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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

BRIGHTEX BIO-PHOTONICS, LLC,

Plaintiff,

vs.

L'OREAL USA, INC.,

Defendant.

CIVIL ACTION NO. 3:24-cv-07919-JCS

UPDATED JOINT CASE MANAGEMENT STATEMENT

Pursuant to the Patent Case Management and Pretrial Order entered March 14, 2025 (Dkt. 34), the Standing Order for All Judges of the Northern District of California regarding contents of Joint Case Management Statement, and Patent Local Rule 2-1(b), Plaintiff Brightex Bio-Photonics, LLC, ("Brightex") and Defendant L'Oreal USA, Inc. ("L'Oreal") respectfully submit the below Updated Joint Case Management Statement.

1. Jurisdiction and Service:

This is an action for patent infringement. This Court has subject matter jurisdiction over Plaintiff's claims arising under the Patent Act, including 35 U.S.C. § 271, pursuant to 28 U.S.C. §§ 1331 and 1338. Neither party is aware of any issues regarding personal jurisdiction or venue. All parties to this action have been served.

2. Facts:

Brightex asserts that it is the owner of United States Patent Nos. 9,842,358 ("the '358 Patent") and 9,542,595 ("the '595 Patent" or "Asserted '595 Patent") (collectively, "the Asserted Patents"), and that L'Oreal is infringing the patents. The patents were filed in 2012 and 2014, respectively, and each issued in 2017. Brightex alleges that L'Oreal and it have engaged in business from approximately 2007 to 2021, involving numerous meetings, demonstrations, and non-disclosure agreements concerning Brightex's imaging and skin analysis technologies. Brightex contends that L'Oreal misappropriated Brightex's intellectual property, including technology protected by its patents. On March 6, 2025, the Court found the '358 Patent to be invalid under 35 U.S.C. § 101 and dismissed Brightex's claim for infringement of the '358 Patent with prejudice. Dkt. 32.

This Court's dismissal is currently on appeal to the Federal Circuit, and Brightex's opening brief is due on August 4, 2025. Reserving all rights to its allegations of infringement under the '358 Patent, this Updated Joint Case Management Statement addresses the Asserted '595 Patent. The legal and factual issues, if any, that will be pending before this Court under the '358 Patent in the future will depend on the outcome of Brightex's appeal pending at the Federal Circuit.

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L'Oreal denies that it has infringed any claim of the Asserted '595 Patent and contends that the Asserted '595 Patent is invalid for multiple reasons. On May 12, 2025, L'Oreal filed a petition for *Inter Partes* Review ("IPR") of the '595 Patent explaining why all claims are invalid under 35 U.S.C. §§ 102 and/or 103 in light of certain prior art, including prior art not considered by the U.S. Patent and Trademark Office ("USPTO") during prosecution of the patent. Dkt. 52-1. On June 13, 2025, the U.S. Patent Trial and Appeal Board ("PTAB") accorded the IPR the filing date of May 12, 2025, and therefore must decide whether to institute the IPR by November 12, 2025. L'Oreal has stipulated that if the IPR is instituted, it will not pursue any invalidity grounds in this litigation that are part of the IPR. Dkt. 47.

The principal factual issues in dispute are: (1) whether L'Oreal has infringed the Asserted '595 Patent by providing to its customers and/or potential customers the accused makeup virtual try-on software; (2) whether the Asserted '595 Patent is valid; and (3) if the Asserted '595 Patent is valid and infringed by L'Oreal, the measure and amount of damages owed to Brightex.

3. Legal Issues:

Whether defendant L'Oreal has infringed any asserted claim of the Asserted '595 Patent and whether the asserted claims of the Asserted '595 Patent are valid and enforceable.[1]

4. Motions:

L'Oreal's Motion to Stay Pending IPR is currently pending before the Court and scheduled to be heard on July 16, 2025.[2] Dkt. 52. There are no other pending motions. Brightex anticipates initiating the Court's Joint Letter procedure in order to obtain financial documents requested of L'Oreal three months ago.

5. Amendment of Pleadings:

At this time, the parties do not anticipate any additional claims or defenses will be added. The Court has entered a deadline of July 11, 2025, for amending the pleadings without leave of Court. Dkt. 34.

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[1] In its Pat. L.R. 3-1 Infringement Contentions served April 4, 2025, Brightex asserted claims 5, 6, 9, 11, and 13 of the '595 Patent.

[2] Due to a scheduling conflict of lead counsel for L'Oreal on July 16 and the Court's unavailability on July 23, the parties will be filing a stipulated request to move the hearing to July 30, 2025.

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6. Evidence Preservation:

The parties certify that they have reviewed the Guidelines Relating to the Discovery of Electronically Stored Information ("ESI Guidelines") and confirm that they have met and conferred pursuant to Fed. R. Civ. P. 26(f) regarding the reasonable and proportionate steps taken to preserve evidence relevant to the issues reasonably evident in this action.

7. Disclosures:

Pursuant to Fed. R. Civ. P. 26(a)(1), the Patent Local Rules, and the Court's Patent Case Management and Pretrial Order (Dkt. 34), the parties have exchanged their initial disclosures and their respective Pat. L.R. 3-1 through 3-4, 4-1, and 4-2 disclosures.

8. Discovery:

Brightex identifies the following insufficiencies in L'Oreal's document productions responsive to its March 21, 2025, requests for production: (1) L'Oreal has not produced any financial documents concerning L'Oreal's sales and the usage of the accused instrumentalities during the relevant time period (RFP's 51, 55, 58-59) and (2) L'Oreal has not produced any documents concerning the Modiface purchase and valuation of Modiface's technology (RFP's 52, 53). RFP 51, for example, asks for "Documents sufficient to show, on a monthly and annual basis from six years prior to the filing of the Complaint to the present, the total amount of any revenue (gross and net) received by You from sales in the United States, whether in-store or online, including, to the fullest extent possible, an identification of the revenue (gross and net) from sales in the United States attributable to the Accused Instrumentalities." L'Oreal's footnote 2 below claiming to have no relevant documents because it does not sell the Accused Instrumentalities itself is indicative of L'Oreal's bad faith and stonewalling tactics. L'Oreal uses the Accused Instrumentalities to sell cosmetics; its cosmetic sales "of products identified on, and attributable to the accused websites" are relevant and discoverable. While Brightex would *also* like an identification of sales specifically on websites and platforms that have the Accused Instrumentalities, this is not all Brightex has requested. Total amounts for sales and revenue (gross and net) received by Defendant for cosmetic sales in the United States for six years prior to the

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filing of the Complaint may show growth and trend data that is attributable and connected to their launch of their virtual try-on technology offerings. Also, the amounts paid by L'Oreal for the Modiface company acquisition, which is related technology, is relevant to the valuation L'Oreal places on the virtual try-on technology. L'Oreal has refused to produce all of these documents, claiming disingenuously in note 2 below that has "no financial documents."

Brightex's Damages Contentions are due July 8, 2025, and the above-identified documentation has been requested, is relevant to Brightex's damage claims and is necessary in order for Brightex to identify the categories of damages it is seeking for the asserted infringement.

Brightex has not initiated the Court's Joint Letter procedure for resolving this purported dispute. *See* Dkt. 34 at 3–4. L'Oreal nevertheless provides the following high-level response based on the information currently available to it. First, Brightex is incorrect that L'Oreal has not produced any documents concerning "usage of the accused instrumentalities during the relevant time period."[3] L'Oreal collected and produced all usage data available to it in the form of a spreadsheet that identifies, on an annual basis, the number of "Services Sessions" for each virtual try-on service (i.e., the number of times each brand's virtual try-on service was used) within the United States.[4] This spreadsheet also includes all "Conversion Rate" information available to L'Oreal, which indicates how often these sessions resulted in a product purchase. As explained in L'Oreal's interrogatory responses, however, L'Oreal is currently unaware of any way to determine the specific amount of revenue attributable to such conversions at least because that information is not maintained in the ordinary course of business. Second, documents relating to "the Modiface purchase and valuation of Modiface's technology" are simply irrelevant to Brightex's claims against Defendant L'Oreal *USA, Inc.* at least because, as also explained in L'Oreal's interrogatory responses, ModiFace was purchased by and is a wholly-owned subsidiary of L'Oreal *SA* (not defendant L'Oreal USA, Inc.). Finally, the only category of damages pled by (and thus available to) Brightex is a reasonable royalty. *See* Dkt. 1.

[3] The accused virtual try-on services are offered free of charge, and thus there are no "financial documents concerning L'Oreal's sales … of the accused instrumentalities" for L'Oreal to produce.

[4] As indicated in the spreadsheet, L'Oreal is "missing data" for certain services in certain years, i.e., that data does not exist to the best of L'Oreal's knowledge after a reasonable investigation.

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9. Class Actions:

Not applicable.

10. Related Cases:

Not applicable.

11. Relief:

Reserving its rights to pursue relief under the '358 Patent if the appeal pending at the Federal Circuit remands the matter to this Court for further consideration, Brightex seeks the following relief: (1) A judgment that the asserted '595 Patents is valid and enforceable, (2) A judgment in favor of BTBP that L'Oreal USA has directly or indirectly infringed one or more claims of the asserted '595 Patent; (3) An accounting of damages owed to BTBP; (4) A judgment and order requiring L'Oreal USA to pay BTBP damages adequate to compensate for infringement under 35 U.S.C. § 284, which, in no event shall be less than a reasonable royalty relating to the use made of the inventions of the '595 Patent, including pre- and post-judgment interest and costs; (5) A judgment awarding BTBP up to treble damages for Defendant's willful infringement; (6) If necessary to adequately compensate BTBP, a declaration that this case is exceptional and that BTBP be awarded additional damages and/or attorney fees under that declaration or under another basis in the law; (7) An award of costs and expenses that BTBP incurred in prosecution of this action; (8) A judgment awarding BTBP post-judgment royalties to the extent applicable; and (9) Any and all such further necessary or proper relief as this Court may deem just or equitable.

L'Oreal seeks judgment that it has not infringed the '595 Patent, that the '595 Patent is invalid and/or unenforceable, and that L'Oreal is entitled to recovery of its fees and costs to the extent permitted by law.

12. Settlement and ADR:

The parties have met and conferred regarding an ADR process for the case pursuant to ADR Local Rule 3-5 and the Court's Order Setting Initial Case Management Conference and ADR Deadlines (Dkt. 7) and agree to engage in mediation pursuant to the Court's rules.

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13. Other References:

The Parties do not believe that this case is suitable for reference to binding arbitration, a special master, or the Judicial Panel on Multidistrict Litigation.

14. Narrowing of Issues:

The parties have been attempting to narrow the claim construction issues as contemplated by the Patent Local Rules and have agreed not to utilize expert testimony for purposes of claim construction.

As explained in its pending Motion to Stay Pending IPR (Dkts. 52 & 56), it is L'Oreal's position that staying this case until the '595 Patent IPR has been resolved is highly likely to simplify the issues.

15. Scheduling:

In the Patent Case Management and Pretrial Order (Dkt. 34), the Court set all deadlines through the Claim Construction Hearing and indicated that all subsequent deadlines will be set based on the date of the Court's Claim Construction Order.

16. Trial:

The case will be tried to a jury, and the parties expect the length of the trial to be ten (10) days.

17. Disclosure of Non-party Interested Entities or Persons:

Both parties have filed a Certification of Interested Entities or Persons pursuant to Civil Local Rule 3-15. The parties reaffirm their Certifications.

Brightex certifies that the following listed persons, associations of persons, firms, partnerships, corporations (including, but not limited to, parent corporations), or other entities (i) have a financial interest in the subject matter in controversy or in a party to the proceeding, or (ii) have a nonfinancial interest in that subject matter or in a party that could be substantially affected by the outcome of this proceeding:

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- Helping Hands Capital, LLC has a financial interest in the subject matter in controversy or in a party to the proceeding insofar as it is providing litigation financing.
- Counsel of record for Brightex listed below insofar as they have an interest in attorneys' fees earned through this representation.

L'Oreal certifies that it is unaware of any conflict, financial or otherwise, that the presiding judge has with the parties and that the following listed persons, associations of persons, firms, partnerships, corporations (including parent corporations), or other entities (i) have a financial interest in the subject matter in controversy or in a party to the proceeding, or (ii) have a nonfinancial interest in that subject matter or in a party that could be substantially affected by the outcome of this proceeding: **L'Oreal S.A.** (corporate parent of Defendant).

18. Professional Conduct:

All attorneys of record for the parties have reviewed the Guidelines for Professional Conduct for the Northern District of California.

19. Patent L.R. 2-1(b)(1) Proposed Modifications to Patent Local Rules:

Brightex states that modification to the deadline for Pat. L.R. 3-8 (Damages Contentions) may be necessary if L'Oreal does not produce the financial documents requested three months ago.

20. Patent L.R. 2-1(b)(2): Scope and Timing of Claim Construction Discovery and Damages Discovery:

No further claim construction discovery is necessary, as the PLR 4-2(b) disclosure deadline has passed and the parties agreed not to rely on expert testimony for purposes of claim construction. The exact scope of damages discovery cannot be determined until Plaintiff serves its Patent L.R. 3-8 Damages Contentions, but the parties agree that damages discovery should be completed by the close of fact discovery, as indicated in the Joint Proposed Case Schedule filed concurrently herewith.

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21. Patent L.R. 2-1(b)(3): Format of Claim Construction Hearing:

The parties contemplate that the Claim Construction Hearing will last approximately four hours—beginning with brief technology tutorials—and will not include live testimony.

22. Patent L.R. 2-1(b)(4): Technological Education of Court:

Pursuant to the Court's Patent Case Management and Pretrial Order (Dkt. 34), the parties will present brief technology tutorials at the beginning of the Claim Construction Hearing.

23. Patent L.R. 2-1(b)(5): Non-binding Damages Estimate:

Brightex is unable to provide a good-faith estimate of the damages range expected, as this estimate will require sales and usage data and sales data from many different L'Oreal brand websites and applications. Brightex expects it will be in a position to provide a good-faith estimate of the damages range once L'Oreal provides the cosmetic sales and usage data requested three months ago. Regardless, Brightex seeks no less than a reasonable royalty along with the other categories of damages listed in its prayer for relief.

L'Oreal respectfully submits that, to the extent liability is established, Plaintiff will be unable to establish that it is entitled to more than a nominal reasonable royalty based on the *Georgia-Pacific* factors. L'Oreal may provide further explanation of and/or supplement its damages estimate based on Brightex's forthcoming estimate and explanation thereof.

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DATED July 2, 2025

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Buether Joe & Counselors, LLP, and that on the 2nd day of July 2025, a true and correct copy of the foregoing was electronically served via the U.S. District Court's Notice of Electronic Filing ("NEF") on all counsel of record.

/s/ *Michael W. Doell*
Michael W. Doell

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