed (a) by his client (b) without the presence of strangers (c) for the purpose of securing primarily either (i) an opinion on law or (ii) legal services or (iii) assistance in some legal proceeding, and not (d) for the purpose of committing a crime or tort; and
- (4) the privilege has been (a) claimed and (b) not waived by the client.

³ Many refinements and analyses of these issues were not addressed by the parties nor considered by the Court. This includes the threshold question of choice of law (e.g., Third Circuit vs. Federal Circuit) on certain issues. However, full briefing and analysis of same would necessarily be quite time consuming, and the Court believes would be unlikely to change the result in any significant way.

In re Grand Jury Investigation, 599 F.2d 1224, 1233 (3d Cir. 1979).

The privilege is an exception to the rule of full disclosure and obstructs the truth finding process, thus it is narrowly construed. *See Westinghouse Elec. Corp.*, 951 F.2d at 1423. It protects only those communications that would not have been made but for the privilege. *See Fisher v. United States*, 425 U.S. 391, 403 (1976); *Shearing v. Iolab Corp.*, 975 F.2d 1541, 1546 (Fed. Cir. 1992). Application of the privilege is decided on a case-by-case basis with the party asserting privilege bearing the burden to show it applies. *See e.g., American Standard, Inc. v. Pfizer*, 828 F.2d 734, 745 (Fed. Cir. 1987); *In re Beville, Bressler & Schulman Asset Mgmt. Corp.*, 805 F.2d 120, 124 (3d Cir. 1986).

Communications which relate to business rather than legal matters generally do not fall within the protection of the privilege. *Leonen v. Johns-Manville*, 135 F.R.D. 94, 98 (D.N.J. 1990). Therefore, the general rule is “while legal advice given to a client by an attorney is protected by the privilege, business advice generally is not.” *In re Nat’l Smelting of New Jersey, Inc. Bondholders’ Litig.*, No. 84-3199, 1989 U.S. Dist. LEXIS 16962, at *18 (D.N.J. June 29, 1989) (citation omitted). However, in the corporate community, legal advice ‘is often intimately intertwined with and difficult to distinguish from business advice.’” *Leonen*, 135 F.R.D. at 98-99 (quoting *Sedco Int’l SA v. Cory*, 683 F.2d 1201, 1205 (8th Cir. 1982)). Because it is “often too difficult, impractical and unrealistic to compartmentalize whether certain advice given to a client is legal in nature or business in nature . . . the policy behind the attorney-client privilege is best upheld . . .

where the attorney-client relationship is predominantly for the purpose of rendering legal services.” *In re Nat’l Smelting*, 1989 U.S. Dist. LEXIS 16962, at **21-22. In determining whether the privilege applies in a given case, the ultimate question is whether a “communication is one . . . made. . . for the purpose of obtaining legal advice or services.” *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 805 (Fed. Cir. 2000).

C. Common-Interest Doctrine

The common-interest, or community-of-interest, doctrine allows “attorneys representing different clients with similar legal interests to share information without having to disclose it to others.” *In re Teleglobe Commc’ns Corp.*, 493 F.3d 345, 364 (3d Cir. 2007) (emphasis added). The common-interest doctrine is not an independent privilege. It is a waiver-related doctrine; an exception to the general rule that disclosure of a privileged communication results in waiver of the privilege. *See, e.g., Cavallaro v. United States*, 284 F.3d 236, 250 (1st Cir. 2002) (“The common interest doctrine . . . is not an independent basis for privilege, but an exception to the general rule that the attorney-client privilege is waived when privileged information is disclosed to a third-party.” (quotation omitted)); *Hertz v. Margulis*, 2017 WL 772336, at *8 (D.N.J. Feb. 28, 2017). Documents may be withheld on attorney-client privilege or work-product grounds. The common-interest rule allows the withholding party to share that privileged communication with others that are within a community of interest without waiving the underlying privilege. *Id.* In order to avoid waiver of privilege protection when sharing

protected communications, the party seeking to invoke the common-interest doctrine must show that: (1) an underlying privilege has been established; (2) the parties had a legal⁴ and not solely commercial interest; and (3) the communication was designed to further the shared interest. *See, e.g., Hoffman La-Roche v. Roxane Labs*, 2011 WL 1792791, at *5 (D.N.J. May 11, 2011); *Net2Phone, Inc. v. Ebay, Inc.*, 2008 WL 8183817, at *7 (D.N.J. June 26, 2008).⁵

D. The Common-Interest Doctrine Generally Applies

As stated previously, this case involves five patents. Two of the patents involved are owned by Plaintiff Roche and Immunex has an exclusive license to them (the “Roche Patents”). The specifics of the licensing arrangement between Roche and Immunex is described in detail in a May 16, 2017 letter to the Court, which has been filed under seal.

⁴ Many aspects of the common-interest doctrine are subject to debate across the Country, including the *degree* of legal interest the parties must share. *See* Katharine Traylor Schaffizn, *An Uncertain Privilege: Why the Common Interest Doctrine Does Not Work and How Uniformity Can Fix It*, 15 B.U. Pub. Int. L.J. (2005). Must the parties have identical interests? Substantially similar? Can the parties even be adverse in some respects? Can it be commercial or must it be legal? To be blunt, non-binding case law to support any view on any subject in this area can be found. *See id.*; *compare La. Mun. Police Empl. Ret. Sys. v. Sealed Air*, 253 F.R.D. 300, 309-10 (D.N.J. 2008) *with Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1172 (D.S.C. 1974) (identical interests required). In the absence of controlling authority, this Court requires that the parties share a substantially similar legal interest in the shared communication. *See Sealed Air*, 253 F.R.D. at 309.

⁵ This is a patent case controlled by federal law. As with everything with the common-interest doctrine, the elements are sometimes described differently in some jurisdictions, including the New Jersey State Courts. *See Hertz*, 2017 WL 772336, at *8-9.

(See Immunex Letter dated May 16, 2017, at 2; ECF No. 172.)⁶ Since the letter may involve sensitive confidential, business information, the Court will not further discuss the relationship in detail except to note that it has been considered *in camera* in connection with this privilege review. What can be said is that the documents begin in early 2000 and continue through the issuance of the Roche Patents in 2011. And Plaintiff describes them as involving shared legal advice related to the parties' common interest in the prosecution, scope, and validity of the Roche Patents.

Whether a given communication has a) an underlying privilege, and b) was made in furtherance of a shared legal interest is usually a document-by-document consideration, which is undertaken in an abbreviated fashion below. However, as a general matter, the Court is satisfied that, if a given communication is privileged, and assuming it was made in furtherance of the licensing agreement and/or prosecution, scope, and validity of the Roche Patents, the common interest doctrine would apply to protect it.

A leading Federal Circuit decision is on point. In *In re Regents of Univ. of Cal.*, 101 F.3d 1386 (Fed. Cir. 1996), the court noted that: “a community of legal interests may arise between parties jointly developing patents; they have a common legal interest in developing the patents to obtain greatest protection and in exploiting the patents.” *Id.* at 1389. The *Regents* court held that communications between a potential licensee and a patentee were protected under the common interest doctrine because “both parties had the

⁶ A formal motion to seal portions this letter (as well as Sandoz's opposition and Immunex's reply) is due to be filed on or before June 9, 2017.

same interest in obtaining strong and enforceable patents.” *Id.* Moreover, “the legal interest” between the patent holder and the licensee “was substantially identical because of the potentially and ultimately exclusive nature” of the licensing arrangement. *Id.* Other patent related decisions have reached similar conclusions. *See, e.g., Crane Sec. Tech. v. Rolling Optics, AB*, — F. Supp. — 3d, 2017 WL 470890 (D. Mass. Feb. 2, 2017); *Hilsinger v. Eyeego, LLC*, 2015 WL 11120842, at *2 (D. Mass. Aug. 13, 2015); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 115 F.R.D. 308 (N.D. Cal. 1987).

Based on the above, the Court is satisfied that, as a general matter, any document that is protected by an underlying privilege, and was made to further the legal interest associated with the licensing arrangement, would qualify for the common-interest doctrine between and amongst the parties involved. This would include documents that involve Wyeth’s counsel, as Wyeth shared a common interest in the patents for the same reasons as Immunex.

E. Individual Documents

The Court has reviewed all 31 withheld documents *in camera*. The following is the number identified on the privilege log, the Court’s decision, and some of the general reasons supporting that conclusion.

1. *Document 44*: Not privileged. This document refers to the licensing agreement and requests information relating to same, but does not reflect a communication between an attorney and client regarding legal advice, nor does it disclose or discuss attorney-client privileged information.

2. *Document 45*: Not privileged. This document is a response to Document 44. Again, it is not an attorney-client communication, nor does it repeat, refer to, or incorporate privileged information. It amounts to a list of certain patent rights currently in existence, which would seem to be a matter of public record.

3. *Document 46*: Not privileged. Document amounts to a request for information, but does not disclose or discuss privileged information.

4. *Document 47*: Privileged. The document is related to prosecuted patent applications and qualifies as privileged information.⁷

5. *Document 48*: Privileged. The document contains specific information relating to patent prosecution, requested by associate general counsel, and appears privileged.

6. *Document 49*: Not privileged. The document is a status report that does not appear to involve attorney-client privileged information.

7. *Document 50*: Privileged. Although prepared by an accountant, this document contains attorney opinion relating to the scope of issued and pending patents; the document does contain business and financial information, but in this context, the business and legal issues are effectively intertwined, and the Court is satisfied that the communication reflects privileged legal information that predominates over business

⁷ Plaintiff has not claimed work-product protection as a basis for withholding the documents. However, the Court notes that, under the circumstances here, much of the attorney-client information might also constitute opinion work product.

issues.

8. *Document 51*: Partially privileged. The first page of Document 51 (the letter dated April 1, 2003 from George Johnston) is not privileged, as it is effectively a cover letter that does not disclose, discuss, seek or implicate any legal advice. However, the April 1, 2013 letter from Attorney Parise appears to be privileged.

9. *Document 52*: Privileged. The document discloses attorney opinion relating to the scope of the relevant family of patents; while mixed with business and financial issues, the primary purpose of the communication is legal.⁸

10. *Document 53*: Not privileged. The document is authored by Teresa Quan in Amgen's accounting department; the document discusses the amounts of certain royalty payments, but does not disclose or discuss attorney opinion relating to the basis for the payments, and therefore, is not privileged.

11. *Document 54*: Privileged. Document contains legal advice made up of pure attorney opinion relating to the relevant patents.

12. *Document 55*: Privileged. This letter discusses attorney opinion relating to the scope of the patents and is protected.

13. *Document 56*: Privileged. Document contains attorney opinion relating to the scope of relevant patents

⁸ Some of this document (and others) contain both business and legal matters. They seem to be inextricably intertwined in some instances. Not every sentence in this letter (and several others) discloses or discusses attorney-client protected information; however, the general nature of this document is legal and, under the relevant case law, is protected.

14. *Documents 57-58*: Partially Privileged. This entry contains two emails, what amounts to a cover letter and attachment or forward. The top email in the chain (August 5, 2003) is not privileged. The second email (July 31) is privileged, as it addresses attorney-client information.

15. *Documents 59-60*: Not privileged. These emails discuss business matters without disclosing any legal opinion, and therefore, are not privileged.

16. *Document 61*: Probably not privileged. The document appears to be a cover letter and a copy of a filing with the United States Patent and Trademark Office; it has not been explained how such information is privileged, and whether it was made public through filing with the USPTO. If it was sent to the USPTO, it is not privileged and should be produced. If there is another explanation, it may be raised with the Court.

17. *Document 62*: Not privileged. The document is an email conversation that does not disclose attorney opinion and is not protected by any privilege.

18. *Document 63*: Not privileged. This document is a transcript of a phone conversation relating to the amount of a royalty payment. It does not disclose or discuss legal advice or the substance of attorney opinion, and therefore, is not privileged. Also, it seems to reflect business rather than legal considerations.

19. *Document 64*: Privileged. The letter contains attorney opinion underlying the basis for a royalty payment, and therefore, is privileged.

20. *Document 65*: Not privileged. This is an email relating to a business matter that does not disclose or discuss attorney opinion.

21. *Document 66*: Not privileged. The document is a cover email and attachment providing a royalty report for Enbrel. No attorney client information is present.

22. *Documents 67-70*: Partially Privileged. These documents are a series of related emails. March 26, 2014 is not privileged. The email dated March 12, 2014, from Ava Buzzelli to Karina Carignani, is privileged, in that it discloses attorney opinion. For the same reasons, the email from Karina Carignani to ["tquan@amgen.com"](mailto:tquan@amgen.com) dated March 9, 2014, is privileged.

23. *Documents 71-72*: Not privileged. These documents are emails that refer to a videoconference and presentation but do not disclose the substance of attorney-client communications.

24. *Documents 73-74*: Privileged. The documents, which are marked confidential, are an email and term sheet relating to an agreement between the parties regarding the licensing of patents. It appears that the term sheet discloses attorney-client opinion regarding negotiations which reflect communications involving legal advice.

25. *Documents 75-78*: Not privileged. No indication of attorney-client information.

26. *Documents 79-81*: Not privileged. No indication of attorney-client information.

27. *Document 82*: Probably privileged. The Court will accept the proffer in the privilege log that these apparent changes to the Agreement between the parties.

There is also unidentified handwriting on the document which may be comments by an attorney.

28. *Documents 83-85*: Not privileged. These documents are emails shared among individuals with a common-interest; however, there is no underlying privilege that has been shown, as the documents do not reflect discuss or disclose attorney client information.

29. *Documents 86-87*: Partially privileged. The emails transmitting the final redline are not privileged. The final redline agreement likely reflects legal communication and advice, as proffered on the privilege log. The final agreement between the parties, which is not included, would likely not be privileged, but not the redlined versions during negotiations.

30. *Document 88*: Not privileged. These documents are shared among individuals with a common-interest; however, there is no underlying privilege that has been shown, as the documents do not reflect discuss or disclose attorney client information. To the extent there is attorney involvement, it appears to be in a business capacity.

31. *Document 89*: Privileged. This document is an email that discloses attorney opinion.

CONCLUSION

For the reasons stated above, Immunex's motion is **GRANTED IN PART AND DENIED IN PART.**

s/Mark Falk _____
MARK FALK
United States Magistrate Judge

DATED: June 7, 2017