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November 16, 2015

The Honorable Leonard P. Stark
United States District Court
844 N. King Street
Wilmington, DE 19801

REDACTED PUBLIC VERSION

*Re: Idenix Pharmaceuticals, Inc. et al. v. Gilead Sciences, Inc.,
C.A. Nos. 13-1987-LPS-CJB, 14-109-LPS-CJB and 14-846-LPS-CJB*

Dear Chief Judge Stark:

Plaintiff Idenix Pharmaceuticals, Inc. (“Idenix”) respectfully requests that the Court deny Defendants’ request to claw back an email authored by Michael Otto (“the Otto email”). (Exh. 1.) Defendants’ attempt to reclaim the Otto email is flawed for at least three reasons. *First*, the Otto email is not protected by the attorney-client privilege. To the contrary, it transmits the substance of a **non-privileged** communication between two non-lawyers and is divorced from any request for legal advice. *Second*, the communication was made for an improper purpose and in furtherance of a crime or fraud. *Third*, Defendants have known of the problem in their production since May 2015 when they began requesting documents be returned, but they failed to take prompt reasonable steps to rectify the errors.

Background. In the late 1990’s, researchers working for Plaintiffs made the breakthrough discovery that 2’-methyl nucleosides showed potent activity against HCV. Thereafter, Plaintiffs filed several patent applications describing and claiming these inventions.

[REDACTED]

[REDACTED]

[REDACTED]

Pharmasset's pattern of misusing Idenix's confidential information is further evidenced by the Otto email. Prior to that email, Idenix had filed a full utility application relating to its pioneering work on 2'-C branched nucleosides, which led to the '054 and '597 patents asserted in this case. [REDACTED]

[REDACTED]

[REDACTED] That same month, Pharmasset filed a patent application disclosing hundreds of 2'-C branched nucleosides. (Exh. 13.) [REDACTED]. Gilead cannot hide this evidence behind a claim of privilege.

1. The Otto Email Is Not Privileged. “Not all communications relevant to patent matters between attorney and client or between attorneys are protected under attorney-client privilege or work product immunity.” *Hercules, Inc. v. Exxon Corp.*, 434 F. Supp. 136, 144 (D. Del. 1977). “It is essential that the communications between client and attorney concern legal assistance and advice in order to be privileged.” *Id.* In *Hercules*, the court explained that information transmitted to patent counsel “not calling for a legal opinion or interpretation, but meant primarily for aid in completing a patent application[,]” is not privileged. *Id.* at 147.

The Otto email is not a privileged communication. It merely transmits the substance of a **non-privileged** communication between non-lawyers to a lawyer. (Exh. 1.) A non-privileged communication between non-lawyers does not suddenly become privileged simply because it was passed along to a lawyer in the form of instructions. The email contains no explicit or implicit request for legal advice. It does not give the attorney any opportunity to respond or disagree with the instructions. Instead, it simply transmits the substance of a non-privileged

communication [REDACTED]
[REDACTED] For this reason alone, Defendants' request should be denied.

2. The Otto Email Was Sent In Furtherance Of A Crime Or Fraud. Even if a communication is privileged, it is not entitled to protection if the communication was made in furtherance of a crime or fraud. *United States v. Zolin*, 491 U.S. 554, 562-63 (1989). The crime-fraud exception is properly applied in patent cases when the communication relates to an applicant's attempt to obtain patent coverage which it knows it is not entitled to claim. *See, e.g., Specialty Minerals, Inc. v. Pluess-Staufer AG*, 220 F.R.D. 41, 42 (S.D.N.Y. 2004) (allowing discovery into privileged communications when the applicant withheld material prior art from the examiner). In the Third Circuit, "the party invoking the crime-fraud exception must make 'a prima facie showing that (1) the client was committing or intending to commit a fraud or crime and (2) the attorney-client communications were in furtherance of that alleged crime or fraud.'" *In re Neurontin Antitrust Litig.*, 801 F. Supp. 2d 304, 307 (D.N.J. 2011).

[REDACTED]
[REDACTED]
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[REDACTED]
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[REDACTED]
[REDACTED] *See CardiAQ Valve Techs., Inc. v. Neovasc, Inc.*, 57 F. Supp. 3d 118, 123-24 (D. Mass. 2014) (denying motion to dismiss fraud allegations where defendant allegedly misused plaintiff's confidential information in filing patent applications).

3. Defendants Failed To Take Prompt And Reasonable Steps To Correct The Problems In Their Production. The Federal Rules of Evidence permit return of allegedly privileged communications *only* if certain criteria are met: (i) the disclosure must be inadvertent; (2) the holder of the privilege or protection took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to rectify the error. Relevant to this analysis is the number of allegedly inadvertent disclosures, the extent of those disclosures, any delay and measures taken to rectify the disclosures. *United States v. Sensient Colors, Inc.*, No. 07-1275 (JHR/JS), 2009 WL 2905474, at *4 (D.N.J. Sept. 9, 2009). Moreover, "[i]f a party is on notice of an error in its document production it should not wait for its adversary to discover its error[.]" *Id.*, at *5 n.12.

Defendants failed to take reasonable steps once they discovered that allegedly privileged documents had been produced. Since May 26, 2015, Defendants have issued 11 separate requests seeking the return of more than 90 documents. The first request occurred six months ago, but Defendants did not correct the problem. Instead, they waited until the documents were identified in the ordinary course or Plaintiffs tried to use them in a deposition. Like the plaintiff in *Sensient Colors*, Defendants should have taken prompt and diligent steps to re-assess its document production when they first learned of the problems in May.

Respectfully,

/s/ Andrew C. Mayo

Andrew C. Mayo

ACM/nml
Attachments

cc: Counsel of Record (via electronic mail; w/attachments)