UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

Chambers of
Joseph A. Dickson
United States Magistrate Judge

Martin Luther King, Jr. Federal Bldg.
& U.S. Courthouse
50 Walnut Street
Newark, New Jersey 07102
(973-645-2580)

LETTER ORDER

April 22, 2015

To all counsel of record via ECF

Re: Jazz Pharmaceuticals, Inc. v. Amneal Pharmaceuticals LLC, et al.
Civil Action No.: 13-391(ES) (JAD)

Dear Counsel:

This will address Plaintiff Jazz Pharmaceuticals, Inc.'s ("Jazz") informal application, (ECF Nos. 95 and 110), seeking clarification of the Discovery Confidentiality Order entered in this matter (the "DCO"). (ECF No. 73). Specifically, Jazz seeks the Court's guidance on whether specific language in the DCO operates to bar Jazz's outside counsel, Quinn Emmanuel Urguhart & Sullivan, LLP from participating in: (1) post-grant covered business method ("CBM") review proceedings that Defendants Amneal Pharmaceuticals LLC and Par Pharmaceutical, Inc. (collectively, "Defendants") instituted before the Patent & Trademark Office Patent Trial and Appeal Board ("PTAB"); and (2) post-grant inter-partes review ("IPR") proceedings that Defendants instituted with regard to the same patents.[1] Both sides ask the Court to apply the DCO

[1] By letters dated January 15, 2015, (ECF No. 107), and January 22, 2015, (ECF No. 110), the parties advised the Court that the PTAB had rejected four of Defendants' applications for CBM review, and that another two later-filed applications remained pending. (ECF No. 110 at 1). The parties also advised that Defendants "have now filed new petitions with the [PTAB] for [IPR] of the same six patents for which they filed CBM petitions." (Id.) (emphasis in original). Plaintiff contends that its arguments regarding the Quinn Emmanuel firm's participation in the CBM review apply with equal force the IPR process. (Id. at 2) ("Quinn Emmanuel should not be barred from representing Jazz in Defendant' post-grant IPR proceedings for the same reasons that it should not be barred from participating in the post-grant CBM proceedings."). Defendants do not suggest

as written, and neither has asked the Court to modify its terms. After carefully reviewing the parties' written submissions and considering the oral arguments of counsel, the Court finds that the DCO does not bar Jazz's counsel from participating in the CBM or IPR Proceedings at issue.

a. Relevant Background

On July 1, 2014, the Court entered the DCO, which set forth, among other things, the parameters under which persons are entitled to obtain and use information that a party has designated as "confidential" or "highly confidential." (See generally, ECF No. 73). More specifically, paragraph 6(a) of the DCO provides, in pertinent part, that

> Confidential Information of the producing party may be disclosed, summarized, described, revealed or otherwise made available in whole or in part only in accordance with the terms of this Order, and only to the following persons:
>
> (i) outside counsel of record for Jazz, Amneal, Par; and employees of such counsel all of whom represent and agree that they do not undertake patent preparation or prosecution activities as set forth below in Paragraph 6(b).

(Id. at 7-8). In turn, Paragraph 6(b), which pertains to the disclosure of "Highly Confidential Information", provides, in pertinent part:

> [T]he specified attorneys designated by the parties in Paragraphs 6(a)(i)-(ii) shall not have access to Highly Confidential Information if they are involved, either formally or informally, for the length of this litigation plus one year after a final, non-appealable judgment in this litigation, in the preparation or prosecution of any patent application that covers sodium oxybate (including compositions, methods, distribution methods, uses, or processes). Such involvement in the preparation or prosecution of any patent application includes, but is not limited to: (1) obtaining disclosure materials for new inventions and inventions under development; (2) investigating prior art relating to those inventions; (3) making or consulting or advising in any way on strategic decisions on the type and scope of patent prosecution that might be available or worth pursuing for such inventions; (4) writing, reviewing, editing or

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that the Court should apply a different analysis (i.e., something other than what the parties have already extensively briefed and discussed at oral argument) with regard to Quinn Emmanuel's potential participation in the IPR process.

> approving new applications or continuations-in-part of applications to cover those inventions; or (5) strategically amending or surrendering claim scope during prosecution. For the avoidance of any doubt, any attorney identified in Paragraphs 6(a)(i)-(ii) who accesses Highly Confidential Information shall not be involved, formally or informally, for the length of this litigation plus one year after a final, non-appealable judgment in this litigation, in patent preparation and prosecution activities as set forth above.

(Id. at 10-11).

After the parties jointly submitted their proposed DCO (which included all of the language quoted above) for this Court's review, Defendants filed CBM review and, later, IPR petitions with the PTAB challenging the validity of several of Jazz's patents: U.S. Patent Nos. 7,895,059, 8,457,988, 8,589,182, 7,668,730, 7,765,106 and 7,765,107 (the Court shall collectively refer to the CBM and IPR proceedings as the "Post-Grant Proceedings"). (See Plaintiff's Nov. 26, 2014 Letter, ECF No 95, at 2, n.2; Plaintiff's Jan. 22, 2015 Letter, ECF No. 110, at 1). Jazz now requests clarification as to whether the language of the DCO prohibits its litigation counsel, the Quinn Emmanuel firm (which has received Highly Confidential information under the DCO in this matter) from participating in those Post-Grant Proceedings.

b. The Parties' Arguments

Jazz seeks guidance regarding the effect of the DCO, and argues that the Order does not bar Quinn Emmanuel from participating in the Post-Grant Proceedings at issue. Jazz's primary argument is that the plain language of the DCO only prohibits persons who have received confidential information from participating in the "preparation or prosecution" of a patent application and does not, therefore, have any bearing on a CBM review or any other post-grant proceeding. Jazz further argues that, even if the DCO could be read to implicate involvement in a CBM review, Quinn Emmanuel has "agreed in writing that it would not be involved in amending

claims in any way[2] if the PTAB institutes CBM review." (Id. at 4). Jazz represents that "[i]n the event amendments are made, [it] has retained separate counsel to handle such amendments", and that this "separate counsel has not received any confidential information under the DCO. (Id. at 3, n.3). Finally, Jazz contends that it would be prejudiced if Quinn Emmanuel was prohibited from participating in the Post-Grant Proceedings, as that firm has represented Jazz in litigation concerning the patents at issue (including issues regarding their validity) for several years, and that having a second, separate legal team replicate that institutional knowledge would be an egregious waste of time and money. (Id. at 5-6).

In response, Defendants contend that post-grant CBM proceedings constitute a form of patent "prosecution" sufficient to invoke the restrictions of the DCO, "because patent owners are allowed to amend claims or surrender claim scope in a proceeding before the PTO."[3] (Defs. Dec. 5, 2014 Letter, ECF No. 98, at 3). Defendants also argue that Quinn Emmanuel's suggested compromise (i.e., that the firm agree to abstain from any involvement in Jazz strategically amending its claims during the CMB review process) would be insufficient, as Quinn Emmanuel would "still be able to 'strategically surrender claim scope' to overcome asserted prior art" and otherwise engage in "competitive decision making." (Id at 4). Defendants essentially argue that Quinn Emmanuel may subconsciously utilize the confidential information that the firm obtained from Defendants under the DCO during the CBM proceedings, and therefore no limitation on the firm's involvement could adequately safeguard Defendants' interests. (Id. at 4-6). Indeed, at oral

[2] Jazz claims that Quinn Emmanuel made this offer in response to "Defendants' stated objection to Quinn Emmanuel's participation in CBM proceedings . . . that [the firm's] involvement in amending or surrendering claim scope" would violate the DCO. (Id. at 4).

[3] While Defendants do not separately address Quinn Emmanuel's ability to participate in IPR proceedings, the Court will infer that Defendants intended their arguments concerning CBM review to apply with regard to the IPR process as well.

argument, defense counsel suggested that the only way to truly protect Defendants' interests in connection with Quinn Emmanuel's participation in the CBM review would be for Jazz itself (as opposed to Quinn Emmanuel) to waive any right to amend or surrender claim scope before the PTAB. (Tr. of Jan. 8, 2015 Conf., ECF No. 106, at 76:1:1-77:10). Defendants also argue that the potential prejudice that they may suffer if Quinn Emmanuel is allowed to participate in the CBM proceedings (i.e., that "Jazz will be able to use information produced in litigation to gain an upper hand in a separate negotiation between Defendants and Jazz") outweighs any "minimal" harm that Jazz might face if forced to find replacement counsel. (Id. at 6-7).

c. Analysis

In Third Circuit, courts have wide latitude to interpret their own orders. See, e.g., WRS, Inc. v. Plaza Entm't, Inc., 402 F.3d 424, 428 (3d Cir. 2005) ("[W]e recognize that great deference is given to a district court's interpretation of its own order"). Here, the parties have asked this Court to determine whether Paragraph 6 of the DCO operates to preclude Quinn Emmanuel from participating in certain Post-Grant Proceedings, given that the firm has received Defendants' Highly Confidential information during the course of this litigation. The Court finds that neither the plain language of Paragraph 6, nor the clear intent underlying that provision, could support such a result.

The prosecution bar set forth in the DCO in this matter is expressly limited in scope, and operates to bar recipients of confidential information from participating in the "preparation or prosecution of any patent application that covers sodium oxybate." (ECF No. 73 at 10) (emphasis added). It is beyond dispute that, for each of the patents implicated in the Post-Grant Proceedings at issue, Jazz filed a patent application and the United States Patent & Trademark Office ultimately issued a patent. The CBM and IPR processes take place, if at all, after the Patent & Trademark

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