Public Version

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN DERMATOLOGICAL TREATMENT DEVICES AND COMPONENTS THEREOF**	**Inv. No. 337-TA-1356**

CORRECTED ORDER NO. 57: INITIAL DETERMINATION EXTENDING THE TARGET DATE

(September 10, 2024)

The Target Date for completion of this Investigation is currently January 9, 2025. (*See* Order No. 55 (July 9, 2024).). Accordingly, the Initial Determination on violation ("ID") in this Investigation is currently due on September 9, 2024. (*Id.*). An extension of the Target Date for completion of this Investigation is changed to April 21, 2025, while the due of the ID is changed to December 20, 2024, subject to further review and necessity. These changes are warranted because of the following sequence of events and recent developments:

- On May 22, 2023, Respondents Sung Hwan E&B Co., LTD. d/b/a SHEnB Co. LTD; Aesthetics Biomedical, Inc.; Cartessa Aesthetics, LLC; Lutronic Corporation; Lutronic Aesthetics, Inc., also known as Lutronic, Inc.; Lutronic, LLC; Ilooda, Co., Ltd.; Cutera, Inc.; Jeisys Medical Inc.; Cynosure, LLC; Rohrer Aesthetics, LLC; Rohrer Aesthetics, Inc.; EndyMed Medical, Ltd.; and EndyMed Medical, Inc. ("Moving Respondents")[1] filed a motion ("Motion for Judicial Enforcement") to certify to the Commission a request to obtain judicial enforcement of the subpoena *duces tecum* and *ad testificandum* ("Subpoena") issued to non-party Merle W. Richman, III, Esq.[2] (Motion Docket No. 1356-005

[1] The remaining respondents in this Investigation are Respondents Jeisys Medical Inc. and Cynosure, LLC, and Respondents EndyMed Medical, Ltd. and EndyMed Medical, Inc. ("Respondents," and with Complainant Serendia LLC, the "Private Parties").

[2] Mr. Richman prosecuted the patents-in-suit and is also a co-inventor with Dr. Jongju Na ("Dr. Na") on priority applications and patents related to the patents asserted in this Investigation. (*See, e.g.*, Mot. to Compel, Mem. at 1.). According to Respondents, "[h]is testimony and credibility is essential to inventorship and inequitable conduct, as well as to unclean hands and standing." (*Id.*).

ENDYMED EXHIBIT 1040 - 1/6
EndyMed v Serendia
IPR2024-00842

(May 22, 2023).).

- In a response to the Motion for Judicial Enforcement ("Response to Motion for Judicial Enforcement"), Complainant Serendia LLC ("Serendia") stated that "it is not apparent from the Motion that Mr. Richman was properly served with the subpoena" or that "Mr. Richman was served with the Motion." (Doc. ID No. 797351 (May 26, 2023).).

- In response to Serendia's Response to Motion for Judicial Enforcement, the Moving Respondents re-filed their Motion for Judicial Enforcement ("Re-Filed Motion for Judicial Enforcement"). (Motion Docket No. 1356-006 (May 30, 2023).).

- On June 7, 2023, the Moving Respondents' Re-Filed Motion for Judicial Enforcement was granted. (*See* Order No. 11 (June 7, 2023).).

- On August 6, 2024, Respondents filed a notice ("Notice") of the U.S. District Court's Memorandum Opinion and Order ("District Court Opinion and Order"), in which the U.S. District Court granted the Moving Respondents' Re-Filed Motion for Judicial Enforcement.[3] (Doc. ID No. 828744 (Aug. 6, 2024).).

- On August 15, 2024,[4] Respondents moved for leave to reopen discovery for the limited purpose of receiving discovery from, and taking the deposition of, Mr. Richman ("Motion to Reopen Discovery"), which was granted.[5] (Motion Docket No. 1356-040 (Aug. 16, 2024); Order No. 56 (Aug. 20, 2024).).

- On August 26, 2024, Respondents filed a status report regarding the discovery Mr. Richman provided ("Status Report"). (Doc. ID No. 830519 (Aug. 26, 2024).). In the Status Report, Respondents reported that, *inter alia*, "Mr. Richman repeatedly refused to respond to questions that bear directly on his conduct during prosecution of the Asserted Patents in this Investigation." (Status Rpt. at 1.). They also indicated that they would be filing a motion "seek[ing] relief and further proceedings in view of the discovery provided by Mr. Richman and, unfortunately, the substantial amount of discovery he refused to provide." (*Id.* at 2.).

In the Motion for Judicial Enforcement, Moving Respondents submitted that Mr. Richman did not respond to the Subpoena issued to him on May 2, 2023 that was delivered by overnight delivery to him on May 3, 2023. (Mot. for Judicial Enforcement at 1.).

[3] The District Court's Opinion and Order is attached as Exhibit A to Respondents' Notice.

[4] The official received date is August 16, 2024.

[5] In a memorandum Respondents filed in support, Respondents indicated that Mr. Richman's deposition was scheduled to be held on August 25, 2024. (Mot. to Reopen Discovery, Mem. at 2 n.2.).

Consistent with the announcement made in their Status Report, on September 3, 2024, Respondents filed a motion to compel further production of documentary and testimonial evidence from Mr. Richman ("Motion to Compel") and a memorandum in support ("Memorandum").[6] (Motion Docket No. 1356-041 (Sept. 3, 2024).). Respondents also requested that the record be reopened, and that new trial time be committed so that Mr. Richman can testify in person as a witness in the extension of an evidentiary hearing that was presumed closed. (Mot. to Compel at 1.).

In their Motion to Compel, Respondents identify critical issues that are at the heart of inventorship of the Family Two Patents and may involve the Respondents' originally filed affirmative defenses of "inequitable conduct" and "unclean hands." To that end, in their Motion to Compel, Respondents stated and requested the following:

> His [Mr. Richman's] [sic]testimony is highly relevant to several disputed and dispositive issues in this Investigation, including at least inventorship and inequitable conduct. Due to the unpredictability of issues that may arise from further efforts to gather that discovery—as evidenced by Mr. Richman's actions in this Investigation—Respondents move to extend the procedural schedule, including the dates for issuance of the Final Initial Determination and the target date, to allow for further proceedings that are necessary, or may become necessary, as a result of Mr. Richman providing or refusing to provide the discovery in question. Notably, whether or not Mr. Richman ever fully complies with the subpoena, Respondents move for an opportunity for additional hearing time to examine Mr. Richman, as well as other witnesses, and to then present their inequitable conduct and improper inventorship defenses based thereon.

(*Id.*).

In other words, Respondents are asking that either the Commission re-enforce its own subpoena and authority, or alternatively, Respondents ask that "if the ALJ were to determine that

[6] Whether Respondents' requested relief will be granted entirely, in-part, or denied, is not addressed in this ID.

the question of whether Mr. Richman has fully complied—and the related question of the consequences of any failure to do so—is a matter for the District Court to decide, Respondents request that the subpoena be certified to the Commission for further enforcement proceedings at the District Court." (*Id.* at 2.).

On September 6, 2024, one business day before the due date of the ID, Serendia filed an opposition ("Opposition") to Respondents' Motion to Compel, while Mr. Richman also filed a response ("Response"), in which he also opposes Respondents' Motion to Compel.[7] (Doc. ID No. 831677 (Opp'n) (Sept. 6, 2024); Doc. ID No. 831624 (Resp.) (Sept. 6, 2024).). Staff has not filed and would be doing so, if at all, after September 9, 2024, the current ID due date.[8]

However, notwithstanding Respondents' arguments that the evidentiary hearing should be opened for the taking of additional testimony, from Mr. Richman and very possibly Dr. Na. In addition to Respondents' requests, among other issues, the entirety of Mr. Richman's deposition, which was taken on August 25, 2024, has not been provided. (*See* Resp. Motion to Compel. at Ex. 09C.). Moreover, Serendia has not provided a privilege log for review, let alone for *in camera* review, even though the contents of a privilege log seem to be contentious and a core issue for the Private Parties. (*Id*.).

Additional time is necessary to assess properly Respondents' Motion to Compel, Serendia's and Mr. Richman's oppositions, and to evaluate Respondents' request to reopen the evidentiary hearing and the timing that might entail. There may be additional documents which may be required from Mr. Richman, Dr. Na, and/or Serendia.

---

[7] I was in a trial for Inv. No. 337-TA-1388 from September 4, 2024 through September 6, 2024.

[8] Under 19 C.F.R. 210.15(c), the deadline for any responses to the Motion to Compel is September 13, 2024. Staff has until that date to file a response.

This is a wholly unique situation. Respondents moved to serve and to enforce subpoenas more than one year ago. They made diligent attempts to obtain information necessary to their proof of defense. The sequence of events and the timing are laid out above. We are mindful, as Respondents also noted, that the Commission's mission is to move expeditiously. (Mot. to Compel, Mem. at 27-28 (quoting *Certain Encapsulated Integrated Circuit Devices & Prods. Containing Same*, Inv. No. 337-TA-501, Order at 3 (Feb. 9, 2006) ("While a Section 337 investigation is to be completed in an expeditious manner, fairness requires that the parties have a reasonable opportunity to gather potentially probative facts and submit them for inclusion in the record."). Respondents have noted the Federal Circuit's own words on how to balance timeliness with fairness and "the tension that may arise between these competing considerations[,]" and the Commission's own words that, "[s]hould a party withhold with impunity clearly relevant information that had been reasonably requested, ***the integrity of the ensuing Commission decision is jeopardized***." *Id.* (quoting *Modine Mfg. Co. v. Int'l Trade Comm'n*, 75 F.3d 1545, 1556 n.2 (Fed. Cir. 1996)) (emphasis added).

Without reaching judgment on the issue, there is clearly some evidence, as suggested in the sequence of events, starting with Respondents' attempts to serve subpoenas, through evidence of Respondents' efforts to enforce subpoenas in the Commission and then in the Federal District Court, that evidence may be available that needs to be heard. Certainly, the findings in the District Court Opinion and Order are telling on this point. Whether additional evidence can be obtained, along with Mr. Richman's trial testimony, remains to be seen. In any case, the recent filings require further evaluation along with steps to be taken that may be part of that evaluation.

Therefore, the ID due date is extended to December 20, 2024, while the Target Date is

extended to April 21, 2025, subject to further review and necessity. The necessary time for evaluation and decision may be shorter than indicated.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination shall become the determination of the Commission unless a party files a petition for review of the Initial Determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders, on its own motion, a review of the Initial Determination or certain issues herein.

Within fourteen (14) days of the date of this document, each party shall submit to the Office of the Administrative Law Judges through McNamara337@usitc.gov a statement whether it seeks to have any confidential portion of this document redacted. That is the courtesy copy pursuant to Ground Rule 1.3.2. Any party seeking redactions to the public version must submit to this office through McNamara337@usitc.gov a copy of a proposed public version of this document pursuant to Ground Rule 1.10 with yellow highlighting clearly indicating any portion asserted to contain confidential business information.

SO ORDERED.

MaryJoan McNamara
Administrative Law Judge

ENDYMED EXHIBIT 1040 - 6/6