IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

DURR SYSTEMS, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 23-529-JLH
	)	
NEVOA LIFE SCIENCES HOLDINGS, INC.,	)	[redacted]
	)	[PUBLIC VERSION]
	)	
Defendant.	)	

MEMORANDUM ORDER

At Wilmington this **17th** day of **April, 2024**, the court having considered the motion of defendant Nevoa Life Sciences, Inc. ("Defendant") for the issuance of letters of request for International Judicial Assistance in Germany pursuant to the Hague Evidence Convention (D.I. 50), and the opposition to the motion filed by plaintiff Durr Systems, Inc. ("Plaintiff") (D.I. 62), IT IS HEREBY ORDERED that the motion is GRANTED-IN-PART for the reasons set forth below.

1. **Background.** Plaintiff brought this breach of contract action on May 17, 2023, alleging that Defendant breached the "Development and Exclusive Manufacturing Agreement" (the "Agreement") executed by the parties in September of 2016. (D.I. 2 at ¶ 4) The Agreement governed the parties' collaboration on the design, testing, development, manufacture, and sale of a machine called the Nimbus™ system to atomize and spray disinfectant in an indoor space. (*Id.* at ¶ 16)

2. In its counterclaim, Defendant alleges that it developed and patented the Nimbus™ system in 2014 and filed a PCT international patent application in 2015. (D.I. 17 at

¶¶ 7, 10) Thereafter, Defendant sought to partner with a company capable of manufacturing the Nimbus™ machines on a large scale. (*Id.* at ¶ 11)

3. Plaintiff manufactured the NIMBUS™ machines and delivered them to Defendant, but Defendant began experiencing problems with the machines and ultimately refused delivery of the allegedly defective machines. (D.I. 2 at ¶¶ 28-29) Defendant then began working with another manufacturer. (*Id.* at ¶ 33) The complaint alleges that Defendant's actions breached the terms of the Agreement.

4. Defendant counterclaimed for breach of contract, alleging that Plaintiff breached the Agreement by manufacturing defective and non-conforming Nimbus™ machines. (D.I. 17 at ¶ 38) Defendant also averred that Plaintiff breached the parties' nondisclosure agreement by filing a patent application in late 2019 which included Defendant's confidential business information. (*Id.* at ¶ 39) Specifically, Defendant alleged that its executives traveled to Germany in October of 2019 to meet with executives from Plaintiff's parent company, Durr AG. (*Id.* at ¶ 29) During the meeting, the German executives claimed that Plaintiff owned the intellectual property rights to the Nimbus™ machine, and they filed the patent application covering the technology thereafter. (*Id.* at ¶¶ 30-31)

5. Defendant now seeks document and deposition discovery from Lars Friedrich and Patrick Haeussermann, employees of Plaintiff's German parent, Durr AG, through the Hague Convention. (D.I. 50) Defendant maintains that Durr AG was responsible for the design, manufacture, and testing of the Nimbus™ machines that were the subject of the Agreement, and Durr AG subcontracted with another German company, Fischer, to manufacture the allegedly defective turbines used in the Nimbus™ machines. (*Id.* at 1-2) Defendant also anticipates that

these witnesses will have knowledge of the October 2019 meeting with Durr AG executives in Germany and the subsequent filing of the patent application by Durr AG. (*Id.* at 4)

6. Pursuant to D. Del. Local Rule 7.1.1, Defendant certifies that the motion is unopposed based on the parties' discussion during a meet and confer on January 31, 2024. (D.I. 50 at 2) Plaintiff does not deny that a meet and confer occurred on January 31, but it disputes Defendant's characterization of the meet and confer and argues that the motion is, in fact, opposed. (D.I. 51; *see also* D.I. 59, Ex. 3 at 1) Plaintiff opposes Defendant's motion on timeliness grounds and also argues that Defendant failed to address the five factors controlling the analysis of a motion for issuance of letters rogatory set forth in *Societe Nationale Industrielle Aerospatiale v. U.S. District Court for the Southern District of Iowa*, 482 U.S. 522 (1987). (D.I. 62)

7. A week after Defendant filed the instant motion on February 1, 2024, the final day of fact discovery, Defendant docketed a motion for a discovery dispute teleconference regarding its efforts to obtain discovery from Friedrich and Haeussermann under the Federal Rules of Civil Procedure. (D.I. 53) In an Oral Order dated February 20, 2024, the court denied Defendant's motion to compel discovery from Friedrich and Haeussermann under the Federal Rules. (D.I. 64) The court found that Defendant did not identify a specific need for discovery from Haeussermann, and it failed to establish that Plaintiff had sufficient control over Friedrich, an employee of Plaintiff's foreign parent. (*Id.*)

8. Legal standard. A party seeking to invoke the Hague Convention bears the burden of persuading the trial court of the necessity of permitting discovery pursuant to the Hague Convention. *Ingenico Inc. v. IOENGINE, LLC*, C.A. No. 18-826-WCB, 2021 WL 765757, at *1 (D. Del. Feb. 26, 2021). Although the burden is not heavy, the trial court has the

discretion to deny a request for letters rogatory if there is "good reason" for doing so. *Id.* (quoting *In re Complaint of Bankers Tr. Co.*, 752 F.2d 874, 890 (3d Cir. 1984)).

9. Courts "should exercise special vigilance to protect foreign litigants from the danger that unnecessary, or unduly burdensome, discovery may place them in a disadvantageous position." *Societe Nationale Industrielle Aerospatiale v. United States Dist. Court for the S. Dist. of Iowa*, 482 U.S. 522, 546 (1987). Accordingly, courts consider: "(1) the importance to the litigation of the documents or other information requested, (2) the degree of specificity of the request, (3) whether the information originated in the United States, (4) the availability of alternative means of securing the information, and (5) the extent to which noncompliance with the request would undermine important interests of the United States, or compliance with the request would undermine important interests of the state where the information is located." *Ingenico*, 2021 WL 765757, at *2 (citing *Merck Sharp & Dohme Corp. v. Sandoz, Inc.*, 2013 WL 12203112, at *2-4 (D.N.J. June 7, 2013)).

10. **Analysis.** For the reasons set forth in the court's February 20, 2024 Oral Order, Defendant has not shown a sufficient basis for the need to take discovery from Haeussermann. (D.I. 64; *see also* D.I. 60, Ex. C at 61:10-62:8) Defendant's motion for the issuance of letters rogatory is therefore DENIED as to Haeussermann. For the following reasons, Defendant's motion is GRANTED with respect to Friedrich.

11. ***Timeliness of Defendant's pursuit of the requested discovery.*** Plaintiff dedicates the bulk of its opposition to the argument that Defendant's motion for issuance of letters of request is untimely. (D.I. 62 at 7-12) Specifically, Plaintiff argues that Defendant's motion should be denied because it was filed at 5:24 p.m., twenty-four minutes after the filing deadline on the fact discovery cutoff. (*Id.* at 7; D.I. 23) This argument elevates form over substance.

12. Plaintiff further argues that granting the motion would result in fact witness depositions being taken after the fact discovery cutoff, in contravention of recent authority from this district. (D.I. 62 at 10) But the court's decision in *IOENGINE, LLC v. PayPal Holdings, Inc.* is distinguishable. C.A. No. 18-452-WCB, D.I. 325 (D. Del. Sept. 15, 2021). There, the defendant had informed the plaintiff that a foreign company had relevant information about two years before the close of fact discovery. *Id.* at 6. Nonetheless, the plaintiff waited until less than a month before the close of fact discovery to serve a subpoena on the entity, despite knowledge that it was a foreign company. *Id.* at 3-4, 6-7.

13. Here, in contrast, the litigation is not yet one year old, and the record before the court does not establish that Defendant delayed in pursuing discovery from Friedrich after learning of his relevance. Plaintiff argues that "Defendant was . . . aware of the role each entity had in designing the Nimbus system during the business relationship." (D.I. 62 at 10) In support, Plaintiff cites an exhibit that appears to be a Durr presentation, presumably produced by Plaintiff during discovery. (*Id.*, Ex. E) But the record suggests that Plaintiff made its initial document production in late December of 2023, less than two months before the close of fact discovery.[1] (D.I. 57 at 2 n.2) On this record, Defendant's notice of deposition served on Friedrich on January 19, 2024 does not support a finding of unreasonable delay.[2] (D.I. 47)

14. Plaintiff also relies on *IOENGINE* to suggest that Defendant should have known from the outset that a notice of deposition or Rule 45 subpoena would not be sufficient to obtain discovery from Durr AG, a German company. (D.I. 62 at 8-9) In *IOENGINE*, the court cited the

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[1] Plaintiff did not serve its responses and objections to Defendant's written discovery requests until the fact discovery cutoff on February 1, 2024. (D.I. 49)

[2] On January 24, 2024, Plaintiff objected to the notices of deposition "on the ground that [they] seek[ ] to take a deposition of a non-party without proper service of a subpoena." (D.I. 57, Ex. B) Plaintiff did not object to the notices of deposition on grounds that they were untimely. (*Id.*)

"general principle" that "a subpoena directed to a domestic subsidiary of a foreign parent is not sufficient to require the parent to produce information in the parent's control, so long as the two entities have discrete corporate identities." *IOENGINE*, C.A. No. 18-452-WCB, D.I. 325 at 6-7. There, however, neither the subpoenaed domestic subsidiary nor its foreign parent was a party to the litigation. *Id.* at 4.

15. In a recent discovery dispute in the instant action, Defendant argued that Plaintiff exercised sufficient control over Friedrich to obtain compliance even though the witness was employed by non-party Durr AG. (D.I. 57 at 1-3) Defendant supported the argument with case authority and 30(b)(6) testimony from the January 29 deposition of Plaintiff's 30(b)(6) designee, Rick Ostin. (*Id.*) Although Defendant did not ultimately prevail on this argument, its position was not frivolous, the facts in support of the argument were stronger than those in *IOENGINE*, and Defendant initiated the process to pursue relief under the Hague Convention in the interim. (D.I. 50; D.I. 64) In contrast, the plaintiff in *IOENGINE* waited four months after the initial subpoena attempt and two months after the close of fact discovery to file a motion for the issuance of letters of request. *See IOENGINE*, C.A. No. 18-452-WCB, D.I. 325 at 6-7.

16. Plaintiff also expresses concern that Friedrich's deposition will necessarily occur well after the close of fact discovery if Defendant's motion is granted. (D.I. 62 at 10) The court declines to exercise its discretion to deny the motion on this basis. The scheduling order was entered on September 8, 2023, allowing less than five months for the completion of fact discovery by February 1, 2024. (D.I. 23) The docket confirms that discovery did not begin in earnest until December of 2023. Even under the most favorable circumstances, it is unlikely that discovery from a foreign entity could have been obtained under the Hague Convention prior to the fact discovery cutoff in this case. The deadline for dispositive motions will not expire until

October 15, 2024, allowing sufficient time for completion of process under the Hague Convention, and no party has suggested that the requested fact discovery will impact the progress of expert discovery. (*Id.*) Consequently, Plaintiff's position on the alleged untimeliness of Defendant's motion for issuance of letters rogatory is not persuasive.

17. ***Necessity of the requested discovery.*** Plaintiff also cites Defendant's failure to address the five factors set forth in *Aerospatiale* as a basis for denial of the motion for issuance of letters rogatory. (D.I. 62 at 12-15) First, Plaintiff maintains that the information sought on the allegedly faulty Fischer turbines is available by alternative means from employees of Fischer's U.S. entity that performed repairs on the turbines. (*Id.* at 14) In support, Plaintiff cites the deposition testimony of its employee that was taken on January 31, 2024—the day before the close of fact discovery. (*Id.*, Ex. F) Consequently, it was not feasible for Defendant to pursue the requested discovery from the alternative source during the fact discovery period.

18. Next, Plaintiff alleges that the requests and deposition topics are overbroad because they fail to define a time period. (D.I. 62 at 14-15) A cursory review of Schedule A attached to the proposed letters of request establishes that Defendant seeks "testimony on the below-listed questions based on the witness's knowledge for the time period 2016 through 2023." (D.I. 50, Ex. A at Schedule A)

19. Finally, Plaintiff contends that the knowledge of the German witnesses sought by Defendant originated outside of the United States. (D.I. 62 at 15) In support, Plaintiff cites *Dyson, Inc. v. SharkNinja Operating LLC*, 2016 WL 5720702, at *3 (N.D. Ill. Sept. 30, 2016). There, the court determined that "the information did not originate in the United States, and this factor weighs against issuing the Letters Rogatory. *However, the Court finds that the balance of these factors weighs in favor of issuing the Letters Rogatory. As such, the Court holds that the*

Letters Rogatory should be issued." *Id.* (emphasis added); *see also Giorgi Glob. Holdings, Inc. v. Smulski*, 2020 WL 2571177, at *2 (E.D. Pa. May 21, 2020) (finding that, where the third *Aerospatiale* factor was the only factor weighing against the production of documents, "production of relevant discoverable documents is warranted in this case" and the defendant could not "reply upon . . . Polish privacy law to avoid production of relevant, discoverable documents in this matter."). Plaintiff cites no other case denying a motion for issuance of letters rogatory based on the third factor alone. *Cf. Ingenico*, 2021 WL 765757, at *3 (denying request for issuance of letters of request where the first, second, and third factors of the *Aerospatiale* test were not met).

20. Conclusion. For the foregoing reasons, Defendant's motion for the issuance of letters rogatory (D.I. 50) is GRANTED-IN-PART. Specifically, the motion is GRANTED with respect to Friedrich, and it is DENIED with respect to Haeussermann. On or before April 19, 2024, Defendant shall submit a revised letter of request consistent with this Memorandum Order.

21. Given that the court has relied upon material that technically remains under seal, the court is releasing this Memorandum Order under seal, pending review by the parties. In the unlikely event that the parties believe that certain material in this Memorandum Order should be redacted, the parties shall jointly submit a proposed redacted version by no later than **April 24, 2024**, for review by the court, along with a motion supported by a declaration. Any argument that portions of the Memorandum Order should be sealed must be supported by "a particularized showing of the need for continued secrecy" sufficient to overcome the strong presumption of public access to court records. *See In re Avandia Mktg., Sales Practices & Prods. Liab. Litig.*, 924 F.3d 662, 672, 675 n.10 (3d Cir. 2019) (quoting *Leucadia, Inc. v. Applied Extrusion Techs., Inc.*, 998 F.2d 157, 166 (3d Cir. 1993) (internal quotation marks omitted)). If the parties do not

file a proposed redacted version and corresponding motion, or if the court determines the motion lacks a meritorious basis, the documents will be unsealed within fourteen (14) days of the date the Memorandum Order issued.

22. This Memorandum Order is filed pursuant to 28 U.S.C. § 636(b)(1)(A), Fed. R. Civ. P. 72(a), and D. Del. LR 72.1(a)(2). The parties may serve and file specific written objections within fourteen (14) days after being served with a copy of this Memorandum Order. Fed. R. Civ. P. 72(a). The objections and responses to the objections are limited to four (4) pages each.

23. The parties are directed to the court's Standing Order For Objections Filed Under Fed. R. Civ. P. 72, dated March 7, 2022, a copy of which is available on the court's website, www.ded.uscourts.gov.

Sherry R. Fallon
United States Magistrate Judge