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February 13, 2020

VIA CM/ECF & HAND DELIVERY
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 in response to the letter filed by Plaintiffs University of Massachusetts and Carmel Laboratories, LLC (together, "Plaintiffs") on February 12, 2020. Plaintiffs' request for "an order directing [L'Oréal USA] to satisfy promptly its production obligations" is unfounded and unnecessary. (D.I. 88 at 1.)

L'Oréal USA is not withholding any documents identified in Plaintiffs' letter. Rather, Plaintiffs have created a near-insurmountable task by accusing a vast number of products that only they contend qualify as accused products—a list that still, despite numerous meet and confer efforts to narrow this list, includes duplicate entries for the same product, products that were launched after the expiration of the patents, and a host of other issues. (*See, e.g.*, Ex. A.)[1] Nonetheless, as detailed in L'Oréal USA's letter brief seeking a one-month extension of the document production deadline (*see* D.I. 87), L'Oréal USA has produced financial information for every accused product, marketing information for 137 products, and technical documents for 126 products.[2]

Through the meet and confer process, L'Oréal USA repeatedly explained to Plaintiffs that the parties are not in dispute as to the documents that still need to be produced. Rather, L'Oréal USA simply needs more time to complete its production—hence, its request for a modest, one-month extension. L'Oréal USA is working through the outstanding issues in Plaintiffs' accused products list, as well as collecting documents from foreign entities (*e.g.*, L'Oréal S.A. and L'Oréal Canada), without forcing Plaintiffs to proceed through the Hague Convention—an altogether more time-consuming process. L'Oréal USA believes it can complete its document production by its requested deadline of March 6, 2020. (D.I. 87.) Though L'Oréal USA objected to involving the Court to mediate this non-dispute, nevertheless, the parties find themselves here.

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[1] Plaintiffs detail the information they contend is missing in a chart attached as Exhibit A to their letter brief. Attached hereto for the Court's convenience as Ex. A is that same chart with an additional column explaining the status of the document production for those products.

[2] L'Oréal USA represented in its letter to the Court (D.I. 87) that it had produced marketing materials for 131 products. L'Oréal USA has since made another document production.

Plaintiffs' complaint that L'Oréal USA has failed to produce documents called for by Paragraph 6 of the Scheduling Order is without merit. (*See* D.I. 46 at 6-7.) Plaintiffs contend that, pursuant to Paragraph 6(a), L'Oréal USA was required to produce all ingredient lists, marketing materials, and testing information for all 177 accused products by December 20, 2019 (within 45 days of receiving Plaintiffs' list of accused products), because, according to Plaintiffs, Paragraph 6 compels production of "***any and all*** documents describing the operation" of the accused products. (D.I. 87 at 1.) This position cannot be reconciled with the plain language of Paragraph 6(a), which requires production of "[s]ource code, specifications, schematics, flow charts, artwork, formulas, or other documentation ***sufficient to show the operation*** of any aspects or elements," of the accused products. (D.I. 46 at 6 (emphasis added).) This is exactly what L'Oréal USA did. Plaintiffs cannot credibly maintain that they do not know how these products operate; they are cosmetic products used on the skin. And, L'Oréal USA's production more than suffices to show this.[3] Indeed, Plaintiffs admit that L'Oréal USA has produced ingredient lists ("set[ting] forth the actual formulas of the Accused Products and other technical information relevant to the products' composition") and product packaging and marketing materials (which are "highly relevant to showing the 'operation of any aspects or elements of' the Accused Products"). (D.I. 88 at 2.)

Moreover, Plaintiffs' demand for any and all documents describing the operation of the accused products is based on a tortured reading of the plain language of Paragraph 6(a) that has since been discredited by the Federal Circuit as an abuse of the district courts' discretion. *See Drone Techs., Inc. v. Parrot S.A.*, 838 F.3d 1283, 1298-99 (Fed. Cir. 2016) ("[T]he district court appears to have overlooked the 'sufficient to show' limitation in LPR 3.1 by forcing Parrot to turn over 'all' of its technical information 'relating to the operation of the accused products.' . . . Thus, even if Drone was entitled to *some* source code, the court provided no rationale for forcing Parrot to produce *all* of its source code and other technical documents . . . ."). Similarly, here, Plaintiffs have not indicated what about L'Oréal USA's December 20, 2019 production was insufficient to "show the operation" of the accused products. Plaintiffs declined to answer this question during the meet and confer process, which they shunned repeatedly. (*See* D.I. 87, Ex. G at 9-11; *see also Drone Techs.*, 838 F.3d at 1298 ("Without any explanation from Drone as to any deficiencies in Parrot's initial production, the court could not have determined that Parrot had not met its burden under the local rules.").) Where, as here, Plaintiffs have not indicated a specific insufficiency in their understanding of the operation of the accused products based on L'Oréal USA's initial production, it would be improper to find that L'Oréal USA did not satisfy its obligations under Paragraph 6(a).

Plaintiffs' attempt to broaden the requirements of Paragraph 6(a) to cover testing documents is also contrary to their own conduct in this case. Like Paragraph 6(a), Paragraph

[3] For this reason, it is of no moment that some of L'Oréal USA's documents refer to testing the effects of some products. Plaintiffs' argument—based on discredited "any and all" case law—that marketing claims associated with a product change the requirements of what must be produced under the plain language of the Scheduling Order makes no sense. Instead, as noted below, the Federal Circuit has indicated that the proper question is one of sufficiency, not of document type. *See Drone Techs., Inc. v. Parrot S.A.*, 838 F.3d 1283, 1298-1300 (Fed. Cir. 2016).

4(e) of the Scheduling Order requires Plaintiffs to produce "documents ***sufficient to show the operation*** of any aspects or elements of" its own products that "practice[] the claimed invention." (D.I. 46 at 4.) Tellingly, Plaintiffs did not produce ***any product-specific testing*** in connection with this obligation.[4] Instead, consistent with the plain language of the Scheduling Order (and the scope of L'Oréal USA's production), Plaintiffs produced only documents to "show the operation" of their Paragraph 3(g) products. (*See* Ex. C (screenshots of the product pages for the four Paragraph 3(g) products from the Camel Labs website).) This is not surprising, as Plaintiffs' current position would collapse the distinction between this production of a discrete set of early technical documents required by the Scheduling Order, and the more complete technical document production common in patent cases and covered by the document production deadline.[5]

With respect to marketing materials, L'Oréal USA has produced marketing documents for 137 products, including product packaging for 134 products. Documents other than the carton "artwork" were not due by December 20, 2019 under the express terms of the Scheduling Order, and in any event, the parties agreed in October 2019 that marketing materials would be produced in phases, to commence in mid-November. (*See* D.I. 87, Ex. C at 1 (confirming the parties' agreement that "L'Oréal USA would provide targeted marketing materials for 30 products at a time, which would include product packaging and launch materials").) L'Oréal USA even asked Plaintiffs to provide a list of products they were particularly interested in, so that L'Oréal USA could include the marketing materials for those products in the first phase of production. (*Id.*) Plaintiffs ignored that request, much like they now seek to ignore the parties' agreement, referencing it only in a footnote in their brief. (*See* D.I. 88 at 3, n.2.)

Months after agreeing that L'Oréal USA's planned manner of production of the marketing materials was an appropriate way to proceed, Plaintiffs suddenly began complaining about L'Oréal USA's supposedly deficient marketing production, citing the Paragraph 6 deadline of the Scheduling Order. As L'Oréal USA explained in follow-up email correspondence, Plaintiff's new position, that all marketing documents were due in December, cannot be reconciled with either the terms of the Scheduling Order **or** the agreement reached between the parties in October, that L'Oréal USA would produce marketing documents in five phases, commencing mid-November. (*See* D.I. 87, Ex. G at 15.)[6] L'Oréal USA has, and continues to,

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[4] Given Plaintiffs' current position, this is especially remarkable because the documents Plaintiffs did produce showed that such product testing had been performed. (*See, e.g.*, Ex. B (detailing a [redacted]) The only other documents Plaintiffs cited in connection with their obligations under Paragraph 4(e) were public statements, patents, patent application publications, and articles ***by L'Oréal USA*** or L'Oréal S.A. (which was dismissed as a party to this case).

[5] In further recognition that testing documents were not required to be produced on December 20, 2019 pursuant to Paragraph 6(a), on December 18, 2019, Plaintiffs served a document request seeking "[a]ll documents that refer or relate to testing of any Accused Product." (Ex. D, Request for Production No. 50.)

[6] Plaintiffs' contention that L'Oréal USA "acknowledged th[at] [marketing materials] constitute part of its 6(a) obligation by identifying them as such in its December 20 production" is belied

abide by the parties' October 2019 agreement to produce marketing documents in phases, and has nearly completed that production.

Similarly, L'Oréal USA has produced financial records for every accused product, as well as for products launched in 2019, showing that that they are improperly accused. L'Oréal USA has explained several times to Plaintiffs that its financial databases for certain divisions do not include data earlier than 2013, which affects, at most, five accused products. L'Oréal USA is working to obtain the 2011 and 2012 data for those five products, to the extent those products were even sold during that time period.

There can be no dispute that L'Oréal USA has been diligent in its document production efforts. However, as detailed more fully in L'Oréal USA's letter brief (*see* D.I. 87), L'Oréal USA has been hampered in its efforts by Plaintiffs' refusal to work with L'Oréal USA to streamline the case. For instance, L'Oréal USA has identified 32 products that never should have been added as accused products. Even now, after L'Oréal USA produced records showing that certain products were improperly accused, Plaintiffs continue to demand discovery on those products, requiring L'Oréal USA to expend time and resources addressing Plaintiffs' complaints. For instance, at least nine of the products identified in Plaintiffs' Exhibit A were launched in 2019, after the asserted patents expired. (*See* Ex. A.) At least one other product is a duplicate, as Plaintiffs themselves acknowledged in an email dated January 23, 2020. (*See* D.I. 87, Ex. G at 12.) Eight other products do not belong to any L'Oréal USA brand, which L'Oréal USA explained to Plaintiffs during discovery. Moreover, with respect to at least 11 other products on Plaintiffs' list, L'Oréal USA has indeed produced the requested documents for those products. (*See* Ex. A.) In sum, out of the 145 properly accused products in this case, L'Oréal USA has produced financial records for all of them. L'Oréal USA has also produced marketing records for 137 products and technical documents for 126 products. While L'Oréal USA has repeatedly asked Plaintiffs to update their accused product list so that the parties can be on the same page with respect to discovery, Plaintiffs refuse to do so. (*See* D.I. 87, Ex. G at 2.) As for the outstanding documents that L'Oréal USA has been unable to locate, L'Oréal USA is attempting to obtain those documents from other sources, including France and Canada.

In sum, L'Oréal USA has met its obligations under the Scheduling Order, it has not refused to produce responsive documents, and there is nothing for this Court to compel.

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by the very email they rely upon. (D.I. 88 at 3.) As explained above, L'Oréal USA entered into a separate agreement regarding the phased production of marketing documents, which included carton artwork. That L'Oréal USA referenced some of the marketing materials it had produced as of December 20, 2019 in its email identifying documents responsive to Paragraph 6 does not nullify the parties' agreement. Indeed, L'Oréal USA made clear in that very email that "**[a]s we previously discussed during one of our meet and confers in October, L'Oréal USA is phasing its production of marketing materials in light of the large number of accused products in this case.** Thus, we reserve the right to supplement the above productions in due course." (D.I. 88, Ex. C (emphasis added).) Plaintiffs never responded or otherwise complained about the phased production, until now.

Respectfully,

/s/ Frederick L. Cottrell, III

Frederick L. Cottrell, III (#2555)

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