

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMNEAL PHARMACEUTICALS LLC AND PAR PHARMACEUTICAL, INC.,
Petitioners,

v.

JAZZ PHARMACEUTICALS, INC.,
Patent Owner.

Cases: IPR2015-00545 (Patent 8,589,182 B1)
IPR2015-00546 (Patent 7,765,106 B2)
IPR2015-00547 (Patent 7,765,107 B2)
IPR2015-00548 (Patent 7,895,059 B2)
IPR2015-00551 (Patent 8,547,988 B1)
IPR2015-00554 (Patent 7,668,730 B2)¹

Before JACQUELINE WRIGHT BONILLA, SUSAN L. C. MITCHELL, and
BRIAN P. MURPHY, *Administrative Patent Judges*.

MURPHY, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

¹ This Order addresses issues that are the same in the identified cases. We exercise our discretion to issue one Order to be filed in each case. The parties are not authorized to use this style heading.

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I. INTRODUCTION

Petitioner Par Pharmaceutical, Inc. (“Par Inc.”) filed Petitions requesting *inter partes* review in each of the above-identified proceedings, and Petitioner Amneal Pharmaceuticals LLC (“Amneal”) filed Petitions requesting *inter partes* review in four of the above-identified proceedings, IPR2015-00545, IPR2015-00546, IPR2015-00547, and IPR2015-00554. Paper 3 (“Pet.”).² The Petitions in IPR2015-00548 (Paper 1, 58) and IPR2015-00551 (Paper 1, 58) identify Par Inc. as the sole real-party-in-interest, and the Petitions in IPR2015-00545, IPR2015-00546, IPR2015-00547, and IPR2015-00554 identify Amneal and Par Inc. as the real-parties-in-interest. Pet. 59.

Patent Owner Jazz Pharmaceuticals, Inc. (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.”) in each proceeding, asserting that parent companies of Par Inc. – Par Pharmaceutical Companies, Inc. (“Par Co.”), Par Pharmaceutical Holdings, Inc. (“Par Holdings”),³ Sky Growth Intermediate Holdings I Corporation (“Sky I”), and Sky Growth Intermediate Holdings II Corporation (“Sky II”) – should have been identified as real-parties-in-interest in each of the above-identified proceedings. Prelim. Resp. 9–23. We ordered supplemental briefing and additional discovery on the issue. Paper 11. After considering the supplemental briefing and additional discovery provided by the

² Citations are to IPR2015-00545 as representative unless otherwise indicated.

³ Par Holdings was formed in 2012 as Sky Growth Holdings Corporation, but changed its name to Par Holdings on March 4, 2015. Prelim. Resp. 9 n.3 (citing Ex. 2015, 13).

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parties, we issued our Decision to Institute on July 29, 2015. Paper 25. In that Decision, we determined, *inter alia*, that evidence of record before us at the time established that Petitioner had complied sufficiently with with the statutory requirement to identify all real parties-in-interest. *Id.* at 18.

On August 25, 2015, pursuant to authorization from the Board, Patent Owner filed a motion for additional discovery from Petitioner Par Inc. regarding the real party-in-interest issue. Paper 34 (“Mot.”). On August 28, 2015, Par Inc. filed its opposition to the motion. Paper 37 (“Opp.”).⁴ We address the parties arguments below.

Patent Owner has requested (i) billing records submitted by Petitioner’s outside counsel and expert witness to any of the Par entities relating to these *inter partes* review proceedings, and (ii) employment agreements between David Silverstein and any Par entity, and Lawrence Brown and any Par entity. Mot. 1 (citing Ex. 2039, 3). Messrs. Silverstein and Brown are the two in-house attorneys identified by Petitioner as having primary responsibility for the decision to file and the content of the *inter partes* review petitions. Ex. 1039 ¶ 7 (“Gilman Declaration”). Patent Owner addresses five factors to be considered for a grant of additional discovery. Mot. 2–5 (citing *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, Case IPR2012-00001, slip op. at 6–7 (PTAB Mar. 5, 2013) (Paper 26) (the “*Garmin* factors”).

⁴ We cite to the parties’ redacted motion papers. The parties have filed motions to seal a very limited amount of confidential information addressed below in Section III.

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II. ANALYSIS REGARDING ADDITIONAL DISCOVERY

Regarding the first *Garmin* factor (“more than a mere allegation or possibility that something useful will be discovered”), Patent Owner argues that the billing records will be useful for determining who is actually funding these *inter partes* review proceedings, and the employment records will be useful for determining which Par entity actually employs the individuals responsible for the content and filing of the petitions. *Id.* at 2–3. Patent Owner argues that the Gilman Declaration did not address or identify billing records to support the statement that Par Inc. was the only Par entity that “paid” any filing or legal fees in connection with the preparation of these IPR petitions (Ex. 1039 ¶ 7), and that Mr. Gilman was not forthcoming at his deposition. *Id.* Patent Owner further argues that Mr. Gilman’s Declaration did not address or refer to employment agreements, and that Mr. Gilman did not speak to Messrs. Silverstein or Brown regarding their employment records prior to the deposition. *Id.* at 3–4.

Petitioner Par Inc. asserts that Patent Owner had the ability to generate equivalent information, arguing that Patent Owner had the chance to depose Mr. Gilman prior to institution, but did not make effective use of the opportunity. *Opp.* 2–3. Although there may be some merit to this position, we are persuaded that Petitioner also attempts to use the attorney-client privilege and alleged undue burden as a shield to avoid providing the limited documents requested. *Id.* at 4. Petitioner has control over the requested information and Patent Owner does not have the ability to generate equivalent information, even though Patent Owner did not attempt to elicit some of this information during Mr. Gilman’s deposition. The

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deposition transcript provides less than a clear record. For example, during his deposition, Mr. Gilman refused to answer questions regarding employment of members of the legal department and whether members of the legal department work for any of the Par entities, as beyond the scope of his declaration. Ex. 2033, 17:7-10, 21:3-22:10, 26:24-27:14, 28:8-30:4, 53:4–56:7.

Patent Owner has made a very limited request for additional documents that will help the Board understand which Par entity (or entities) receives and pays the bills for these *inter partes* review proceedings, and which Par entity (or entities) employs the responsible in-house attorneys. Non-privileged factual information contained in the billing records and the employment agreements may, therefore, bear on our consideration of whether Petitioner has identified all real parties-in-interest. *See, e.g., Corning Optical Commn'cs v. PPC Broadband*, Case IPR2014-00440, slip op. at 17, 20–21 (PTAB Aug. 18, 2015) (Paper 68).

Petitioner further argues that evidence relied upon by Patent Owner to support Patent Owner's assertions regarding real parties-in-interest is inadmissible under Federal Rule of Evidence 408. Opp. 4–5. Federal Rule of Evidence 408 precludes the use of offers of compromise “to prove or disprove the validity or amount of a disputed claim.” Fed. R. Evid. 408. The disputed “claim” at issue in this proceeding is the alleged unpatentability of the '182 patent claims, not Petitioner Par Inc.'s alleged noncompliance with the requirement to identify all real parties-in-interest. The specific fact at issue on Patent Owner's motion to compel additional discovery – Dr. Brown's signature block on an email regarding confidential business communications – is not being used by Patent Owner to

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contest Petitioner's allegations of unpatentability. Federal Rule of Evidence 408, therefore, does not preclude reliance on the email to assess Petitioner's compliance with its obligation to identify all real parties-in-interest pursuant to 35 U.S.C. § 312(a)(2).

The remaining *Garmin* factors favor Patent Owner. We are persuaded that Patent Owner does not seek Petitioners' litigation positions and does not have the ability to generate equivalent discovery by other means. Mot. 4–5. The requests are focused, easily understandable, and not overly burdensome to Petitioners. *Id.*

Therefore, we determine Patent Owner has made a sufficient showing for us to grant the motion to produce non-privileged information contained in the requested documents, subject to certain conditions. First, the attorney billing records are limited to those records submitted to any of the Par entities that relate to the time period prior to and including the filing date of the Petitions. Second, any billing amounts and specific descriptions of legal services may be redacted. Third, only those portions of the employment agreements necessary to identify which Par entity (or entities) employs Messrs. Silverstein and Brown and those portions describing the scope of employment need be provided, in addition to other relevant identifying information and signature blocks.

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III. MOTIONS TO SEAL AND FOR ENTRY OF PROTECTIVE ORDER

Patent Owner and Petitioner both have submitted motions to seal confidential information in the record.

Patent Owner moves (i) to seal confidential (un-redacted) versions of Exhibit 2033, Patent Owner's Reply to Petitioners' Failure to Name All Real Parties In Interest (Paper 17), and Patent Owner's Motion for Additional Discovery (Paper 33), (ii) to seal Exhibit 2037 in its entirety, and (iii) for entry of the Board's default Protective Order. Paper 16 ("PO Mot. to Seal I"); Paper 32 ("PO Mot. to Seal II). Petitioner Par Inc. moves to seal the confidential version of Petitioner's Opposition to Patent Owner's Motion for Additional Discovery (Paper 36), which discusses Exhibit 2037. Paper 35 ("Pet. Mot. to Seal").

The standard for granting a motion to seal is "good cause." 37 C.F.R. § 42.54. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *See Garmin International v. Cuozzo Speed Technologies, LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB March 14, 2013) (Paper 34) (discussing the standards of the Board applied to motions to seal). The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin* at 3.

Patent Owner states that page 7, lines 15-16, of Exhibit 2033 contain Par Inc.'s declarant, Barry Gilman's, home address. PO Mot. to Seal I, 1. Patent Owner further states that the address was redacted pursuant to Mr. Gilman's

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request during his June 4, 2015 deposition. *Id.*; Ex. 2033, 70:13–18. Patent Owner and Petitioner Par Inc. both represent that Exhibit 2037, and the portion of Papers 17, 33, and 36 discussing that exhibit, contain the parties’ business confidential information. PO Mot. to Seal I, 1; PO Mot. To Seal II, 1; Pet. Mot to Seal, 1. Exhibit 2037 relates generally to confidential business discussions between Patent Owner and Petitioner Par Inc. that are marked pursuant to Federal Rule of Evidence 408.

Having considered the documents at issue, we are persuaded that Patent Owner and Petitioner have demonstrated “good cause” for keeping the confidential business information of the parties under seal. The parties also have filed redacted public versions of Mr. Gilman’s deposition transcript (Exhibit 2033), Patent Owner’s Reply to Petitioners’ Failure to Name All Real Parties In Interest (Paper 18), and Patent Owner’s Motion for Additional Discovery (Paper 34). The parties also have shown good cause for entry of the Board’s default Protective Order, attached as Exhibit B to our Trial Practice Guide.

We remind the parties of the public’s interest in maintaining a complete and understandable file history, and thus, that there is an expectation that confidential information relied upon in a subsequent decision will be made public. *See Office Trial Practice Guide*, 77 Fed. Reg. at 48760–61. In addition, confidential information subject to a protective order ordinarily becomes public 45 days after denial of a petition to institute or 45 days after final judgment in a trial. A party seeking to maintain the confidentiality of the information may file a motion to

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expunge the information from the record prior to the information becoming public.
See 37 C.F.R. § 42.56.

IV. ORDER

Accordingly, it is:

ORDERED that Patent Owner's motion for additional discovery is *granted*, subject to the conditions stated on page 6;

FURTHER ORDERED that that the following papers and exhibits shall be sealed as "Board and Parties Only": Papers 17, 33, 36, Exhibit 2033 (Confidential version), and Exhibit 2037; and

FURTHER ORDERED that the Board's Default Standing Protective Order shall be entered in this proceeding.

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FOR PETITIONER:

Matthew C. Ruedy
Steven A. Maddox
Maddox Edwards PLLC
mruedy@meiplaw.com
smaddox@meiplaw.com

FOR PATENT OWNER:

F. Dominic Cerrito
Evangeline Shih
Frank Calvosa
QUINN EMANUEL URQUHART & SULLIVAN, LLP
nickcerrito@quinnemanuel.com
evangelineshah@quinnemanuel.com
frankcalvosa@quinnemanuel.com

John V. Biernacki
JONES DAY
jvbiernacki@jonesday.com