



COURT OF CHANCERY  
OF THE  
STATE OF DELAWARE

DONALD F. PARSONS, JR.  
VICE CHANCELLOR

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Wilmington, Delaware 19801-3734

Date Submitted: October 15, 2009  
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Re: *Cephalon, Inc. v. Johns Hopkins University, et al.*,  
Civil Action No. 3505-VCP

Dear Counsel:

This matter is before me on Plaintiff, Cephalon, Inc.'s ("Cephalon"), request that the Court review *in camera* certain documents identified in the privilege log of Defendant Johns Hopkins University ("JHU") to determine whether these documents are, in fact, privileged. In an Order Regarding Cephalon's Second Motion to Compel (the "Order") entered on September 10, 2009, I permitted Cephalon to select up to fifteen documents identified in JHU's Supplemental Privilege Log (the "Privilege Log") for *in camera* review to determine whether the documents are privileged and whether the

representations made in the Privilege Log as to those documents are reasonable and accurate.<sup>1</sup>

Cephalon identified the fifteen documents on October 5, focusing on documents over which JHU claimed attorney-client privilege despite the absence of any attorney among the authors and recipients listed in the Privilege Log. On October 15, JHU submitted those documents to the Court. In the accompanying cover letter, JHU requested permission to submit an *in camera* letter containing background and contextual information about the documents to assist the Court in its review. Cephalon opposed this request. Because JHU has had ample opportunity to identify the grounds for its claims of privilege, I hereby deny JHU's request for leave to submit a further explanation *in camera*.

Before discussing the results of my review, I note that a communication can qualify for the attorney-client privilege even if no party to the communication is an attorney. Under D.R.E. 502(b):

A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of facilitating the rendition of professional legal services to the client (1) between the client or the client's representative and the

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<sup>1</sup> Pursuant to the Order, Cephalon also could have chosen to include documents identified in Defendant Xanthus Pharmaceuticals, Inc.'s Supplemental Privilege Log among the fifteen documents selected for *in camera* review. All fifteen documents Cephalon selected, however, came from JHU's Privilege Log. Thus, this Letter Opinion refers only to JHU's Privilege Log.

client's lawyer or the lawyer's representative, (2) between the lawyer and the lawyer's representative, (3) by the client or the client's representative or the client's lawyer or a representative of the lawyer to a lawyer or a representative of a lawyer representing another in a matter of common interest, (4) between representatives of the client or between the client and a representative of the client, or (5) among lawyers and their representatives representing the same client.

I further note that the attorney-client privilege protects only legal advice, and not business or personal advice.<sup>2</sup> If a communication involves a business matter rather than a legal matter, the attorney-client privilege will not protect it, even if the client's legal advisor is a party to the communication.<sup>3</sup> Where a communication refers to both legal and business matters, if the legal-related aspects of the communication easily can be separated from the business-related aspects, the document must be produced with the legal-related portions redacted. If a communication contains an inseparable combination of business and legal advice, however, the communication may be protected by the attorney-client privilege.<sup>4</sup> Where it is a close call, the party asserting the privilege will be given the benefit of the doubt.<sup>5</sup>

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<sup>2</sup> *PharmAthene, Inc. v. SIGA Techs., Inc.*, 2009 WL 2031793, at \*2 (Del. Ch. July 10, 2009) (citing *Lee v. Engle*, 1995 WL 761222, at \*1 (Del. Ch. Dec. 15, 1995)).

<sup>3</sup> *Id.* (citing *KLM v. Checchi*, 1997 WL 525861, at \*1 (Del. Ch. July 23, 1997)).

<sup>4</sup> *Id.* (citing *Sealy Mattress Co. of N.J. v. Sealy, Inc.*, 1987 WL 12500, at \*3 (Del. Ch. June 19, 1987)).

<sup>5</sup> *Id.* (citing *SICPA Hldgs., S.A. v. Optical Coating Lab., Inc.*, 1996 WL 636161, at \*6 (Del. Ch. Oct. 10, 1996)).

With these principles in mind, I conducted an *in camera* review of the documents JHU submitted. Based on this review, I find that JHU properly asserted a claim of attorney-client privilege as to the following Privilege Log entries: Nos. 17, 18, 25, 57, 268, 359, 388, 411, 419, 420, 461, and 802. I overrule in whole or in part the claim of attorney-client privilege as to the following entries: Nos. 142, 398, 456, and 816. In the interest of brevity, I will not comment further on the documents for which I uphold the claim of privilege other than to say that the description in the Privilege Log appears to be accurate and the claim of privilege justified. The following discussion summarizes my reasons for denying the claim of privilege in whole or in part as to the remaining documents.

**Log Entry No. 142**

Log Entry No. 142 is a chain of three emails between Dr. Donald Small and Heather Bakalyar, an employee in the JHU Licensing & Technology Department. The first email, dated September 29, 2003 at 12:27 p.m., appears at the top of the page. Only the first paragraph of this email is privileged as facilitating the rendition of professional legal services. The rest of the email relates solely to business matters; therefore, it is not privileged. In the second email, dated September 29, 2003 at 12:23 p.m., only the third sentence, beginning with “When,” is privileged. The remainder of this email deals with business matters and is not privileged. The third email, located at the bottom of the page, has no timestamp and relates exclusively to nonprivileged business matters.

Accordingly, JHU must produce Log Entry No. 142 with only the first paragraph of the first email and the third sentence of the second email redacted.

**Log Entry No. 398**

Log Entry No. 398 is a two-page email dated April 23, 2007 from Small to Martin Devenport, an employee in the Johns Hopkins Office of Technology Transfer (“JHOTT”), which itself contains three earlier emails sent either to or from Small.<sup>6</sup> The email at the top of the first page of No. 398, dated September 30, 2002, is from Small to Wesley Blakeslee, a JHU attorney. Because this email was sent to an attorney to facilitate the rendition of that attorney’s professional legal services, it is privileged.

The middle email, which begins at the bottom of the first page of Log Entry No. 398, is from Susan Jones-Bolin, a research scientist at Cephalon, to Small, with copies to two other Cephalon employees, Craig Dionne and Bruce Ruggeri, and is dated September 17, 2002. The last email, located on the second page of No. 398, is from Small to Dionne and contains no timestamp. Because both of these emails involve communications between JHU and Cephalon, they clearly are not privileged. If the last two emails have been produced previously, no further production is required. If either or both of the emails have not been produced, JHU must produce them.

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<sup>6</sup> Log Entry No. 398 is attached to Log Entry No. 388. Because the entirety of No. 388 is privileged, it is not discussed in this section.

**Log Entry No. 456**

Log Entry No. 456 is a string of four emails between Devenport and his fellow JHOTT employee Bernard McDonald. Only the second email from the bottom, which Devenport sent to McDonald on September 15, 2006 at 8:59 a.m., is privileged. The other three emails relate to business affairs and are not privileged. Accordingly, JHU must produce No. 456, but can redact the 8:59 a.m. email referenced above.

**Log Entry No. 816**

Log Entry No. 816 is an email from Devenport to Mike Boss of Xanthus, with copies to Drew Pardoll, Jacqueline Flood, and Katie Whartenby, three JHU scientists. The email included as an attachment a draft Option Agreement between JHU and Xanthus. These documents (*i.e.*, the email and draft Option Agreement) involve an arm's length communication between JHU and a third party. To the extent JHU might contend that aspects of these documents involve matters of common interest to JHU and Xanthus, the Privilege Log fails to reflect this, and in that respect the entry is inadequate to preserve the privilege. Accordingly, JHU must produce Log Entry No. 816 in its entirety.

Having reviewed *in camera* the fifteen documents identified by Cephalon, I further find that the representations made in the Privilege Log as to those documents appear to be reasonable and accurate. While I do not consider any further *in camera* review of documents to be necessary, I hereby order JHU to review all documents listed in its Privilege Log that do not identify an attorney as a party to the communication to determine whether any portion of those documents contains easily segregable information

solely related to business matters.<sup>7</sup> I further order JHU to produce promptly in redacted form any documents containing such nonprivileged business information.

In conclusion, I uphold JHU's claims of attorney-client privilege as to Supplemental Privilege Log Entry Nos. 17, 18, 25, 57, 268, 359, 388, 411, 419, 420, 461, and 802 and overrule, to the extent indicated in this Letter Opinion, JHU's claims of privilege as to Log Entry Nos. 142, 398, 456, and 816. I direct JHU to produce the latter documents consistent with the rulings contained herein within five days of the date of this Letter Opinion.

**IT IS SO ORDERED.**

Sincerely,

/s/Donald F. Parsons, Jr.

Vice Chancellor

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<sup>7</sup>

The documents I have ordered JHU to produce in this Letter Opinion should provide some guidance as to what the Court considers solely related to business matters.