UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

PROCAPS S.A.,

Plaintiff,

v. Case No. 1:12-cv-24356-JG

PATHEON INC.,

Defendant.

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PROCAPS' RESPONSE TO PATHEON'S MOTION TO COMPEL PLAINTIFF TO PROPOSED ADEQUATE SEARCH TERMS

Plaintiff, Procaps S.A. ("Procaps") responds to the Motion to Compel Plaintiff to Proposed Adequate Search Terms [DE 354] (the "Motion") filed by Defendant, Patheon Inc. ("Patheon").

Response

Contrary to the accusations in the Motion, Procaps and Patheon had mutually agreed to a list of initial search terms with the exception of only **one**: "soft gel". As Patheon well knows, because Procaps is in the business of manufacturing soft gels, an ESI search for that term is similar to asking Patheon to search for "drug" or asking Mercedes-Benz to search for "car". Searching for "soft gel" serves no purpose other than to require Procaps to produce to Patheon irrelevant and proprietary information to which Patheon would never be entitled.

Patheon's claims that Procaps' initial proposal of 8 search terms was "inadequate" and that it "gave Procaps 63 proposed search terms" is a mischaracterization. Procaps proposed 8 search terms to **begin** the meet and confer process because Patheon refused to provide the search

terms it purportedly utilized for its own ESI search. *Exhibit 1*.[1] In response to Procaps' initial proposal, Patheon offered only **6** additional search terms [DE 355-3, items 9 through 14]. The other search terms were merely the names of the custodians. Of Procaps' 6 additional terms, Procaps reached agreement on all of them except "soft gel".[2]

A search on Procaps' entire set of collected ESI for "soft gel" is unreasonable, invasive, unduly burdensome, and implicates Procaps' proprietary information.[3] As set forth in the Declaration of Rubin Minski, Procaps' founder and CEO, Procaps has been in the business of manufacturing soft gels since 1977, it has a production capacity of "over 9 billion soft gel capsules per year," and has proprietary clients around the world [DE 193-1].[4] The Collaboration Agreement did not cover all of Procaps' manufacturing, but was limited by Field and Territory, and excluded numerous soft gel products. An ESI search for "soft gel" would place Procaps' entire business in the hands of Patheon/Banner, Procaps' biggest competitor.

In light of Patheon's insistence on using such broad terms, the presumption of "relevancy" under the Court's Order needs to be reassessed or clarified to ensure basic fairness. After Kroll completes its search, the Court's Order allows Procaps to review all returnable ESI

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[1] As set forth in its Motion to Compel Depositions [DE 350], on February 18, 2014, Procaps requested that Patheon answer questions relating to their ESI procedures, including the search terms used in its documents search..Although Patheon promised that it would respond by "next week" to Procaps' ESI inquiry, it never did. On February 24, 2014, Procaps again requested the search terms in order to ensure reciprocity or fairness in this process. *Exhibit 1*. To this day, Patheon refuses to provide them.

[2] The derivatives of "soft gel" in English and Spanish include: softgel* or soft gel" or softigel* or CBG or "Capsula blanda de geltaina" or (capusula w/5 blanda) or (capsula w/5 gelatina) or (blanda w/5 gelatina)

[3] As Patheon admits in its pleading, "Procaps owns various proprietary technologies related to softgel capsules" [DE 63 at ¶33].

[4] A copy of Minski's Declaration is attached as *Exhibit 4*.

documents only for privilege and confidentiality designations [DE 341 at ¶11]. **It has no provision allowing Procaps to review the documents for relevancy** to this case. Thus, the Court's Order presumes that every non-privileged document produced by the search terms is "relevant" discovery.

However, relevant search terms do not necessarily produce relevant documents. For example, the generic terms proposed by Patheon such as "CA" or "LOI" or "SPA" will produce numerous false "hits," and the generic contractual terms "letter of intent", "antitrust" and "include under the agreement" will appear in numerous documents, contracts, drafts, and communications with Procaps' other customers and clients that are unrelated to the Collaboration Agreement. Merely refining large hits with additional search terms does not guarantee relevancy or protect Procaps from intrusive discovery because it is impossible for anyone to know whether the mere number of "hits" is reflective of relevant documents without Procaps reviewing them.

Moreover, there are various custodians who worked either independently or for employers in the soft gel and pharmaceutical industry before, or simultaneously with, Procaps (*Exhibits* 2 and 3) and who, Procaps has learned, have kept their documents and communications with their former employers, customers and clients in their computers and mobile devices. An ESI search of their computers and mobile devices using any of the search terms will produce documents that do not belong to Procaps, and for which Procaps has **no** authority to disseminate to the public, much less a competitor. Accordingly, not only is it critical for Procaps to review all returnable ESI and hard copy documents before being produced to Patheon, it is absolutely

necessary to ensure that only Procaps documents are being produced and that the business interests of other entities, clients, customers are protected.[5]

For the same reasons, producing an entire "forensic image" of personal computers and mobile devices of potential custodians to Patheon, without parameters or limitations, or allowing the custodians or Procaps to review the contents for relevancy before producing the images to Patheon, as the Court Order requires [DE 341 at ¶7] is similarly invasive and implicates privacy rights. Procaps does not believe the Court intended for that to happen, but clarification from the Court is necessary.

Finally, Patheon claims that Procaps' counsel "failed to get input" from Procaps on the search terms (Motion at 2, fn. 3) and that it "stuck to its position that its only obligation to get client input was to 'confer with Procaps as to the appropriate Spanish translations' of the proposed search terms" (Motion at 2-3). There is **no** basis to make such accusations and they are inaccurate.

Conclusion

Procaps agreed to all of the search terms proposed by Patheon except one, and that rejection was reasonable. There was no reason for Patheon to file the Motion and it should be denied, with attorney's fees awarded to Procaps as a fee-shifting mechanism. In addition, the Court should clarify that Procaps and its employees have the opportunity to review all returnable ESI documents resulting from the search terms for relevancy to ensure that the privacy and proprietary interests of Procaps and its employees, as well as non-party entities, customers and clients are protected.

[5] Of course, Patheon wants the search terms to be as broad as they can possibly be so that the number of returned documents is as high as possible, regardless of relevancy. This way, it can allege that Procaps significantly under produced or even deleted responsive discovery, when the documents were never relevant or responsive to discovery.

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CERTIFICATE OF SERVICE

I CERTIFY that on March 10, 2014, a copy of the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system, which will send a notice of electronic filing to counsel of record.

s/ Alan Rosenthal