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June 19, 2020

**VIA CM/ECF**

The Honorable Sherry R. Fallon  
District Court of Delaware  
J. Caleb Boggs Federal Building  
Wilmington, DE 19801-3567

**PUBLIC VERSION**

**Re: University of Massachusetts and Carmel Laboratories, LLC v. L'Oréal USA, Inc.,  
C.A. No. 17-868-CFC-SRF**

Dear Judge Fallon:

Defendant L'Oréal USA, Inc. ("L'Oréal USA") writes to respond to the issues Plaintiffs raised in their June 18, 2020 letter brief (D.I. 211).

**Plaintiffs' Renewed "Adenosine" Search Request:** The Court should deny Plaintiffs' request, which is yet another attempt to improperly expand a previous motion to compel. (D.I. 201 at 2.) After moving to compel only particular documents (D.I. 156 at 1-3), Plaintiffs now reframe their request to require L'Oréal USA to conduct (1) a vastly overbroad search that *Plaintiffs previously represented to the Court they were not seeking* and (2) brand new searches involving *roughly 250 search terms*—proposed for the first time *one business day before filing their motion*—that are tantamount to a request for L'Oréal USA to completely redo its document collection, review, and production. Particularly given that the parties will be exchanging opening expert reports one week from today, and in light of the extensive document-production efforts already undertaken by L'Oréal USA, Plaintiffs' request should be denied.

Plaintiffs have repeatedly acknowledged that this case is not about adenosine; rather, the patents-in-suit relate to a very narrow method of using adenosine, which includes applying an adenosine composition such that, according to Plaintiffs, a particular adenosine concentration "reaches the dermal cell layer" (*i.e.*, below the outer "epidermal" layer) of the user's skin. (*See, e.g.*, D.I. 164, Ex. A at 1 ("[T]he Accused Products are the *subset* of [adenosine-containing] products . . . .") (emphasis added); D.I. 93 at 2 ("[T]he Accused Products consist of the *subset* of those adenosine containing products that meet the claim limitations of the asserted patents.") (emphasis added).) Indeed, when discussing the very requests on which Plaintiffs are now moving to compel in April, Plaintiffs stated that they were not seeking overbroad discovery regarding the term "adenosine." (*See* Ex. A, April 24 Tr. at 8:9-16 ("Again, *we don't need all documents relating or referring to adenosine*, but what we're asking for here is documents related to their decision to include adenosine as an ingredient in your product. And *specifically what we're asking for here is documents related to including adenosine in the accused products specifically.*") (emphasis added).) Yet, despite the extensive collection and production undertaken by L'Oréal USA in response to Plaintiffs' ever-expanding document demands,<sup>1</sup> that

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<sup>1</sup> L'Oréal USA's extensive efforts, included, *inter alia*, searches of the MILOR database for responsive documents by using a number of search terms, including but not limited to "adenosine AND skin," "adenosine AND (dermal OR dermis)," "adenosine AND (antiaging OR

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very request is now the focus of Plaintiffs' unjustified and unwieldy motion. (D.I. 211 at 2 (seeking an order "to produce all non-privileged documents hitting on ['adenosine']").)

During the May 18 hearing, the Court denied this same request, *i.e.*, a broad search of the MILOR database for "adenosine," in light of the associated undue burden and lack of proportionality, especially at this late stage of the case. (Ex. C, May 18 Tr. at 49:21-52:9; *see also id.* at 44:13-18 (L'Oréal USA representing that the search would implicate tens of thousands of documents).) Instead, the Court ordered L'Oréal USA to provide Plaintiffs with the specific number of documents returned for the term "adenosine" by May 22 (*id.* at 49:21-50:13), and L'Oréal USA complied a day early, verifying that it would yield 50,293 results (D.I. 211, Ex. A at 6, May 21 K. Kasaraneni Email). In response to this unworkable result, rather than meaningfully attempt to resolve the dispute with narrow, non-cumulative search terms, the record is clear that Plaintiffs stalled until the eleventh hour before proposing any sort of narrowed search.<sup>2</sup> (D.I. 211, Ex. A at 2-5, May 21, May 29, June 5 D. Brook Emails.) In fact, it was not until June 12—more than three weeks after the last conference, and **just one business day** before the joint motion for this conference was due—that Plaintiffs proposed, without any attempted justification, **roughly 250** new search terms for L'Oréal USA to run. (D.I. 211, Ex. A at 1, June 12 N. Carullo Email; *id.*, Ex. B at 1-3.)

The sheer breadth and volume of the proposed search terms make clear that Plaintiffs' "proposal" is designed to prejudice L'Oréal USA by distracting it from the critical expert discovery phase of the case.<sup>3</sup> (*See* D.I. 211, Ex. B at 1-3.) Taking into account "Each Accused Product's Name," the list includes almost 250 terms, does not hone in on potentially relevant documents—much less documents that are the subject of Plaintiffs' original motion to compel—and, based on the number alone, would entail a disproportionate burden involving hundreds of searches and collection and review of thousands of documents that would not be relevant to Plaintiffs' motion. This is apparent from Plaintiffs' inclusion of such general terms as "spf" and "uv," as well as the newly injected "marketing terms" (*e.g.*, "important," "main"). In short,

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anti-aging)," terms related to the inventors, Plaintiffs, and patents-in-suit, and now the term "75156." (*See, e.g.*, D.I. 155, Ex. A (L'Oréal USA's Supp. Response to RFP 27); D.I. 164 at 3; *id.*, Ex. C at 12; D.I. 211, Ex. A at 3, K. Kasaraneni June 4 Email.) Indeed, Plaintiffs have been aware of the relevant search terms since April 23. (*See* Ex. B, Al-Ebinni Tr. at 35:17-36:19.)

<sup>2</sup> Plaintiffs' interim proposal was a "random sampling" of ~1,000 documents from the "adenosine" search, which would no doubt be followed by requests relating to the remaining 50,000+ documents. Such an effort would require manually collecting the 1,000 documents, reviewing them for privilege (regardless of relevance or responsiveness), negotiating the production of any additional documents, and then addressing inevitable disputes relating to fact depositions.

<sup>3</sup> Notably, Plaintiffs have been purporting to hold fact depositions open pending any new document production by L'Oréal USA, but did not propose any "narrowing" search request until most of the relevant depositions had been completed. Plaintiffs certainly knew that all or almost all depositions would be complete by the time any further documents could be produced. This sequence would, in line with Plaintiffs' strategy, necessitate new depositions of L'Oréal USA employees. Moreover, this request was made just one week before opening expert reports were originally due, a date the parties had pushed back by a week just one day earlier. (D.I. 202.) This is not only improper, but further highlights the untimeliness of Plaintiffs' request.

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during the final days of fact discovery, Plaintiffs are attempting to start over from square one. (See Ex. D at 1, 3, June 16 K. Kasaraneni Email.)

Regarding the “75156” search, in the interest of cooperation and in an attempt (albeit futile) to avoid a dispute, L’Oréal USA—contrary to Plaintiffs’ assertion (D.I. 211 at 1)—collected and reviewed the more than 800 documents returned from its search of the MILOR database for that term, even though such a review was unnecessary in light of L’Oréal USA’s previous efforts. (D.I. 211, Ex. A at 3, June 4 K. Kasaraneni Email; Ex. D at 1, 3, June 16 K. Kasaraneni Email.) Indeed, even though Plaintiffs’ request with respect to this search term was focused on the reasons for including adenosine in the accused products (*see* Ex. C, May 18 Tr. at 34:20-35:15), L’Oréal USA nonetheless reviewed the documents more broadly for responsiveness. Only two of these more than 800 documents were produced, and only out of an abundance of caution, as even those two documents are irrelevant to Plaintiffs’ allegations concerning the accused products. Despite Plaintiffs’ assertions to the contrary, the remaining documents were either non-responsive<sup>4</sup> or duplicative of documents already produced through previous, appropriate searches. (D.I. 211, Ex. A at 3, June 4 K. Kasaraneni Email.) Nonetheless, Plaintiffs now seek to have L’Oréal USA re-review those documents for privilege and produce each and every document returned for that search term, regardless of responsiveness or relevance to the issues in this case. This is the definition of a fishing expedition.

**Plaintiffs’ New Request For U.S. Financial Information:** L’Oréal USA has complied with the Scheduling Order and Plaintiffs’ requests for financial information. At no time since L’Oréal USA’s December 2019 production of financial records did Plaintiffs raise any questions regarding the type of financial information provided, nor did Plaintiffs serve discovery seeking additional financial information. Instead, on February 12, 2020, Plaintiffs confirmed that “Defendant produced nearly all the outstanding [financial] information on February 7, 2020,” and that Plaintiffs were only missing 2011-2012 financial data for five products. (D.I. 88.) L’Oréal USA produced that information on April 1, 2020. Plaintiffs never discussed the financial information again until last week, when they demanded additional data, including line items that roll into the cost data L’Oréal USA previously provided. Although Plaintiffs’ request is beyond the scope of any discovery request and wholly untimely, to avoid further disputes, L’Oréal USA is willing to provide the information identified in Plaintiffs’ proposed order, and will attempt to do so by June 30, 2020.<sup>5</sup>

**Plaintiffs’ New Request for Non-US Sales Information:** On June 14, 2020—the night before the joint motion was due—Plaintiffs demanded that L’Oréal USA produce non-U.S. sales data for the accused products. (Ex. D at 2, June 14 N. Carullo Email.) As counsel have been

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<sup>4</sup> At the May 18 conference, L’Oréal USA provided several examples of the type of non-responsive documents contained in MILOR returned by untargeted terms like “adenosine” and “75156,” including, *inter alia*, confidentiality agreements, compliance certificates, and supplier-related documents. (Ex. C, May 18 Tr. at 39:7-24.)

<sup>5</sup> Plaintiffs’ contention that “another L’Oréal witness has confirmed that this [newly requested financial] information can be had at the push of a button” grossly mischaracterizes the testimony. When asked if she can obtain gross sales numbers, Ms. Arnera, testifying on behalf of Lancôme, explained that she can request financial reports for her brand. (D.I. 211 at 3; *id.*, Ex. G at 47:10-25.) She did not state that the granular financial information Plaintiffs are belatedly requesting is readily available.

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involved with depositions every day since June 14, there has been no meet and confer on this issue—neither recently nor in the *nearly nine months* since L’Oréal USA served Plaintiffs with its objections to non-US sales, stating that, “[w]ith respect to method patents, actionable patent infringement cannot occur outside the United States.” (Ex. E at 3-4 (citing 35 U.S.C. § 271(a); *Enplas Display Device Corp. v. Seoul Semiconductor Co., Ltd.*, 909 F.3d 398, 408 (Fed. Cir. 2018)); *see also* Ex. F at 3-4 (L’Oréal USA’s April 20, 2020 First Supplemental Objections and Responses to Plaintiffs’ Interrogatory Nos. 7, 8, restating this objection).) Plaintiffs cannot raise this untimely request for the first time during the final week of fact discovery, particularly given that it would require an overbroad, unduly burdensome, and irrelevant investigation regarding ex-U.S. sales, if any, for more than 150 products being accused of infringement in the U.S.

Plaintiffs’ request is also substantively improper. The law is clear that infringement of a *method* patent can occur only in the U.S., and thus products sold outside the U.S. cannot be included in any damages calculation. *Enplas*, 909 F.3d at 408 (“liability for induced infringement under § 271(b)” requires a “patentee [to] prove[] the defendant possessed the requisite knowledge and specific intent to induce direct infringement *in the United States*”); *see also Kajeet, Inc. v. Qustodio, LLC*, 2019 WL 8060078, at \*13 (C.D. Cal. Oct. 22, 2019) (information regarding defendant’s foreign sales is not relevant to the hypothetical negotiation of the reasonable royalty amount because defendant would not be liable for foreign sales that do not violate U.S. patent laws.)

**Plaintiffs’ Renewed Request Regarding Interrogatory No. 3:** Plaintiffs’ (improper fourth) request that L’Oréal USA amend its response to Interrogatory No. 3 to identify additional products containing adenosine is even more improper now than it was when Plaintiffs raised this issue at the last discovery conference. First, Plaintiffs did not seek leave to raise this request again in the joint motion, nor did they obtain permission to raise a fourth issue. *See* May 19, 2020 Oral Order (limiting parties to three issues). There has also been no meet and confer on this renewed request. In any event, as this Court noted in May, “[a]t this stage, the parties should be . . . narrowing or focusing on the number of accused products instead of broadening that number, and the discovery is not relevant or proportional to the needs of the case.” (Ex. C, May 18 Tr. at 97:12-98:14.) This rings even more true now, as the parties are in their last week of fact discovery, with expert reports due next week. Plaintiffs do not even attempt to address any of the issues raised in the previous briefing on this issue, including the undue burden associated with their request. *See* D.I. 164 at 1-2. As the Court held in *Ethicon LLC v. Intuitive Surgical, Inc.*, 2018 WL 1392341, at \*3 (D. Del. Feb. 12, 2018), “mere suspicion or speculation’ that an unaccused [product] will infringe the asserted patents . . . is not enough to render the requested discovery relevant to [plaintiff]’s infringement claims.”); *see also Micro Motion, Inc.*, 894 F.2d 1318, 1326-27 (Fed. Cir. 1990) (“The discovery rules are designed to assist a party to prove a claim it reasonably believes to be viable *without discovery*, not to find out if it has any basis for a claim.”). The Court’s ruling was consistent with the requirement that Plaintiffs, not L’Oréal USA, identify the products that underlie their infringement theories. *See Magnadyne Corp. v. Best Buy Co.*, 2010 WL 11520525, at \*2 (C.D. Cal. Feb. 22, 2010) (it is the plaintiff’s responsibility to identify the accused products). Notwithstanding this obligation, more than nine months ago, L’Oréal USA identified over one hundred products for Plaintiffs, and Plaintiffs elected not to accuse many of those products. Plaintiffs’ renewed request to add more products to the case at this stage is improper and not proportionate to the needs of the case.

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Respectfully,

*/s/ Frederick L. Cottrell, III*

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cc: Counsel of Record (via CM/ECF and E-Mail)