IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

Takeda Pharmaceutical Company LTD, et al.,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	C.A. No. 09-841-SLR-LPS
	:	
Teva Pharmaceuticals USA, Inc., et al.,	:	
	:	
Defendants.	:	

AMENDED MEMORANDUM ORDER[1]

At Wilmington this 21st day of June, 2010:

Having considered the motion of Defendants[2] to compel the production of electronically-stored information ("ESI") for a period of 18 years, rather than the default period of five years previously imposed in this action, from Plaintiffs Takeda Pharmaceutical Company Ltd. and Takeda Pharmaceuticals North America, Inc. ("Takeda") (*see* D.I. 40 at 17-18); and

Having considered the parties' written submissions (D.I. 29-31, 42-45, 51-52), as well as their arguments during a teleconference (D.I. 40);

NOW THEREFORE IT IS HEREBY ORDERED:

1. Defendants have shown "good cause" for the production of ESI for a period of 18 years, including that the patent-in-suit (U.S. Patent No. 6,034,239) claims priority to 1996 and

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[1]Errors that appeared in the original version of this Order, and which were drawn to the Court's attention by the parties, are corrected in this version. Specifically, the Court had throughout the original Order neglected to identify the Watson Defendants as among the moving defendants and had in paragraph 4 inadvertently reversed references to Takeda and Teva.

[2]Defendants are Teva Pharmaceuticals USA, Inc., Teva Pharmaceutical Industries Ltd., Watson Laboratories Inc. - Florida, Watson Pharma, Inc., and Watson Pharmaceuticals, Inc. (collectively "Defendants").

ESI relating to the inventive activities, including research, that led to the patent likely well preceded this date. (D.I. 29 at 2; *see also generally* D.I. 51 at 1 ("ESI from this period is critical to many issues in this patent case, including, among others, the date of conception and reduction to practice, potential concealment of the best mode of the claimed invention, obviousness and the inventors' understanding of the prior art, and the construction of the claim language.").)

2. Takeda has shown that the ESI sought by Defendants for the period predating the five years immediately preceding suit is not reasonably accessible. **REDACTED**

REDACTED

REDACTED an outside vendor to perform the necessary tasks (e.g., indexing, restoring, culling, searching, and hosting) would cost approximately $1 million to $1.5 million. (D.I. 43-45; *see also* D.I. 42 at 2.) These figures do not include the time it would also take for attorneys to review the retrieved materials for relevance and privilege.

3. In these circumstances, it is appropriate to require the parties to share in the financial costs of production of ESI. *See* Fed. R. Civ. Proc. 26(b)(2)(B) ("A party need not provide discovery of electronically stored information from sources that the party identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the party from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause,

considering the limitations of Rule 26(b)(2)(C). *The court may specify conditions for the discovery.*") (emphasis added); *id.* Adv Comm Note (2006) (noting that among conditions Court may set for discovery is requirement of "payment by the requesting party of part or all of the reasonable costs of obtaining information from sources that are not reasonably accessible"); *Zubulake v. UBS Warburg LLC*, 217 F.R.D. 309, 324 (S.D.N.Y. May 13, 2003) (shifting costs of production of ESI to producing party).

4. Here, the ESI sought by Defendants is relevant at least to Defendants' invalidity defense and may not be available from any other source, but the financial and other burdens on Takeda from producing the requested ESI would be very high. Still, in relation to the importance of the interests at stake in this litigation, including the likely very substantial financial stakes, these costs may be justified.

5. Accordingly, weighing all of the relevant factors, the Court, in exercise of its discretion, **GRANTS** Defendants' motion to compel production of an additional 13 years of ESI. The Court further holds that if Takeda employs an outside vendor to assist with fulfilling its obligation to produce the additional 13 years of ESI, Defendants shall pay ***80%*** of the reasonable costs Takeda incurs by employing such a vendor, while Takeda shall pay the remaining ***20%*** of such reasonable vendor costs. Each side shall be responsible for its own attorneys' fees.

6. Takeda's motion for leave to file a sur-reply brief (D.I. 55) is **DENIED**.

Because this Memorandum Order may contain confidential information, it has been released under seal, pending review by the parties to allow them to submit a single jointly proposed redacted version of the Memorandum Order. Such redacted version shall be submitted no later than **June 25, 2010** for review by the Court. The Court will subsequently file a publicly-

available version of its Memorandum Order.

Delaware counsel are reminded of their obligations to inform out-of-state counsel of this Order. To avoid the imposition of sanctions, counsel shall advise the Court immediately of any problems regarding compliance with this Order.

UNITED STATES MAGISTRATE JUDGE