<u>NOT FOR PUBLICATION</u>

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IQVIA INC. and IMS SOFTWARE SERVICES, LTD.,	**Civil Action No.: 19-15517 (CCC)**
Plaintiffs,	
v.	
VEEVA SYSTEMS, INC.,	
Defendant.	
_____	**Civil Action No.: 19-18558 (CCC)**
VEEVA SYSTEMS, INC.,	
Plaintiff,	
v.	
IQVIA INC. and IMS SOFTWARE SERVICES, LTD.,	**OPINION**
Defendants.	

<u>FALK, U.S.M.J.</u>

IQVIA Inc. and IMS Software Services (together, "IQVIA") and Veeva Systems are

involved in an all-encompassing battle regarding alleged trade secret theft and allegations of

antitrust violations. This fight is presently spread over three cases, the two captioned above and

the first-filed matter of *IQVIA Inc. v. Veeva, Inc.*, 17-177 (CCC) ("*IQVIA I*"). Presently before

the Court is IQVIA's motion to consolidate the two cases above – *IQVIA II* and *IQVIA III* – and

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stay them pending resolution of *IQVIA I*.   [ECF No. 33.][1]   Veeva consents to consolidation of

IQVIA II and *III* but opposes the motion to stay.   The motion is fully briefed.   Oral argument is

not necessary.   Fed. R. Civ. P. 78(b).   For the reasons set forth below, the motion is

GRANTED.

BACKGROUND[2]

IQVIA is engaged in the business of providing market research, analytics, technology and

services to the life sciences, medical device, and diagnostics and healthcare industries. Veeva

Systems, Inc. is an information and technology services company and competitor of IQVIA.

IQVIA I: In January 2017, *IQVIA I* was filed.   *IQVIA I* alleges that Veeva has engaged

in corporate theft and misconduct, including the repeated misuse and mishandling of confidential

and proprietary information over a period of years. IQVIA claims that it provides clients with,

inter alia, market research products that combine healthcare data, market research, and

proprietary analytics, and at times, IQVIA granted Veeva access to this confidential and

proprietary information through Third Party Limited License Agreements.   IQVIA contends that

Veeva used its confidential and proprietary information improperly and for the purpose of

developing and improving Veeva's own data and technology products and to assist in marketing

and promoting Veeva's competing brand.

The *IQVIA I* Complaint alleges: (1) Federal Theft of Trade Secrets, the Defend Trade

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1 The Court refers to *IQVIA v. Veeva,* 19-15517 (CCC) as "*IQVIA II*" and *Veeva v. IQVIA*, 19-18558 (CCC) as "*IQVIA III."* Although Veeva is the Plaintiff in *IQVIA III*, the matters are referred to in this way for ease of reference.

2 The background is drawn from the parties' papers and from prior Opinions, *see, e.g.*, *Quintiles IMS v. Veeva*, 2017 WL 2766166 (D.N.J. June 23, 2017).   Direct citations are mostly omitted.

Secrets Act, 18 U.S.C. § 1836 (2) Theft of Trade Secrets (New Jersey state law; N.J.S.A. § 56:15); (3) Tortious Interference (New Jersey state law); (4) Federal False and Misleading Advertising, in violation of the Lanham Act, 15 U.S.C. § 1125; (5) Unfair Trade Practices (New Jersey state law); and (6) Unjust Enrichment (New Jersey state law).   Veeva has responded with counterclaims alleging antitrust violations.   Veeva contends that IQVIA violated antitrust law by refusing to grant it access to data to be used in Veeva's Master Data Management ("MDM") software.

IQVIA I has been pending for three years and has been litigated heavily.   Discovery is ongoing and is being managed by Special Master Dennis M. Cavanaugh, U.S.D.J. (ret.), who has presided over 16 conferences, the production of millions of pages of documents and 70 depositions, and decided two dozen motions.   IQVIA has also filed what it describes as a case dispositive spoliation motion, which remains pending.

IQVIA II: In 2018, while *IQVIA I* was pending, IQVIA received requests from Veeva to access its software for use in a new Veeva product - Veeva Nitro.   IQVIA states that, "because of Veeva's illegal conduct [alleged in *IQVIA I*] IQVIA has, to date, generally not granted" third party licenses to Veeva to load IQVIA's data into Veeva Nitro.   Veeva, contending this refusal to grant third-party licenses constitutes further antitrust misconduct, discussed with IQVIA the potential to amend its antitrust counterclaims in *IQVIA I*.   When those negotiations failed, IQVIA filed *IQVIA II* as a declaratory judgment action.   The *IQVIA II* complaint seeks a declaration that:

> IQVIA is not liable to Veeva based on any decisions to enter into TPA Agreements permitting IQVIA's Market Research Offerings to be inputted into Veeva Nitro, or any later-introduced Veeva [] products, under any federal antitrust law, including Section 2 of the Sherman Act, or the laws of the states of New Jersey or California.

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IQVIA III: The day after *IQVIA II* was filed in New Jersey, Veeva filed *IQVIA III* in the United States District Court for the Northern District of California. The suit alleges that IQVIA's business practices relating to licensing and the Veeva products violate antitrust laws – essentially, the opposite contention of *IQVIA II*.   On September 30, 2019, the Honorable William H. Alsup, U.S.D.J. transferred *IQVIA III* to this Court, where it was assigned docket number 19-18558 (CCC).

The Current Motion: On May 15, 2020, IQVIA filed, in *IQVIA II*, the current motion to consolidate *IQVIA II* and *IQVIA III* and to stay the two cases pending resolution of *IQVIA I*. IQVIA contends that resolution of *IQVIA I* will drastically simplify if not completely resolve the two later filed cases, in addition to conserving judicial resources – all without prejudicing Veeva. Veeva consents to consolidation of matters *II* and *III*.   However, Veeva contends that it would be prejudiced by a stay of the later filed actions and that resolution of *IQVIA I* will not control matters *II* and *III*.

LEGAL STANDARD

A stay pursuant to the Court's inherent authority is completely discretionary. *See, e.g.*, *Bechtel Corp. v. Local 215 Laborers' Int'l Union of N.A.*, 544 F.2d 1207, 1215 (3d Cir. 1976). Deciding whether to stay a case requires "an exercise in judgment, which must weigh competing interests and maintain an even balance."   *Landis v. North Am. Co.*, 299 U.S. 248, 255-56 (1936). Considerations generally include: the hardship to the moving party should the case proceed; the potential prejudice to the non-moving party; the length of the requested stay; the similarity of the issues; and judicial economy.   *Id.; see also Akishev v. Kapustin*, 23 F. Supp. 3d 440, 446 (D.N.J.

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2014).[3]

DECISION

The parties' dispute may span three cases, but in truth all the different slices come from the same pie.   IQVIA believes that Veeva has misappropriated and misused its trade secrets and wants to limit or deny further access to same because of the alleged behavior.   Veeva contends that it has done nothing wrong and that IQVIA is abusing the antitrust laws to damage a competitor.   While this is an oversimplification of the three cases, that is the basic gist of the matter.   And whether it's presented through the prism of one active case or three, is beside the point.   For the reasons below, the first filed action should be litigated to conclusion and *IQVIA II* and *III* shall be stayed pending that decision.

First, the issues between and among the cases are indisputably similar and related.   Most fundamentally, a finding in IQVIA's favor on the affirmative trade secret claims in the first case would appear to go a long way toward resolving the entire litigation bundle involving these parties.   *See, e.g.*, *Novell Inc. v. Microsoft Corp.*, 731 F.3d 1064, 1075 (10th Cir. 2013) (a

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3 Veeva's papers suggest a heightened standard should apply to IQVIA's request for a stay.   It contends that in order to obtain a stay of matters *II* and *III*, IQVIA should have to show that its right to summary judgment in *IQVIA I* be "clear and unmistakable" and that "as a matter of issue preclusion" such a judgment will have preclusive effect in the later filed actions. *See* Opp'n Br. 9.

The Court rejects this elevated standard. The stay of civil litigation is always discretionary, *see Landis*, 299 U.S. 248, 255-56, and while similarity of issues is a factor – perhaps the most important one – a party moving for a discretionary stay is not required to show clear and unmistakable entitlement to summary judgment in a previously filed case or issue preclusive effect. *See id.*; *see also Bechtel*, 544 F.2d at 1215; *Haas v. Burlington County*, 2009 WL 4250037, at *2 (D.N.J. Nov. 24, 2009). The cases Veeva cites stating otherwise are not binding, distinguishable, and arise in different contexts, *see, e.g., Gerald Chamales Corp. v. Oki Data Ams., Inc.*, 247 F.R.D. 453, 454 (D.N.J. 2007) (stay request based on pendency and merits of a dispositive motion).

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