

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

JANSSEN BIOTECH, INC., )  
)  
Plaintiff, )  
) Civil Action No. 1:15-cv-10698-MLW  
v. ) Civil Action No. 1:16-cv-11117-MLW  
)  
CELLTRION HEALTHCARE CO., LTD., )  
CELLTRION, INC., and )  
HOSPIRA, INC., ) CONFIDENTIAL - FILED UNDER  
) SEAL  
Defendants. )

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**DEFENDANTS' MEMORANDUM OF LAW IN SUPPORT OF THEIR  
MOTION TO COMPEL**

At the core of the parties' standing dispute is the interpretation of employment agreements and related agreements executed by the named inventors of the asserted '083 patent. In opposing Defendants' motion to dismiss, Janssen disclosed and relied upon its attorneys' analysis and interpretation of these agreements, (*see, e.g.*, Dkt. 522 (Declaration of Kenneth J. Dow, Esq.)), while simultaneously withholding other discovery related to the same subject matter. On March 27 and 29, 2017, Janssen represented to the Court and Defendants that it was not withholding any discovery relevant to the agreements at issue in Defendants' motion to dismiss. Dkt. 539 at 12. It is now beyond dispute that this is not true; Janssen has proffered the testimony of its in-house counsel to present a self-serving interpretation of the agreements at issue (the "sword"), while simultaneously withholding documents and instructing the same witness not to answer questions that would allow Defendants to probe the validity of Janssen's interpretation, asserting the attorney-client privilege (the "shield"). But it is axiomatic that Janssen may not use privilege as "both a sword and a shield." *Columbia Data Prods., Inc. v. Autonomy Corp.*, No. 11-12077, 2012 WL 6212898, at \*17 (D. Mass. Dec. 12, 2012).

Defendants filed their reply brief in support of their motion to dismiss on May 22, as ordered. Nonetheless, Defendants ask the Court to compel production of withheld documents and for additional deposition time with Mr. Dow. In the alternative, Defendants request that the Court strike or decline to consider statements and related evidence proffered by Janssen's attorneys.

## **I. BACKGROUND**

On February 22, 2017, Defendants filed a motion to dismiss Count 6 of Janssen's March 2015 complaint and Janssen's June 2016 complaint for lack of standing to assert the '083 patent. Dkts. 507–508. One of the bases for Defendants' motion is that four of the six named inventors of the '083 patent executed employment agreements assigning their rights to the '083 patent to “the COMPANY,” which each employment agreement defines as “CENTOCOR *and* JOHNSON & JOHNSON *and* any of their successors or assigns, purchasers, acquirers, and any of their existing and future subsidiaries, divisions or affiliates, including any such subsidiary, division or affiliate of Johnson & Johnson to which I may be transferred or by which I may be employed in the future.” Dkt. 522-1 at JANREM0098780 (emphasis added); Dkt. 508 at 10–19.

In response to Defendants' motion, Janssen proffered new evidence, including never-before produced purported “assignments” of the '083 patent from the named inventors to Janssen that were executed in August 2015, five months *after* Janssen had sued Defendants asserting the '083 patent. *See, e.g.*, Dkt. 522-4, 522-6, 522-8. Janssen also offered a seven-page declaration from its—and J&J's—attorney, Kenneth Dow, Assistant General Counsel for Patents in the Johnson & Johnson Law Department and Vice President, Patent Law, at Janssen Biotech, Inc., about the employment agreements which assign rights in the '083 patent to “the COMPANY.” Dkt. 522. Mr. Dow's declaration presented purportedly “*authoritative*[]” claims about “Janssen's understanding and intentions with respect to this subject matter,” such as “Janssen has

*always understood and intended* that the agreements executed by the inventors of the '083 patent, all of whom were Janssen employees at the time of the invention, resulted in the assignment of all rights in that invention to Janssen (*and only to Janssen*)." *Id.* at 2 (emphasis added).

[REDACTED]

Pursuant to the Court's orders (Dkts. 535, 537), Defendants sought, and Janssen agreed to produce, discovery related to the standing issues and information provided by Janssen related thereto. Dkt. 539. Specifically, Janssen agreed to conduct a reasonable search for and produce

three categories of documents,<sup>1</sup> and agreed to make Mr. Dow available to testify “on the subject matters of his declaration” in his personal capacity and as a Rule 30(b)(6) witness. Dkt. 539 at 1–2. The parties disputed other categories of discovery, including documents related to J&J family companies’ efforts to enforce similar employment agreements and a deposition of J&J. The Court ordered production of these items after the March 29, 2017, telephonic hearing. Dkt. 542.

Another issue the parties disputed at the March 29 hearing was whether Janssen waived privilege with respect to Janssen’s intentions and understanding regarding the disputed employment agreements by disclosing and relying on Mr. Dow’s testimony, which affirmatively put Janssen’s alleged “understanding and intent” regarding the meaning of the agreements squarely at issue. Dkt. 539 at 2. Defendants argued that Janssen waived privilege from at least December 1998, when the first agreement was executed, to August 2015, when the last was executed. *Id.* Janssen claimed that the waiver argument was “not ripe” for resolution because Janssen had “largely completed its search for responsive documents and has not located any privileged communications during the time period as to which Defendants assert waiver.” *Id.* at 9, 11–13; Dkt. 544 at 17:14–19, 21:20–22:4. Janssen told the Court that “[t]here are no responsive documents, privileged or otherwise.” Dkt. 539 at 12. Janssen also urged the Court to avoid the waiver issue because Janssen “do[es] not intend to assert privilege at Mr. Dow’s deposition on this subject matter.” Dkt. 544 at 27:12–14.

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<sup>1</sup> Janssen agreed to search for and produce “(i) documents and communications regarding the employment agreements, assignments, and declarations that are the subject of the motion to dismiss; (ii) documents and communications of Janssen discussing the meaning of the same or similar form agreements; and (iii) documents and communications exchanged between any named inventor of the ’083 patent and any J&J family company (or anyone acting on their/its behalf) relating to the employment agreements, assignments, and/or declarations.” Dkt. 539 at 1.

But things actually played out exactly opposite to what Janssen represented. On April 21 and 26, 2017, Janssen produced documents accompanied by a cover letter stating that Janssen “has withheld documents from August 2015 or earlier that are protected from disclosure by the attorney-client privilege and/or work product immunity but would otherwise be responsive to [the agreed upon document] requests (i), (ii), and (iii) as set forth on page 1 of the Joint Report Regarding Standing-Related Discovery (Dkt. No. 539).” Ex. 2 (counsel correspondence). In other words, Janssen withheld documents related to Janssen’s interpretation of the relevant provisions of the employment agreements, including “documents and communications regarding the employment agreements, assignments, and declarations that are the subject of the motion to dismiss” and “documents and communications exchanged between any named inventor of the ’083 patent and any J&J family company (or anyone acting on their/its behalf) relating to the employment agreements, assignments, and/or declarations.” Dkt. 539 at 1.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Further, Janssen and J&J selected Anne Martinson, [REDACTED] to testify as a Rule 30(b)(6) witness on behalf of J&J. [REDACTED]

[REDACTED]

**II. THE COURT SHOULD FIND THAT JANSSEN HAS WAIVED PRIVILEGE AND COMPEL PRODUCTION OF WITHHELD DOCUMENTS, OR ALTERNATIVELY STRIKE OR DISREGARD ANY ATTORNEY TESTIMONY AND DOCUMENTS JANSSEN OFFERS**

Having disclosed and relied upon self-serving, litigation-driven attorney analysis of the disputed agreements, Janssen should not be permitted to claim that documents and communications relating to the same subject matter are privileged and immune from discovery. A litigant may not “us[e] the attorney-client privilege as both a sword and a shield” by “selectively disclos[ing] fragments helpful to its cause,” while “entomb[ing] other (unhelpful)

fragments, and in that way kidnap the truth-seeking process.” *Columbia Data Prods., Inc. v. Autonomy Corp.*, No. CIV.A. 11-12077-NMG, 2012 WL 6212898, at \*17 (D. Mass. Dec. 12, 2012). This is precisely what Janssen is doing here.

“[W]aiver may be found ‘when a party takes a position in a case that places at issue the very information sought to be protected from disclosure.’” *Id.* at \*16 (quoting *Coastline Terminals of Conn., Inc. v. United States Steel Corp.*, 221 F.R.D. 14, 17 (D. Conn. 2003)); *F.D.I.C. v. R.W. Beck, Inc.*, No. CIV.A. 01–CV–11982RGS, 2004 WL 1474579, at \*1 (D. Mass. July 1, 2004) (“It is settled law that by placing privileged communications ... ‘at issue’ in civil litigation, a party waives any applicable claim of privilege.”). Waivers of this kind, called implied waivers, “‘are almost invariably premised on fairness concerns,’” and arise in cases in which “‘the party asserting the privilege placed protected information in issue for personal benefit through some affirmative act, and the court found that to allow the privilege to protect against disclosure of that information’ would have been unfair to the opposing party.” *Columbia Data Prods.*, 2012 WL 6212898, at \*16 (quoting *In re Keeper of Records (Grand Jury Subpoena Addressed to XYZ Corp.)*, 348 F.3d 16, 24 (1st Cir. 2003)). “The same concerns for fairness that underlie the waiver of attorney-client privileged communications are equally applicable to waiver of work product information.” *Id.*; see also *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 139 F.R.D. 556, 558 (D. Mass. 1991) (“[D]isclosure of a document to an adversary is fundamentally inconsistent with th[e] policy [behind work product immunity].”)

Janssen is using the privilege “as both a sword and a shield,” and fairness dictates that it be required to produce all information related to the subject matter in question. *Columbia Data Prods.*, 2012 WL 6212898, at \*17; see also *In re Lernout & Hauspie Sec. Litig.*, 222 F.R.D. 29, 34–35 (D. Mass. 2004) (waiver of attorney client privilege based on knowing disclosures is

“deemed to encompass all other such communications on the same subject”). Janssen’s orchestrated and selective revelation of its attorneys’ “analysis” of the employment agreements and assignments in question does not tell the whole story. Both Mr. Dow and Ms. Martinson offered purported “authoritative” testimony despite [REDACTED]

[REDACTED]

At the same time, Janssen is hiding material that would allow the Defendants to evaluate and challenge Janssen’s position. [REDACTED]

[REDACTED]

[REDACTED] Janssen is withholding documents and communications regarding these post-suit assignments. *See* Ex. 2 (counsel correspondence) (stating that Janssen is withholding documents from category (iii), i.e., named inventor communications). And Janssen refused to let Mr. Dow answer questions about [REDACTED]



[REDACTED] Inventor communications on these issues and related documents are particularly salient because Janssen's post-filing rounds of "assignments" are relevant to Janssen's pre-suit understanding of how the employment agreements operated, appear to run counter to Janssen's arguments regarding standing, and suggest Janssen knew the existing agreements did not resolve patent ownership and assignment. Moreover, it is not clear how Janssen purports to withhold any such communications based on the attorney-client or work product privileges in the first place, because all but one of the named inventors is no longer employed by Janssen or J&J.

Similarly, J&J, who drafts the form employment agreements used by its subsidiaries, has changed the form since the time the inventors of the '083 patent executed their employment agreements. [REDACTED]

[REDACTED]

[REDACTED] Janssen, however, is withholding documents relating to communications of Janssen discussing the meaning of these (or similar) agreements. *See Ex. 2* (counsel correspondence).

Indeed, Janssen prevented Defendants even from inquiring into the bases of the analysis that Mr. Dow presents in his declaration. For example, Janssen refused to let Mr. Dow [REDACTED]

[REDACTED]

[REDACTED] Janssen also instructed Mr. Dow not to answer [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] And, as previously mentioned, Janssen even refused to allow Mr. Dow to discuss [REDACTED] [REDACTED]

Although some courts have found no waiver of privilege where a party disclosed an attorney’s “ultimate conclusion” on a disputed issue (*e.g.*, *Neelon v. Krueger*, 12-cv-11198, 2015 WL 4254017, at \*5 (D. Mass. Jul 14, 2015)), this is not what happened in this case. Janssen has “[d]isclos[ed] the content of a request for legal advice,” which “is a waiver, as is disclosing details regarding the advice provided.” *Id.* at \*5–6. Mr. Dow described, analyzed, and provided an opinion of the employees’ “obligations” under the agreements, including providing his underlying reasoning or rationale. Dkt. 522 at 2. [REDACTED]

[REDACTED]

Janssen has argued that “[b]ecause Mr. Dow did not have any privileged communications regarding the disputed language during the relevant timeframe, he obviously could not have, and

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<sup>2</sup> Just before Defendants filed this motion, Janssen offered to host a new deposition of Mr. Dow. Ex. 8 (counsel correspondence) at 2. Janssen’s last-minute offer of a “do-over” of Dow’s deposition is an example of its sword-and-shield approach: Janssen would have Mr. Dow answer questions it previously asserted were privileged, after it gets an opportunity to preview the questions, but Mr. Dow will not “waiv[e] any privilege” by providing these previously (allegedly) privileged answers. *Id.* at 2. In any event, as explained in Part III, *infra*, Janssen’s offer does not resolve the parties’ dispute over whether a subject matter waiver has occurred.

did not, waive privilege with respect to any such non-existent communications by explaining his intent with respect to the agreements.” Dkt. 539 at 12. This argument fails, because the information Janssen disclosed, and the scope of the waiver, is not Mr. Dow’s own “privileged communications regarding” the disputed agreements. Where a party “puts the nature of its lawyer’s advice squarely in issue,” it is “communications embodying the subject matter of the advice [that] typically lose protection”—and not necessarily such communications belonging to any one person. *Columbia Data Prods.*, 2012 WL 6212898, at \*17; *Micron Separations, Inc. v. Pall Corp.*, 159 F.R.D. 361, 363 (D. Mass. 1995) (referring to “a ‘subject matter’ waiver—i.e., a waiver of all communication on the same subject matter”).

Further, even if Mr. Dow and Ms. Martinson themselves do not have privileged communications about the employment agreements at issue from before they were asked to provide analysis for this case, it appears other Janssen attorneys do. This highlights the sword/shield problem and counsels in favor of, not against, finding waiver. It would eviscerate the prohibition on using privilege as a sword and a shield if all Janssen had to do to avoid waiver was select a person, like its two deponents, [REDACTED] and use them to put forth a scrubbed attorney “analysis” of the relevant documents, holding their statements out as “authoritative” about what “Janssen has always understood and intended.” The rules of implied waiver seek to prevent this scenario. As this District has noted, “[w]ere a party able to make an initial disclosure but shield further discovery with the assertion of privilege, he might release only the opinion favorable to him and withhold numerous damaging ones.” *Fonar Corp. v. Johnson & Johnson*, No. 82-2751, 1985 WL 186693, at \*2 (D. Mass. Aug. 20, 1985) (finding that J&J waived privilege); *see also Columbia Data Prods.*, 2012 WL 6212898, at \*17; *United States v. Desir*, 273 F.3d 39, 45 (1st Cir. 2001)

(waiver by implication may occur whenever a party takes a position that makes it unfair to protect attorney-client communications, such as when a client testifies about portions of such communications (citation omitted)).

### **III. JANSSEN'S LAST-MINUTE OFFERS DO NOT RESOLVE THE PARTIES' DISPUTE**

One business day before Defendants filed this motion, and only after Defendants informed Janssen that they intended to re-raise the waiver issue, Janssen offered to provide a privilege log by May 26, 2017, and to allow Defendants another deposition of Mr. Dow, provided that Defendants identified specific questions on which Janssen previously asserted privilege and Janssen “agree[d]” to allow Mr. Dow to answer those questions. Ex. 8 (counsel correspondence) at 2, 5. Neither offer resolved or narrowed the parties’ dispute.

Janssen’s offer to provide a privilege log comes after it declined to provide one in March and again in early May, and after it declined to provide privilege-log type information during Mr. Dow’s deposition. Ex. 3 (counsel correspondence) at 1. But unless Janssen concedes there has been a subject matter waiver due to its reliance on Mr. Dow—which it does not concede—the parties are at an impasse on that issue. Ex. 8 (counsel correspondence) at 2. With discovery closed and Defendants’ motion to dismiss reply due, the parties need to raise issues that impact resolution of the motion, rather than allowing Janssen to stall and avoid having the waiver issues resolved in a timely fashion. As Defendants explained to Janssen, they are happy to review and consider a privilege log now that Janssen has belatedly agreed to provide one.

As to Janssen’s offer to continue Mr. Dow’s deposition, a partial do-over of Mr. Dow’s deposition does not resolve the core dispute—whether that there has been a subject matter waiver of privilege—even if Janssen were to change its mind with regard to certain privilege objections that were (in Defendants’ view) improper. Janssen has not agreed to produce the documents

responsive to Defendants' requests which Janssen is withholding on the basis of privilege. And, Janssen has insisted on unreasonable conditions for the proposed re-do deposition: (1) Defendants "identify particular questions the responses to which [Defendants] believe are not privileged" and "let [Janssen] know" if there are "other questions [Defendants] wish to ask Mr. Dow," and (2) the deposition, which would take place over the phone, would be "limited to any additional questions [Janssen] agree[s] [Mr. Dow] may answer."<sup>3</sup> *Id.* at 2, 5. Deposing Mr. Dow under Janssen's conditions, after Defendants have filed their reply brief for the motion to dismiss and before the Court has addressed the waiver issue, does not make sense.

#### IV. CONCLUSION

For the foregoing reasons, Defendants respectfully request, pursuant to Fed. R. Civ. P. 26(b) and 37(a), that the Court enter an order compelling production of the responsive documents Janssen has withheld on the basis of privilege, grant Defendants additional deposition time with Mr. Dow, and permit Defendants the opportunity to supplement the record on the motion to dismiss to the extent documents are uncovered that might aid the Court in resolution of the motion. Alternatively, the Court should strike or give no weight to any declaration, documents, or testimony Janssen attempts to rely upon proffered by Mr. Dow or Ms. Martinson or any other Janssen or J&J attorney.<sup>4</sup>

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<sup>3</sup> Janssen made a similar offer at the end of Mr. Dow's deposition, giving Defendants "a chance to ask the question[s] that prompted privilege objections] again" and he would, "based on how [Defendants' counsel] reformulate[d]" the questions, "consider whether or not to renew the objection[s]." Ex. 1 (Dow Dep. Tr.) at 291:2-10, 292:3-13, 294:11-17. The offer, coming at the end of a seven-and-a-half-hour day without the benefit of the transcript and with the witness waiting to go home, was unreasonable, as Defendants explained on the record. Defendants are not required to "go to the judge" "on the day of the deposition" to "seek resolution" (Ex. 1 (Dow Dep. Tr.) at 292:3-293:4) and made clear in subsequent correspondence that they may timely pursue issues related to assertion of privilege. Ex. 3 (counsel correspondence) at 2-3. Moreover, Janssen's counsel made clear during the deposition that he was "[a]bsolutely not" withdrawing the approximately 50 privilege objections it made during Mr. Dow's deposition. *Id.* at 292:14-16.

<sup>4</sup> To the extent Janssen is able to establish its entitlement to the privilege, an *in camera* review of the withheld documents may be helpful to the Court in resolving the waiver issues. *See, e.g., Corvello v. New England Gas Co.*, 243 F.R.D. 28, 34 (D.R.I. 2007).

Dated: May 22, 2017

Respectfully submitted,

Celltrion Healthcare Co., Ltd., Celltrion, Inc.  
and Hospira Inc.

By their attorneys,

/s/Andrea L. Martin, Esq.

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**CERTIFICATE OF SERVICE**

I, Andrea L. Martin, hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on May 22, 2017.

/s/Andrea L. Martin, Esq.  
Andrea L. Martin, Esq.