IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VIIV HEALTHCARE COMPANY, SHIONOGI & CO., LTD. and VIIV HEALTHCARE UK (NO. 3) LIMITED,	)	
Plaintiffs,	)	
v.	)	Civil Action No. 18-224-CFC-CJB
GILEAD SCIENCES, INC.,	)	PUBLIC VERSION FILED: March 23, 2020
Defendant.	)	

MEMORANDUM ORDER

At Wilmington, Delaware this **5th day of March, 2020**.

WHEREAS, Defendant Gilead Sciences, Inc. ("Defendant") moves for relief regarding a discovery dispute, (D.I. 190) (the "Motion"), and Plaintiffs ViiV Healthcare Company, Shionogi & Co., Ltd. ("Shionogi") and ViiV Healthcare UK (No. 3) Limited ("Plaintiffs") oppose the Motion, and the Court has considered the briefing related thereto, (D.I. 184; D.I. 187), and has heard argument on March 2, 2020, (D.I. 191 (hereinafter "Tr.")),[1]

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. The present dispute concerns Dr. Takashi Kawasuji ("Dr. Kawasuji"), a named inventor on the patent in-suit who is an employee of Plaintiff Shionogi and who resides in Japan. (D.I. 184 at 1; D.I. 187 at 2) Defendant moves the Court to compel Plaintiffs to produce Dr. Kawasuji in the United States for a continuation of Dr. Kawasuji's second deposition in this case

[1] This case is referred to the Court to resolve all disputes relating to discovery and the protective order. (Docket Item, August 19, 2019)

(among other relief). (D.I. 187 at 3) For the reasons that follow, the Court GRANTS Defendant's Motion in the manner set out below.

2. Federal Rule of Civil Procedure 37(b)(2) provides for sanctions and other relief for violations of discovery orders. Fed. R. Civ. P. 37(b)(2). Rule 37(b)(2)(A)(i)-(vii) provides a non-exhaustive list of sanctions that the Court can impose in that circumstance, in addition to any "further just orders" the Court may issue. Fed. R. Civ. P. 37(b)(2)(A)(i)-(vii); *INVISTA N. Am. S.a.r.l. v. M&G USA Corp.*, Civil Action No. 11-1007-SLR-CJB, 2014 WL 1908286, at *9 n.13 (D. Del. Apr. 25, 2014), *report and recommendation adopted*, 2014 WL 2917110 (D. Del. June 25, 2014). Rule 37(b)(2)(C) also provides that "[i]nstead of or in addition to the" sanctions available under Rule 37(b)(2)(A), a court may order that a party "pay the reasonable expenses, including attorney's fees, caused by" the non-movant's failure to follow a discovery order, unless that failure was "substantially justified or other circumstances make an award of expenses unjust." Fed. R. Civ. P. 37(b)(2)(C). "The court has broad discretion regarding the type of sanctions imposed if the sanctions are just and are related to the claims at issue." *Hawk Mountain LLC v. Mirra*, Civil Action No. 13-2083-SLR-SRF, 2016 WL 3176566, at *2-3 (D. Del. June 3, 2016) (awarding a sanction of attorneys' fees and costs incurred in connection with a discovery dispute, pursuant to Rule 37(b)(2)).[2]

3. Defendant took its first deposition of Dr. Kawasuji in August of 2019. (D.I. 187 at 2) But afterwards, in September 2019, Plaintiffs produced to Defendant five agreements (the "Agreements") between Plaintiff Shionogi and the three inventors of the patent in-suit (including

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[2] A United States Magistrate Judge has the authority to impose sanctions for discovery-related violations pursuant to Rule 37(b)(2)(C). *Deville v. Givaudan Fragrances Corp.*, 419 F. App'x 201, 207-09 (3d Cir. 2011); *Hawk Mountain LLC*, 2016 WL 3176566, at *2 n.3.

Dr. Kawasuji). (*Id.*) The Agreements provide that the inventors will receive a royalty payment based on the worldwide sales of dolutegravir, Plaintiffs' product that is covered by the patent in-suit. (*Id.*) The royalty payment to Dr. Kawasuji was [redacted] in June/July 2018 and [redacted] in June/July 2019—far more than his annual salary of [redacted] in those years. (*Id.*)

4. Defendant's overarching theory is that: (1) pursuant to those Agreements, Dr. Kawasuji is paid substantial sums so long as Plaintiffs' patent-protected product is financially successful; and therefore (2) Dr. Kawasuji suffers from bias that affects the credibility of certain of his testimony in the case (since if Plaintiffs' product is no longer patent-protected, he stands to earn less in royalty payments going forward). (*See* D.I. 187 at 3) Understandably, then, Defendant wanted to depose Dr. Kawasuji regarding the Agreements, which had not yet been produced at the time of his first deposition.[3] So the parties began negotiating the details of a second deposition. They eventually agreed that the scope of the second deposition would be "limited to questions regarding the Agreements—VIIVUS15540602, VIIVUS15540604, VIIVUS15540611, VIIVUS15540619, and VIIVUS15543582—and questions about *any alleged bias stemming from payments reflected in the above-mentioned Agreements*." (D.I. 173 at 2 (emphasis added)) The parties memorialized their agreement in a Stipulation and Order (the "Order"), which was signed by United States District Judge Colm F. Connolly on February 3, 2020. (*Id.* at 3)

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[3] The parties agree that it is at least possible that Dr. Kawasuji will not be available to testify live at trial. (Tr. at 7-8, 18) This further underscores the need for Defendant to be able to ask the types of questions they wish to ask Dr. Kawasuji during a deposition, as that deposition may be the only form of his testimony that is presented to the trier of fact. *See generally* Fed. R. Civ. P. 32(a)(4).

5. Defendant deposed Dr. Kawasuji a second time on February 11, 2020. (D.I. 187 at 3) During the deposition, Defendant's counsel sought to ask Dr. Kawasuji about a 2016 e-mail (the "2016 e-mail") that Dr. Kawasuji authored (prior to receiving royalty payments) in which Dr. Kawasuji remarked that "[Defendant] ha[s] struck a hole in the patent [in-suit]." (D.I. 184, exs. 5-6; *see also id.*, ex. 3 at 275-80) Defendant's view of this e-mail is that in it, Dr. Kawasuji is acknowledging that Defendant's (now-accused) product does not infringe the patent-in-suit. In his August 2019 deposition, however, held at a point after which he had begun to receive royalty payments, Dr. Kawasuji had testified that Defendant's accused product "steals [the patented invention] in its entirety." (D.I. 187, ex. C at 241 (*cited in* D.I. 187 at 3)) And so, Defendant wanted to question Dr. Kawasuji again about the 2016 e-mail[4] during the second deposition, understandably believing that such questions would amount to those "about any alleged bias stemming from payments reflected in the . . . Agreements." (D.I. 173 at 2) Plaintiffs' counsel, however, objected to this line of questioning as outside the scope of the District Court's Order; Plaintiffs' counsel stated that Defendant's counsel was free to ask "questions relating to the documents that are identified in the [District Court's] [O]rder" but could not ask questions about the 2016 e-mail. (D.I. 184, ex. 3 at 278) Defendant's counsel responded, cogently explaining his view (set out above) as to why this line of questioning was indeed within the scope of that Order. (*Id.* at 278-79) Plaintiffs' counsel thereafter ended the deposition. (*Id.* at 280 ("In plaintiff[s'] view, this deposition is over."))

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[4] Defendant had also questioned Dr. Kawasuji about the 2016 e-mail during his first deposition, (D.I. 184 at 2), though at a time when Defendant did not know that the Agreements existed and did not know for certain that Dr. Kawasuji had earned income related to the invention, (D.I. 187 at 2).

6. The Court concludes, based on the record before it, that Defendant's proposed questions regarding the 2016 e-mail clearly did fall within the scope of the District Court's Order.[5] That is, in light of the way Defendant frames the meaning of the 2016 e-mail (which, so far as the Court can tell, seems a reasonable way to understand that e-mail), Defendant's proposed questions about that e-mail were surely "questions about any *alleged bias* stemming from payments reflected in the . . . Agreements." (D.I. 173 at 2 (emphasis added)) Moreover, the scope of the second deposition was not limited (as Plaintiffs' counsel seemed to suggest during the deposition) solely to questions about the Agreements themselves.[6]

7. Therefore, the Court GRANTS Defendant's Motion, and ORDERS the following relief: (1) Plaintiffs shall make Dr. Kawasuji available to sit for the remainder of the stipulated deposition time (up to 54 minutes), at a mutually agreeable location in the United States; (2) because the Court sees no way that Plaintiffs' decision to end the second deposition was substantially justified, nor that other circumstances make an award of expenses unjust, Plaintiffs shall pay to Defendant reasonable expenses, including attorney's fees, associated with this

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[5] As a practical matter, especially with a witness like Dr. Kawasuji (who lives in Japan, who was already testifying at a second deposition in the United States, and who very well might not be available to testify live at trial), even if Plaintiffs' counsel felt that questions about the 2016 e-mail were arguably outside the scope of the Order, the more prudent course would have been: (1) to allow Defendant's counsel to ask the questions; and (2) to object on the record and later seek any appropriate relief from the Court. *Cf. Hopkins v. NewDay Fin., LLC*, Civ. No. 07-3679, 2008 WL 4657822, at *2 (E.D. Pa. Oct. 17, 2008) ("Overall, . . . the rules, federal courts, and professional experience caution restraint by the attorney defending a deposition [in moving to terminate the deposition]."); *see also Caplan v. Fellheimer Eichen Braverman & Kaskey*, 161 F.R.D. 29, 30 (E.D. Pa. 1995) ("In general, a strong showing is required before a party will be denied the right to take a deposition.") (internal quotation marks and citation omitted).

[6] Nor was the 2016 e-mail off-limits by virtue of the fact that Defendant had previously questioned Dr. Kawasuji about it at his first deposition. (Tr. at 15-16, 18) The District Court's Order provides for no such exclusion.

continuation of Dr. Kawasuji's second deposition[7]; (3) by no later than **March 13, 2020**, the parties shall meet and confer to determine a suitable date and time for Dr. Kawasuji's continued deposition; and (4) no later than 30 days following Dr. Kawasuji's continued deposition, Defendant shall provide to Plaintiffs an itemized accounting of attorneys' fees and costs incurred related to that deposition (with Defendant thereafter following up with the Court as needed to effectuate a payment for fees and costs), *see Hawk Mountain, LLC*, 2016 WL 3176566, at *3.[8]

8. 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 (if necessary) of the document. Any such redacted version shall be submitted by no later than **March 10, 2020** for review by the Court, along with a motion for redaction that includes a clear, factually detailed explanation as to why disclosure of any proposed redacted material would "work a clearly defined and serious injury to the party seeking closure." *Pansy v. Borough of Stroudsburg*, 23 F.3d 772, 786 (3d Cir. 1994) (internal quotation

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[7] Although Defendant requested that the Court order Plaintiffs to pay costs for the second deposition (i.e., the one that occurred on February 11, 2020), that deposition would have happened regardless of Plaintiffs' counsel's conduct, and Defendant's counsel was able to ask at least *some* questions of Dr. Kawasuji during that deposition before it ended. (Tr. at 11-12) It makes more sense to the Court that fees and costs be paid for the continuation of the second deposition, as that event would not have been necessary at all but for a violation of the District Court's Order.

[8] The Court also GRANTS Defendant's request that Plaintiffs not disclose to Dr. Kawasuji anything about the substance of the questions Defendant intends to ask him at the continuation of the second deposition, nor prepare him to answer questions on that substance. (D.I. 187 at 3) Rule 30(d)(3) makes a distinction between when a deposition is "suspended" and when it is "terminated"; it is "terminated" only upon a court order. Fed. R. Civ. P. 30(d)(3). Because there was no such order, the Court agrees with Defendant that Dr. Kawasuji's second deposition is still "held open[.]" (D.I. 184, ex. 3 at 280) And Delaware Local Rule 30.6 provides that "[f]rom the commencement until the conclusion of [the] deposition . . . , including any recesses or continuances, counsel for the deponent shall not consult or confer with the deponent regarding the substance of the testimony already given or anticipated to be given[.]" D. Del. LR 30.6; (*see also* Tr. at 12).

marks and citation omitted). The Court will subsequently issue a publicly-available version of its Memorandum Order.

Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE