

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

TAKEDA PHARMACEUTICALS U.S.A.,)
INC.,)

Plaintiff,)

v.)

Civil Action No. 14-1268-RGA-SRF

WEST-WARD PHARMACEUTICAL)
CORPORATION, HIKMA AMERICAS)
INC., and HIKMA PHARMACEUTICALS)
PLC,)

UNDER SEAL

Defendants.)

MEMORANDUM ORDER

At Wilmington this **12th** day of **April, 2018**, the court having considered the parties' letter briefing and the arguments presented during the April 11, 2018 discovery dispute hearing (D.I. 313; D.I. 314; 4/11/18 Tr.), IT IS HEREBY ORDERED THAT the motion to quash the notice of third party subpoena of Prasco, LLC ("Prasco"), filed by defendants West-Ward Pharmaceutical Corporation, Hikma Americas Inc., and Hikma Pharmaceuticals PLC (collectively, "Hikma"), is DENIED for the following reasons.

1. Procedural history. Plaintiff Takeda Pharmaceuticals U.S.A., Inc. ("Takeda") initiated this patent infringement action against Hikma on October 3, 2014,¹ alleging that Hikma's Mitigare™ product infringes United States Patent Nos. 7,964,647 ("the '647 patent"), 7,964,648 ("the '648 patent"), 7,981,938 ("the '938 patent"), 8,097,655 ("the '655 patent"), and

¹ As explained by Judge Robinson in the October 9, 2014 Memorandum Order granting Takeda a temporary restraining order, this action "did not proceed through the statutory regime established to vet patent infringement issues before drugs enter the stream of commerce" and, consequently, "the infringement analysis need not reflect the artificial construct of ANDA litigation." (D.I. 21 at ¶ 3)

8,440,722 (“the ‘722 patent”) (collectively, the “Colcrys® Patents”), which cover Takeda’s Colcrys® drug directed to the prevention and treatment of gout flares. (D.I. 1 at ¶¶ 13, 22) The Food and Drug Administration (“FDA”) approved Colcrys® as an oral, single-ingredient colchicine product under New Drug Application (“NDA”) Nos. 22-351, 22-352, and 22-353. (*Id.* at ¶¶ 13-14) On September 26, 2014, the FDA approved Hikma’s NDA No. 204820 for Hikma’s Mitigare™ product, which contains the same active ingredient as Colcrys®. (*Id.* at ¶¶ 25-26)

2. On October 9, 2014, Judge Robinson granted Takeda’s request for a temporary restraining order (“TRO”) to preserve the status quo while the parties fully briefed Takeda’s motion for a preliminary injunction. (D.I. 21) After additional briefing, the court entered a TRO against Hikma on October 31, 2014. (D.I. 72) In connection with the TRO, the court ordered Takeda to post a bond in the amount of \$13 million. (*Id.* at ¶ 6) On November 4, 2014, the court issued a Memorandum Opinion and Order denying Takeda’s motion for a preliminary injunction, but left the TRO in effect pending appeal. (D.I. 78; D.I. 79) Takeda appealed the court’s Memorandum Opinion and Order on November 5, 2014, and Hikma filed a cross appeal on November 10, 2014. (D.I. 80; D.I. 82) On January 9, 2015, the Federal Circuit affirmed the district court’s denial of Takeda’s motion for a preliminary injunction. (D.I. 97) The Federal Circuit issued its opinion on May 6, 2015, and the Federal Circuit’s mandate issued on August 26, 2015. (D.I. 107)

3. Takeda filed its first amended complaint on September 10, 2015. (D.I. 109) In response, Hikma filed a motion to dismiss for failure to state a claim. (D.I. 112) The court held oral argument on Hikma’s motion to dismiss on March 29, 2016. (D.I. 120) On May 18, 2016, the court entered a Memorandum Opinion and Order granting Hikma’s motion to dismiss and

closing the case. (D.I. 121; D.I. 122) Takeda filed a motion to alter the judgment of dismissal and moved for leave to amend its complaint on June 3, 2016. (D.I. 124) On December 14, 2016, the court issued a Memorandum Order granting Takeda's motions to alter the judgment of dismissal and amend the complaint. (D.I. 132) Takeda filed its second amended complaint on December 15, 2016. (D.I. 133)

4. A scheduling order was entered on February 28, 2017. (D.I. 150)

5. On May 8, 2017, Hikma filed a motion for order to show cause why the judgment for defendants should not be reinstated. (D.I. 193) The court held a hearing on the pending motion on May 23, 2017, and denied the motion from the bench.

6. On July 25, 2017, the case was reassigned to Judge Andrews. The parties stipulated to amend the scheduling order on December 26, 2017, setting expert discovery deadlines and deadlines for motions for summary judgment regarding Hikma's claim for recovery or execution of the injunction bond. (D.I. 278) The parties agreed to a status conference on May 14, 2018 to discuss further deadlines. (*Id.*)

7. **Background relevant to the present dispute.** On September 12, 2017, Hikma served a third party subpoena on Prasco² to testify at a deposition. (D.I. 232, Ex. 1) Hikma and Prasco subsequently met and conferred, and Hikma issued a narrowed subpoena to Prasco on January 8, 2018. (D.I. 281) In a January 10, 2018 letter, Prasco memorialized the parties' meet and confer, noting that Hikma requested the designation of Otis Ranson as Prasco's 30(b)(6) corporate witness in exchange for withdrawing its request for further testimony from other

² Prasco distributes Colcrys AG, the authorized generic of Takeda's Colcrys oral colchicine product. As noted by Takeda, Prasco's launch and sale of Colcrys AG are relevant to the amount of alleged damages Hikma claims it suffered as a result of the TRO prohibiting the launch of Hikma's Mitigare™ oral colchicine products. (D.I. 314 at 1)

Prasco employees. (D.I. 314, Ex. 1) On January 16, 2018, Hikma further amended its subpoena, and issued additional subpoenas of Prasco employees in their individual capacities. (D.I. 285; D.I. 313, Ex. B)

8. On January 19, 2018, Takeda took the deposition of Mr. Ranson in his capacity as the corporate designee of Prasco. (D.I. 313, Ex. E) During the deposition, Mr. Ranson admitted he was not the most knowledgeable person at Prasco regarding the forecasting documents, which were documents developed by Prasco and provided to Takeda regarding the anticipated launch of the generic Colcris AG.³ (D.I. 314, Ex. 2 at 248:4-18; 86:18-87:6) Hikma stated its intention to keep the deposition open, conceding that the witness was not prepared to testify on some topics. (*Id.* at 250:5-8)

9. On March 8, 2018, Takeda served a subpoena on Prasco, asserting topics that overlapped with the previous subpoena and claiming that Mr. Ranson was not adequately prepared to testify on all of the previously-noticed deposition topics. (D.I. 313, Ex. A) On March 12, 2018, Hikma served a duplicate of Takeda's March 8 subpoena to preserve its right to cross-examine. (D.I. 313 at 1 n.1)

10. On March 16, 2018, Prasco's counsel objected to Takeda's deposition subpoena as duplicative. (D.I. 313, Ex. D) On April 3, 2018, Prasco notified Takeda that it was willing to proceed with a second deposition based on a narrowed set of deposition topics negotiated with Takeda. (D.I. 313, Ex. F)

³ The forecasting documents are the focal point of the 30(b)(6) deposition topics negotiated between Takeda and Prasco. Takeda explains that "[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] (D.I. 314 at 4)

11. Hikma seeks to quash Takeda's 30(b)(6) deposition of Prasco, arguing that the subpoena seeks duplicative 30(b)(6) testimony. Alternatively, Hikma seeks a preemptive ruling compelling Prasco to appear and give testimony on the broader array of 30(b)(6) topics in the duplicative subpoenas served by Takeda and Hikma. (D.I. 313, Ex. A) The court heard argument on April 11, 2018. Importantly, Prasco made no appearance to weigh in on this dispute.⁴

12. **Analysis.** Hikma's motion to quash is denied. As a preliminary matter, the court notes that Hikma raised no objection to the timeliness of Takeda's March 8, 2018 subpoena. During the April 11, 2018 hearing, counsel explained that, although Party Phase One fact discovery closed on November 30, 2017, with limited exceptions, no deadline was set for the completion of outstanding third party fact discovery. (D.I. 271) Counsel identified a deadline of March 13, 2018 by which third party discovery was to be served, but noted that the March 8, 2018 subpoena fell within this deadline, and was therefore timely.

13. Moreover, Hikma has not established its standing to challenge the subpoena. *See Jones v. Crisis Intervention Servs.*, 239 F. Supp. 3d 795, 801 (D. Del. 2017), *aff'd*, 686 F. App'x 81 (3d Cir. 2017) ("Generally, a motion to quash a third-party subpoena must be brought by the third party itself because a party does not have standing to quash a subpoena served on a third party."). In this case, Hikma has not established a "personal right or privilege" that would permit

⁴ Prasco prepared Mr. Ranson to testify on the noticed topics in connection with the January 19, 2018 deposition, and Prasco was represented during the deposition by Takeda's counsel. (D.I. 313 at 2) Takeda's counsel subsequently withdrew from its representation of Prasco prior to the issuance of the subpoena by Takeda. (*Id.*, Ex. D) Prasco is now represented by Dinsmore & Shohl LLP. (*Id.*) In light of these events, Takeda's counsel did not appear for Prasco at the April 11, 2018 discovery dispute hearing. The parties did not dispute that the April 3, 2018 letter from Prasco's counsel to Takeda was a correct representation by Prasco of the scope of a 30(b)(6) deposition of its corporate witness, Jonathan Lapps. (D.I. 313, Ex. F)

an exception to this general rule. *Id.* Prasco, as the third-party recipient of the subpoena, has agreed to its terms.⁵ There is no procedural rule or case authority to support Hikma's position that it may move to quash the subpoena under these circumstances.⁶

14. Conclusion. In view of the foregoing analysis, Hikma's motion to quash the notice of third party subpoena of Prasco is denied. Takeda may proceed with the 30(b)(6) deposition of Jonathan Lapps, Prasco's Senior Vice President of Business Development, as well as the individual deposition of Mr. Lapps, to which no objection was raised, in accordance with the narrowed scope of the subpoena set forth at D.I. 313, Exhibit F. Hikma's March 12, 2018 third party subpoena, and any objections that may, potentially, be raised by Prasco, are subject to the procedures set forth in Federal Rule of Civil Procedure 45(d). Takeda is to confer with Hikma as soon as possible regarding any necessary redactions of confidential information included in this Memorandum Order, and is instructed to provide a redacted copy of this Memorandum Order to Prasco immediately thereafter.

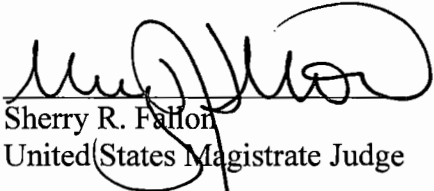
15. Given that the court has relied upon material that technically remains under seal, the court is releasing this Memorandum Order under seal, pending review by the parties. In the unlikely event that the parties believe that certain material in this Memorandum Order should be redacted, the parties should jointly submit a proposed redacted version by no later than **April 19, 2018**. The court will subsequently issue a publicly available version of its Memorandum Order.

⁵ Mr. Lapps will also appear at the deposition in his personal capacity, a matter not in controversy between the parties.

⁶ The cases relied upon by Hikma in its briefing and highlighted during the April 11, 2018 hearing discussed the 30(b)(6) depositions of parties to the litigation, and are therefore inapposite. *See Beck v. Test Masters Educ. Servs., Inc.*, 2012 WL 10817176, at *5 (D.D.C. Sept. 25, 2012) (refusing to permit a subsequent declaration to override the original deposition of Roger Israni, the president of defendant TES); *Rainey v. Am. Forest & Paper Ass'n, Inc.*, 26 F. Supp. 2d 82, 95 (D.D.C. 1998) (rejecting efforts to revise the positions taken at the 30(b)(6) deposition with a subsequent affidavit by Melissa Kurtz, a former employee of the defendant).

16. This Memorandum Order is filed pursuant to 28 U.S.C. § 636(b)(1)(A), Fed. R. Civ. P. 72(a), and D. Del. LR 72.1(a)(2). The parties may serve and file specific written objections within fourteen (14) days after being served with a copy of this Memorandum Order. Fed. R. Civ. P. 72(a). The objections and responses to the objections are limited to ten (10) pages each.

17. The parties are directed to the court's Standing Order For Objections Filed Under Fed. R. Civ. P. 72, dated October 9, 2013, a copy of which is available on the court's website, www.ded.uscourts.gov.


Sherry R. Fallon
United States Magistrate Judge