

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

AbCellera Biologics Inc. v. Bruker Cellular Analysis, Inc.

AbCellera · No. 20-cv-08624-JST (VKD) · Decided May 19, 2025

OPINION

AbCellera Biologics Inc. v. Bruker Cellular Analysis, Inc.

PER CURIAM.

1 2 3

4 UNITED STATES DISTRICT COURT

5 NORTHERN DISTRICT OF CALIFORNIA

6 7 ABCELLERA BIOLOGICS INC, et al., Case No. 20-cv-08624-JST (VKD) 8 Plaintiffs,
REDACTED v.

9 ORDER RE APRIL 28, 2025

DISCOVERY DISPUTE LETTER

10 BRUKER CELLULAR ANALYSIS, INC.,

Re: Dkt. No. 343 Defendant. 11 12 13 Plaintiffs AbCellera Biologics, Inc. (“AbCellera”) and The University of British Columbia 14 (“UBC”) (collectively, “plaintiffs”) and defendant Bruker Cellular Analysis, Inc. (“Bruker 15 Cellular”) ask the Court to resolve their dispute regarding information Bruker Cellular seeks 16 regarding an . Dkt. No. 343.1 The Court finds this 17 dispute suitable for resolution without oral argument. Civil L.R. 7-1(b). 18 For the reasons explained below, the Court concludes that Bruker Cellular was not able to 19 obtain relevant testimony from AbCellera’s witnesses about the resolution of the . 20 However, the Court is unable to resolve plaintiffs’ privilege objections regarding this testimony on 21 the current record, and orders further proceedings on this point. 22 23 1 Bruker Cellular moves to seal portions of the discovery dispute letter and Exhibits 4-10 on the 24 ground that plaintiffs claim the information is confidential. Dkt. No. 344. Plaintiffs state that the subject information discloses highly confidential financial and business information, the disclosure 25 of which would cause competitive harm. Dkt. No. 350. As the present sealing motion relates to a discovery matter, the good cause standard applies. Ctr. for Auto Safety v. Chrysler Group, LLC, 26 809 F.3d 1092, 1098-99 (9th Cir.), cert. denied sub nom FCA U.S. LLC v. Ctr. for Auto Safety, 137 S. Ct. 38 (2016); Kamakana v. City & Cnty. of Honolulu, 447 F.3d 1172, 1179-80 (9th Cir. 27 2006). Good cause appearing, the Court grants the sealing motion. Redacted portions of the

1 I. BACKGROUND

2 As alleged in the operative complaint, AbCellera has an exclusive license from UBC to all 3 of the asserted patents. Dkt. No. 254 ¶¶ 20-34. The UBC-AbCellera license has been produced in 4

discovery and requires AbCellera to pay royalties on a quarterly basis to UBC. Dkt. No. 343 at 1. 5 The license also permits UBC to . Id. 6 In October 2023, while this litigation was pending, UBC completed an of 7 AbCellera's records, the results of which are documented in an . Id. at 2. The 8 , which has been produced in discovery, reflects a 9 . Id. at 2, 5, Ex. 5. Apparently, AbCellera disputed the conclusions reached in 10 the . Id. at 2. Bruker Cellular seeks deposition testimony about the resolution of this 11 dispute. Id. at 2, 4. Plaintiffs object that Bruker Cellular's request for deposition testimony is 12 untimely and seeks information that is not relevant. Id. at 4, 6. They advise that several witnesses 13 have already testified about the and argue that no further testimony should be permitted. Id. 14 at 5-6. In addition, plaintiffs object to any effort by Bruker Cellular to discover their 15 communications regarding "litigation and settlement strategies." Id. at 6.

16 II. DISCUSSION

17 The Court considers each of plaintiffs' objections to the testimony Bruker Cellular seeks. 18 A. Timeliness 19 Plaintiffs object that Bruker Cellular did not timely seek deposition testimony regarding 20 resolution of the . According to plaintiffs, Bruker Cellular had ample opportunity to 21 ask plaintiffs' witnesses questions about the before the close of fact discovery but chose not 22 to inquire about whether and how the was resolved. Id. at 4, 5-6. Bruker Cellular 23 responds that it did not learn of the existence of the or the until March 25, 2025, 24 during the deposition of UBC's Managing Director of Innovation UBC, and that the 25 was not produced until April 3, 2025, during the deposition of AbCellera's CFO. Id. at 2. Bruker 26 Cellular contends that plaintiffs' counsel repeatedly instructed witnesses not to answer certain 27 questions about the and the , invoking the "common interest" doctrine, and that it 1 communications between UBC and AbCellera regarding the , but only oral 2 communications. Id. 3 The Court has reviewed the deposition transcripts of the following witnesses: (1) Dr. John- 4 Paul Heale, UBC's Managing Director of Innovation UBC, (2) Andrew Booth, AbCellera's CFO, 5 (3) Dr. Carl Hansen, AbCellera's CEO, and (4) Dr. Brett Sharp, UBC's Associate Director of 6 Technology Transfer. Id., Exs. 4, 6, 7, 9. The transcripts reflect that Bruker Cellular did not learn 7 of the until March 25, 2025 and was prevented from questioning Dr. Heale about it. See id.,

8 Ex. 4 (Heale dep. at 37:7-40:25, 44:16-22). Bruker Cellular did not obtain a copy of the 9 until April 3, 2025. See id., Ex. 6 (Booth dep. at 183:10). While Bruker Cellular's counsel 10 did question Mr. Booth about the itself, counsel's opportunity for questioning was limited 11 by the fact that the was not disclosed until late in Mr. Booth's deposition. See id., Ex. 6 12 (Booth dep. at 183:10-192:20). After disclosing the on April 3, 2025, plaintiffs 13 apparently conducted an exhaustive search for any written communications regarding 14 the and did not identify any non-privileged documents. Id. at 5. Plaintiffs provided 15 their final privilege log documenting their position on the documents they found on

16 April 24, 2025, three days after the close of fact discovery. Id. at 2, Ex. 10.

17 The parties filed this discovery dispute letter on April 28, 2025, four days after disclosure 18 of

the final privilege log, and the last permissible date for filing discovery disputes. See Civil L.R. 19 37-3. In these circumstances, the Court concludes that Bruker Cellular’s request for relief is not 20 untimely. 21 B. Relevance 22 Bruker Cellular argues that the further deposition testimony it seeks is relevant to the 23 question of damages. Specifically, Bruker Cellular argues that the royalty rate structure in the 24 UBC-AbCellera license, as well as the royalties actually paid under that license, inform how the 25 patented technology is valued, and if UBC and AbCellera disagreed about 26 , the resolution of that disagreement bears on consideration of this important 27 Georgia-Pacific factor. Dkt. No. 343 at 4. 1 the payments made pursuant to the license are relevant to the parties’ damages calculations. Id. at 2 6. However, they disagree that the results of the have any bearing on how the asserted 3 patents are valued. Id. Specifically, relying on the deposition testimony of Drs. Heale and Sharp, 4 plaintiffs assert that “nothing has changed about how AbCellera pays UBC under the license 5 ” and that “ 6 ” Id. 7 The Court agrees with Bruker Cellular that information concerning how royalties for an 8 exclusive license to the asserted patents are to be calculated is relevant the question of 9 infringement damages. See *Georgia-Pac. Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 10 (S.D.N.Y. 1970) (among several factors relevant to determination of a reasonable royalty, the first 11 factor is: “The royalties received by the patentee for the licensing of the patent in suit, proving or 12 tending to prove an established royalty.”). It is not clear whether UBC and AbCellera agree about 13 the royalty rate structure and how it applies to AbCellera’s payment obligations—the deposition 14 testimony indicates only that AbCellera 15 . If the plaintiffs disagree about how the value of the 16 asserted patents is to be captured under the royalty terms of the license, or if they have reached a 17 understanding on that point that has not been disclosed to Bruker Cellular, such 18 information may bear on the calculation of reasonable royalty damages. 19 For this reason, the Court concludes that Bruker Cellular has shown that the discovery it 20 seeks is relevant to the parties’ respective damages calculations, including at least the following 21 matters: 22 1. Have UBC and AbCellera resolved their dispute regarding the or do 23 they continue to disagree? 24 2. If they have resolved their dispute, how has it been resolved? 25 3. What is their agreed interpretation of the royalty terms in the license, or if they 26 disagree, what are their respective interpretations of those terms? 27 C. Opportunity to Question about 1 opportunity to question UBC’s and AbCellera’s witnesses about whether and how the 2 was resolved. Plaintiffs say that Bruker Cellular questioned all four witnesses about the 3 and they all “answered freely.” Dkt. No. 343 at 5. With respect to the , 4 specifically, plaintiffs assert that both Mr. Booth and Dr. Sharp responded to questions on this 5 subject and that Bruker Cellular simply did not ask about the information it says it now requires. 6 Id. at 5-6. Bruker Cellular responds that plaintiffs’ counsel repeatedly instructed the witnesses not

7 to answer questions about the and that as a result it has been unable to obtain the 8 information it requires. Id. at 3-4. 9 The Court has carefully reviewed the deposition testimony identified by the parties. As to 10 Dr. Heale, Mr. Booth, and Dr. Hansen, the Court agrees with Bruker Cellular that

it was 11 effectively prevented from questioning these witnesses regarding the and how the 12 dispute between UBC and AbCellera about the was resolved. The Court summarizes its 13 review of the testimony as follows: 14 UBC's Dr. Heale: At the time of Dr. Heale's deposition, plaintiffs had not yet produced 15 the to Bruker Cellular, so it would not have been possible for Bruker Cellular to 16 question Dr. Heale fully about the contents. Moreover, while Dr. Heale did answer 17 questions about whether AbCellera made , plaintiffs' 18 counsel instructed Dr. Heale not to answer any questions about the , asserting unspecified 19 "privilege" objections. See *id.*, Ex. 4 (Heale depo. at 37:9-40:25, 44:16-45:20). Other testimony 20 indicates that Dr. Heale was among a handful of people present at a meeting between UBC and 21 AbCellera to discuss the , suggesting that he likely has personal knowledge of those 22 discussions and possibly other discussions on the same topic. See *id.*, Ex. 9 (Sharp dep. at 126:13- 23 127:22, 130:3-14, 146:8-21). 24 AbCellera's Mr. Booth: As the Court has already noted, plaintiffs did not produce the 25 to Bruker Cellular until late in Mr. Booth's deposition. Before the was 26 provided, Mr. Booth was questioned about whether and how AbCellera responded to the 27 . He testified that AbCellera disagreed with the conclusions and stated that the 1 " and " " *Id.*, Ex. 6 (Booth 2 dep. at 56:2-12). However, following plaintiffs' counsel's admonitions regarding "common 3 interest privileged communications," Mr. Booth declined to answer questions about what in 4 particular about the license UBC and AbCellera were seeking to clarify, although he seemed to say 5 that UBC and AbCellera " " of the dispute. *Id.*, Ex. 6 6 (Booth dep. at 56:25-57:13, 58:9-15).² 7 AbCellera's Dr. Hansen: After conceding he was "aware" of " 8 ," Dr. Hansen 9 testified that AbCellera and UBC had " 10 " *Id.*, Ex. 7 (Hansen dep. at 204:10-205:12). Dr. 11 Hansen was then asked, " " 12 Plaintiffs' counsel instructed him not to answer that question, and he declined to answer it. *Id.*, 13 Ex. 7 (Hansen dep. at 205:14-20).

14 The Court reaches a different conclusion with respect to UBC's Dr. Sharp.³ Bruker 15 Cellular questioned Dr. Sharp at length about the , the , and AbCellera's response 16 to the . *Id.*, Ex. 9 (Sharp dep. at 59:5-60:17, 122:20-130:14, 131:6-17, 133:8-136:16, 17 141:3-142:4, 144:4-146:6). Plaintiffs' counsel did not instruct Dr. Sharp not to answer questions 18 about whether or how UBC and AbCellera resolved their disagreement about the ; Dr. 19 Sharp simply was not asked any questions on that point. 20 Thus, the Court concludes that Bruker Cellular had an opportunity to question UBC (by 21 means of Dr. Sharp's deposition) about the resolution of UBC's and AbCellera's , but 22 it was prevented from questioning AbCellera on that subject. 23 24 25 2 After plaintiffs produced the to Bruker Cellular towards the end of Mr. Booth's deposition, he was questioned in some detail about the contents of the but was not asked at 26 that time whether or how the was resolved. *Id.*, Ex. 6 (Booth dep. at 183:10-192:16). 27 3 Apparently, Dr. Sharp testified as a Rule 30(b)(6) corporate representative for UBC. See Dkt. 1 D. Privilege and Common Interest 2 The question remains whether information about whether or how UBC and AbCellera 3 resolved their dispute about the is protected from disclosure by the attorney-client 4 privilege and the common interest doctrine. 5 "The attorney-client privilege protects confidential

communications between attorneys and 6 clients, which are made for the purpose of giving legal advice.” *United States v. Sanmina Corp.*, 7 968 F.3d 1107, 1116 (9th Cir. 2020). The privilege extends to a client’s confidential disclosures 8 to an attorney in order to obtain legal advice, as well as an attorney’s advice in response to such 9 disclosures. *United States v. Ruehle*, 583 F.3d 600, 607 (9th Cir. 2009) (citations and quotations 10 omitted). 11 Ordinarily, the voluntary disclosure of a privileged communication to a third party waives 12 that privilege. *Ruehle*, 583 F.3d at 612. The “common interest” doctrine is an exception to 13 ordinary waiver rules that applies when parties represented by separate counsel communicate in 14 confidence about a matter of common legal interest, in furtherance of that common legal interest. 15 See *In re Pac. Pictures Corp.*, 679 F.3d 1121, 1129 (9th Cir. 2012). The doctrine does not create a 16 privilege but comes into play only if a privilege or protection already covers the material disclosed 17 to the third party. *Id.*; see also *Nidec Corp. v. Victor Co. of Japan*, 249 F.R.D. 575, 578-79 (N.D.

18 Cal. 2007) (describing boundaries and application of common interest doctrine).

19 Here, plaintiffs argue that discussions between UBC and AbCellera are 20 protected from discovery because they “involved direction and participation with counsel” and 21 related to plaintiffs’ “litigation and settlement strategies.” Dkt. No. 343 at 6-7. *Bruker Cellular* 22 responds that UBC and AbCellera have no common legal interest with respect to the , 23 and so any discussions they had, with or without counsel, could not be privileged. *Id.* at 3. 24 While UBC and AbCellera have a common legal interest in enforcing their respective 25 rights in the asserted patents against others, prosecuting this infringement action against *Bruker Cellular*, defending against *Bruker Cellular*’s counterclaims, and pursuing a possible settlement of 27 the action, they do not appear to have a common legal interest in resolution of the . 1 *Health & Life Ins. Co., No. 20-cv-02255-EJD (VKD)*, 2023 WL 187565, at *2 (N.D. Cal. Jan. 13, 2 2023) (“While defendants and [third-party] share a common legal interest with respect to at least 3 one aspect of their respective litigations, the protections of the common interest doctrine may not 4 extend to matters beyond that common legal interest.”). However, the record is not well- 5 developed on this point. Plaintiffs seem to say that resolution of the is intertwined 6 with matters of “litigation strategy” and/or “settlement strategy,” see Dkt. No. 343 at 6-7, but they 7 do not explain how this could be so. The does not appear to have anything to do 8 with the matters in which UBC and AbCellera share a common legal interest, and plaintiffs 9 provide no explanation or other information that would permit the Court to conclude otherwise. 10 If this privilege dispute involved documents, the Court would direct plaintiffs to submit the 11 documents for in camera review so that the Court could assess plaintiffs’ privilege claims. 12 However, because the dispute involves the contents of oral communications, the Court directs 13 plaintiffs to provide a declaration establishing the bases for their assertion of the attorney-client 14 privilege and for the application of the common interest doctrine.⁴ If necessary to protect the 15 asserted privilege, the declaration may be submitted in camera and not filed.

16 III. CONCLUSION

17 For the reasons explained above, the Court finds that Bruker Cellular was not able to 18 obtain
relevant testimony from AbCellera's witnesses about the resolution of the . 19 Absent plaintiffs'
privilege objections, the Court would require AbCellera to produce a witness 20 capable of
answering questions regarding this subject matter. However, on the record presented, 21 the Court
cannot determine whether requiring AbCellera to provide this testimony would require 22
plaintiffs to disclose attorney-client privileged communications for which privilege has not been
23 waived due to application of the common interest doctrine. If AbCellera objects to providing
24 testimony about resolution of the , and relies on assertion of privilege/common 25 interest to
resist that discovery, it must file (or, if necessary, submit in camera) a declaration 26 27 4 The
Court's standing order for resolution of discovery disputes does not allow the parties to 1
supporting the privilege/common interest on which it relies by May 23, 2025. 2 IT IS SO
ORDERED. 3 Dated: May 19, 2025 4 5 Virginia K. DeMarchi 6 United States Magistrate Judge 4
8 9 10 11 12 13 15 16 = 17 Z 18 19 20 21 22 23 24 25 26 27 28