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VIA CM/ECF & HAND DELIVERY

The Honorable Christopher J. Burke
United States District Court for the District of Delaware
844 N. King Street
Wilmington, Delaware 19801

Re: *Guardant Health, Inc. v. Personal Genome Diagnostics, Inc.*
C.A. No. 17-1623-LPS-CJB

Dear Judge Burke:

The Court should deny Guardant's motion to compel because it seeks discovery that is both irrelevant and privileged.

I. The Requested Discovery Is Irrelevant

Guardant's motion fails at the outset because it seeks discovery that is irrelevant to any issue in this litigation. While Guardant asserts that the discovery it seeks is "relevant to numerous issues," Guardant identifies only one: estoppel under 35 U.S.C. § 315(e)(2). D.I. 278 at 2. But for Section 315 estoppel to apply, the USPTO must issue "a final written decision [of patentability] under section 318(a)." 35 U.S.C. § 315(e)(2). At this point, the USPTO has not even ***instituted*** any petition. If a petition were instituted, any final written decision would likely come in August 2020 at the earliest. Because Section 315 estoppel is not an issue, and may never be an issue, it cannot make Guardant's discovery relevant.

Guardant identifies no reason it must seek this discovery now. The timing of Guardant's motion suggests it is actually an attempt to sidestep the USPTO's discovery procedures for *inter partes review* (IPR). If any FMI petition is instituted, Guardant can seek discovery in the USPTO to probe whether ***FMI*** is estopped from pursuing its petitions in the USPTO based on its status as a joint defendant with PGDx. *See* 35 U.S.C. § 315(e)(1) (estoppel for IPR "proceeding before the Office"); 37 C.F.R. § 42.51 (availability of discovery at USPTO); 81 F.R. 18752, 18758 (Patent owner may "raise a challenge regarding a real party-in-interest or privity at any time during a trial proceeding."). Any such estoppel of FMI is subject to the ***USPTO's*** discovery procedures. *Id*. This Court is not a supplement to USPTO discovery, and whether FMI should be estopped at the USPTO is not relevant to any issue in this case.

The Court should therefore reject Guardant's requested discovery as irrelevant to "any party's claim or defense," and certainly not "proportional to the needs of the case." FRCP 26(b)(1). Indeed, Guardant's motion fails to identify a single request for production to which its requested

discovery is responsive. Guardant instead attaches objections to Guardant's subpoena to PGDx's counsel, Knobbe Martens, but Guardant has confirmed it is not seeking to enforce that subpoena in this Court. Nor could it. Guardant's subpoena required Knobbe Martens to produce documents in Irvine, California. *See* Ex. 1 at 1. Guardant was therefore required to enforce its subpoena in the Central District of California. *See* Fed. R. Civ. P. 45(d)(2)(B)(i) ("the serving party may move the court for the district where compliance is required for an order compelling production or inspection"). The Court should not permit Guardant to sidestep this requirement and attempt to enforce its subpoena here.

II. The Requested Discovery Is Privileged

Guardant's motion also seeks discovery that is privileged. Indeed, Guardant all but concedes this point, not questioning that there is a common-interest privilege, but arguing it must "fully assess the ***scope*** of the common interest as it applies to" PGDx's communications with FMI. D.I. 278 at 2 (emphasis added). But there can be no doubt that any PGDx communications with FMI regarding invalidity would be subject to a common-interest privilege. *See In re Teleglobe Comms. Corp.*, 493. F.3d 345, 364 (3d Cir. 2007) ("[T]he community-of-interest privilege allows attorneys representing different clients with similar legal interests to share information without having to disclose it to others. It applies in civil and criminal litigation, and even in purely transactional contexts."). The common-interest privilege allows "separate attorneys [to] share otherwise privileged information in order to coordinate their legal activities." *Id.* at 359.

Guardant also makes little effort to argue that any joint-defense agreement ("JDA"), entered into to defend against a commonly asserted patent, would not be subject to a common-interest privilege. Guardant argues that "some Courts have found that joint defense agreements are not subject to any privilege." *Id*. at 3. But "most courts to address the matter have . . . found or assumed" that JDAs are protected by the work-product doctrine. *R.F.M.A.S., Inc. v. So*, No. 06 CIV 13114 VM MHD, 2008 WL 465113, at *1 (S.D.N.Y. Feb. 15, 2008); *see also Hall Patent Grp., LLC v. Indus. Noise Control Corp.*, No. 3:05-CV-661-M, 2006 WL 8437278, at *5 (N.D. Tex. Sept. 19, 2006) (JDAs protected under work-product doctrine of Fed. R. Civ. P. 26(b)(3)); *U.S. v. Bicoastal Corp.*, No. 92-CR-261, 1992 WL 693384, at *6 (N.D.N.Y. Sept. 28, 1992) ("disclosure of the existence of [a JDA] would be an improper intrusion into the preparation of the defendants' case"); *Boyd v. Comdata Network, Inc.*, No. M2000-00949-COA-R9CV, 88 S.W.3d 203, 217 (Tenn. Ct. App. 2002) ("[C]ompelled disclosure of the existence of a joint defense agreement is an improper intrusion into the preparation of a litigant's case . . . and the joint defense agreements are themselves privileged.").

Guardant argues that courts "have ordered production where the terms of the agreement are relevant to issues in the case." D.I. 278 at 2. As discussed above, however, Guardant fails to show any JDA is relevant to this case. Indeed, the language included in a JDA typically "is not relevant to any parties' claims or defenses." *Steuben Foods, Inc. v. GEA Process Eng'g*, Inc., No. 12-CV-00904(S)(M), 2016 WL 1238785, at *2 (W.D.N.Y. 2016). "[I]nformation concerning joint defense agreements is sensitive, and . . . disclosure of such information should not be lightly ordered. Put another way, the relevance of the information should be well-established before compelling its disclosure." *United States v. Int'l Longshoremen's Ass'n*, 2006 WL 2014093, at *1 (E.D.N.Y. July 18, 2006). If the relevance of any agreement is established, courts typically

perform *in camera* review, determine privilege, and, if privilege does not apply, order production of only the portions of the agreement—if any—relevant to the issues raised by the challenging party. *See Steuben*, 2016 WL 1238785 at *1-2. Here, given Guardant's failure to show any JDA is relevant, the Court need not conduct this analysis and should deny Guardant's request.

III. No Privilege Log Is Required

Guardant's final argument is that PGDx must provide a privilege log of any communications with FMI "relating to the invalidity of the patents in suit." D.I. 278 at 3. But Guardant, FMI, and PGDx collectively agreed in their Stipulated Electronic Discovery Order that "[w]ith respect to information generated after the filing of the complaint, parties are not required to include any such information in privilege logs." D.I. 35 at 2. This makes sense, in view of both the presumptive privileged nature of such communications and the undue burden of logging them, and mirrors the Court's *Default Standard for Discovery*. Because all of the potential discovery unquestionably relates to events after the filing of the complaint, PGDx is not required to include them in its privilege log. Moreover, as discussed above, Guardant fails to show the requested discovery is relevant or responsive to any of its requests for production. Absent a showing of relevance and responsiveness, PGDx should not be required to search for and collect discovery, merely to place it onto a privilege log.

Respectfully submitted,

/s/ John C. Phillips, Jr.

John C. Phillips, Jr. (No. 110)

cc: All counsel of record (via CM/ECF & email)