



May 13, 2020

VIA E-FILING

The Honorable Sherry R. Fallon
J. Caleb Boggs Federal Building
844 N. King Street
Wilmington, DE 19801-3568

PUBLIC VERSION

RE: *University of Massachusetts, et al. v. L'Oréal USA, Inc.*
(C.A. No. 17-cv-868-CFC-SRF)

Dear Magistrate Judge Fallon,

Plaintiffs move the Court order for an order compelling L'Oréal to comply with its discovery obligations by: (1) searching for and identifying all products responsive to Interrogatory No. 3; (2) searching for and producing documents relevant to Plaintiffs' willfulness claim; (3) searching for and producing relevant licenses; (4) revising its deficient privilege log; and (5) providing information regarding its litigation hold.

L'Oréal continues to shirk its discovery obligations and refuses to meaningfully engage with Plaintiffs. L'Oréal's own May 12 letter shows that Plaintiffs' concerns are well-founded. Indeed, L'Oréal concedes that—despite its earlier representations to this Court that its production of such documents was complete—responsive documents discussing adenosine, testing of the Accused Products, and development of the Accused Products appear to have been *collected and reviewed but not produced* until the Court ordered L'Oréal to supplement its production. *See* D.I. 155, at 1 (additional production resulted from “a *re-review* of emails collected from R&I custodians discussing adenosine [and] a *re-review* of documents collected from a central database for any further product-specific testing”) (emphasis added). This “re-review” yielded plainly responsive documents that, for example, discussed adenosine as a [REDACTED] in one of the Accused Products. D.I. 156, Ex. D. It produced marketing documents for the Accused Products that L'Oréal previously, and repeatedly, represented it could not find. *See* Exs. R (D.I. 105, Ex. A), S. L'Oréal also produced an entire category of documents—“Magellan briefs”—that Plaintiffs had never seen before. L'Oréal's May 12 letter makes plain that the situation is even worse than Plaintiffs thought, as not only has L'Oréal failed to conduct adequate searches, it has withheld responsive materials it previously told Plaintiffs and this Court it had searched for and produced.

Plaintiffs have been trying to work with L'Oréal to close out document discovery, but have been met at every turn with delay, stonewalling, or simply silence. This Court should order L'Oréal to run Plaintiffs' searches and produce all non-privileged documents that are returned, and for L'Oréal to provide sufficient information about its privilege assertions and litigation hold. Plaintiffs accordingly ask the Court to order the relief laid out in the attached proposed order.

Plaintiffs' Interrogatory No. 3. Since as far back as June 2017, “L'Oréal [has been] on notice that products containing adenosine made by the eighteen brands specified in the FAC,” D.I.

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31, are the subject of this lawsuit. That notice should have triggered L'Oréal to investigate which products are at issue—i.e., which of its products contain adenosine—in order to, at the very least, implement an adequate litigation hold.

As soon as discovery opened in July 2019, Plaintiffs served an interrogatory asking L'Oréal to “[i]dentify every product You have ever sold in the United States that contains adenosine as an ingredient, including but not limited to every name You have sold such product under.” *See* Ex. A. Plaintiffs need this information in order to test L'Oréal's products to determine whether they meet the limitations of the asserted patents. Despite Plaintiffs' thorough investigation, they cannot know if they have located every relevant L'Oréal product based on public information (particularly where some relevant L'Oréal products sold in the United States during the damages period have been discontinued).

Per usual in this case, the parties have engaged in an extended meet and confer process yet L'Oréal has not produced any more information. L'Oréal's first response to Plaintiffs' Interrogatory No. 3, served approximately one month before Plaintiffs' infringement contentions were due, identified a limited number of responsive products. It omitted many products Plaintiffs had already discovered contained adenosine through public information. *See* Exs. B, C. Plaintiffs immediately contacted L'Oréal to request a supplement. That supplement did not come until December 2019—approximately five months after Plaintiffs served the interrogatory, three months after Plaintiffs first requested a supplement, and after Plaintiffs had already served their infringement contentions. *See* Ex. D. Even that response identified few products Plaintiffs were not already aware of based on their diligent public searches. Accordingly, Plaintiffs raised the issue again, and after it threatened again to move to compel, L'Oréal agreed to further supplement its response on the parties' April 14, 2020 meet and confer. *See* Ex. E. But in that supplement, instead of identifying further products, which is what the interrogatory asks for, L'Oréal simply complained about the burden of responding, and then referred to thousands of pages in its production without further explanation. *See* Ex. F, at 73-76.

It appears that L'Oréal did not take any additional steps to search when it agreed to supplement. In order to identify its own responsive products, L'Oréal apparently conducted a manual review of carton artwork. *See* Ex. G, at 12. This manual process led to significant gaps by L'Oréal's own admission. L'Oréal admits that, after Plaintiffs' Infringement Contentions identified numerous products not included in L'Oréal's prior response, L'Oréal did not conduct any additional searches for other products containing adenosine. *Id.*, at 12-13. What L'Oréal did not do—but easily could—is simply run the term “adenosine” as well as its code number on its databases, *see* D.I. 156, match the results up to the products it has sold in the United States—matching formula numbers and product names, as it did for the FTC, *see* Ex. T--and supplement its response with any missing products. L'Oréal has objected that such a process would be cumbersome. But not only does it strain credulity to think that L'Oréal cannot run searches to identify its products and formulas containing adenosine, L'Oréal has known literally for three years that this case revolves around L'Oréal's products containing adenosine. It goes to the heart of Plaintiffs' case.

Documents regarding L'Oréal's knowledge of the Patents-in-Suit. At the beginning of discovery, Plaintiffs served several RFPs going to L'Oréal's knowledge of the Patents-in-Suit. *See* Ex. H. Although L'Oréal now contends that the parties have not met and conferred on these issues, the parties first discussed them on March 3, when L'Oréal represented that its search for and production of documents responsive to these requests was complete. *See* Ex. I. Once again, however, it has become clear that Defendant's searches were inadequate. Specifically, during the April 23 deposition, L'Oréal testified that it only searched for these responsive documents using terms like "Dobson" and "Ethier," the inventors' names, in the files of just two L'Oréal USA Legal custodians. *See* Ex. J, at 57:5-16, 60:3-19; Ex. K. Furthermore, L'Oréal searched for only the full patent number, and no abbreviations such as "327 patent." *Id.* And it did not search the L'Oréal S.A. custodians Plaintiffs identified as having knowledge of the Patents-in-Suit.

Plaintiffs promptly proposed a tailored set of additional searches: searching the inventor names and patent numbers through more custodians, including L'Oréal S.A. custodians; searching the terms "adenosine" and "75156" in central databases that hold product testing and development documents; and searching for "right to market" studies¹ for products containing adenosine, including two products that were in development during the time L'Oréal contacted the inventor. *See* Ex. D.I. 156, Ex. B. The parties further discussed these requests during their May 5 meet and confer. Hearing nothing, Plaintiffs followed-up three more times. *See* D.I. 156, Ex. C. L'Oréal did not respond until after it made its Court-ordered production last week. *Id.* L'Oréal has refused to run the key searches described here and in the attached proposed order. L'Oréal has since confirmed that it is unwilling to run the requested searches.

These searches would yield plainly responsive documents. As to search terms, documents hitting on the inventors' names and patent numbers would be plainly relevant to this case. As for central databases, including MILOR: These databases house key documents like testing reports and technical dossiers, relating to both product development and patent applications. And as for L'Oréal S.A. custodians: L'Oréal has already said it would search for and produce documents from S.A. files. *See* D.I. 156, at 2. The custodians identified in Plaintiffs' Initial Disclosures are those who communicated with Plaintiffs or worked on adenosine research and submitted patent applications citing the Patents-in-Suit. Documents produced to date show that L'Oréal USA and S.A. scientists work together. Other S.A. custodians also may have relevant knowledge, but L'Oréal refuses to search.

Similarly, L'Oréal has refused to search for and either produce right to market studies for products containing adenosine because of unexplained "burden" or because Plaintiffs have asked for such studies for products that were apparently not sold in the United States. *See* D.I. 156, Ex. C.² These documents are plainly relevant, however, as they go to the heart of Plaintiffs' willfulness

¹ A right to market inquiry occurs when L'Oréal wants [REDACTED] [REDACTED] Ex. J, 17:1-6.

² On the parties' May 12 call, L'Oréal asserted, without authority, that all right to market materials would be privileged. Even if so, the fact of a study is not privileged, the documents are responsive and must be logged, and a log would provide Plaintiffs with highly relevant

and copying claim. Even if a product were not sold in the United States, a right to market study for that product could be the basis for L'Oréal's knowledge of the Patents-in-Suit. Plaintiffs accordingly request that L'Oréal be ordered to run the searches in the attached proposed order, and produce all non-privileged documents returned from those searches.

Licenses relevant to the calculation of a reasonable royalty. L'Oréal does not dispute that it must search for and produce relevant licenses. Yet it has repeatedly represented that it has no comparable licenses. *See* Ex. I. The problem with this representation is that, as recently as April 23, L'Oréal testified that the company has not searched for licenses related to (1) the Accused Products; (2) adenosine; or (3) topical skincare products. *See* Ex. J, at 144:15-22, 176:8-16. Plaintiffs request that L'Oréal search for and produce all such licenses.

L'Oréal's Privilege Log. Plaintiffs have notified L'Oréal of numerous specific deficiencies in its revised privilege log. *See* Exs. L, M, Q. As Plaintiffs described to L'Oréal, many of the entries do not include any attorney, either in the to/from/cc fields, nor in the entry's description. Nor does the description contain sufficient information for Plaintiff to be able to assess why the document is privileged, despite the lack of an attorney connected with the document. L'Oréal's descriptions are all one of a limited variety of generic entries such as "Correspondence providing legal advice regarding patent prosecution" or "Document providing legal advice regarding intellectual property." *See* Exs. N, O. This language does not "describe the nature of the documents . . . in a manner that, without revealing information itself privileged or protected, will enable [Plaintiffs] to assess the claim." Fed. R. Civ. P. 26(b)(5)(A)(ii).

Moreover, L'Oréal has never logged over 150 documents that contain redactions—a number that has only grown since L'Oréal's last production. L'Oréal has not provided an updated log, nor a date certain by which it will provide an updated log. *See* Ex. M. Plaintiffs therefore request that the Court order L'Oréal to revise its privilege log to: (1) include any redactions; and (2) provide sufficiently detailed descriptions for any entries that do not contain an attorney or that contain a third party so that Plaintiffs can evaluate L'Oréal's assertions of privilege.

L'Oréal's Litigation Hold. L'Oréal's document retention policies suggest that emails are routinely destroyed after six months, *see* Ex. J, at 43:7-45:8. L'Oréal has been on notice of its infringement since at least April 2015 when it corresponded with Carmel Labs. Ex. P. At the April 23 document deposition, L'Oréal testified it issued a litigation hold [REDACTED] Ex. J, at 26:4-8. L'Oréal could not identify who had received the hold. *Id.* at 26:9-13. Plaintiffs followed up by email regarding the precise date of the litigation hold and to whom it was issued. *See* Ex. Q. Despite saying it would do so, L'Oréal has not yet provided this information. Plaintiffs ask that the Court order the information be promptly produced.

information—including, for example, if a right to market study were conducted around the time L'Oréal contacted Dr. Dobson.

Respectfully submitted,

/s/ Brian E. Farnan

Brian E. Farnan

cc: Counsel of Record (via E-Mail)