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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

FACEBOOK, INC.,
Plaintiff,
v.
POWER VENTURES, INC., et al.,
Defendants.

Case No. 08-CV-05780-LHK

**ORDER GRANTING IN PART AND
DENYING WITHOUT PREJUDICE IN
PART MOTION TO SEAL**

Re: Dkt. No. 415

Before the Court is Defendant Facebook’s Administrative Motion to File Under Seal Portions of Facebook’s Supplemental Remedies Brief and Supporting Materials, ECF No. 415. For the reasons discussed below, the Court GRANTS Facebook’s motion to seal.

“Historically, courts have recognized a ‘general right to inspect and copy public records and documents, including judicial records and documents.’” *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006) (quoting *Nixon v. Warner Commc’ns, Inc.*, 435 U.S. 589, 597 & n.7 (1978)). Thus, when considering a sealing request, “a strong presumption in favor of access is the starting point.” *Id.* (internal quotation marks omitted).

Parties seeking to seal judicial records relating to motions that are “more than tangentially related to the underlying cause of action,” *Ctr. for Auto Safety v. Chrysler Grp.*, 809 F.3d 1092,

1 1099 (9th Cir. 2016), bear the burden of overcoming the presumption with “compelling reasons
2 supported by specific factual findings” that outweigh the general history of access and the public
3 policies favoring disclosure. *Kamakana*, 447 F.3d at 1178–79 (9th Cir. 2006). Compelling reasons
4 justifying the sealing of court records generally exist “when such ‘court files might have become a
5 vehicle for improper purposes,’ such as the use of records to gratify private spite, promote public
6 scandal, circulate libelous statements, or release trade secrets.” *Id.* at 1179 (quoting *Nixon*, 435
7 U.S. at 598). However, “[t]he mere fact that the production of records may lead to a litigant’s
8 embarrassment, incrimination, or exposure to further litigation will not, without more, compel the
9 court to seal its records.” *Id.*

10 Records attached to motions that are “not related, or only tangentially related, to the merits
11 of a case,” are not subject to the strong presumption of access. *Ctr. for Auto Safety*, 809 F.3d at
12 1099; *see also Kamakana*, 447 F.3d at 1179 (“[T]he public has less of a need for access to court
13 records attached only to non-dispositive motions because those documents are often unrelated, or
14 only tangentially related, to the underlying cause of action.” (internal quotation marks omitted)).
15 Parties moving to seal records attached to motions unrelated or only tangentially related to the
16 merits of a case must meet the lower “good cause” standard of Rule 26(c) of the Federal Rules of
17 Civil Procedure. *Ctr. for Auto Safety*, 809 F.3d at 1098-99; *Kamakana*, 447 F.3d at 1179–80. The
18 “good cause” standard requires a “particularized showing” that “specific prejudice or harm will
19 result” if the information is disclosed. *Phillips v. Gen. Motors Corp.*, 307 F.3d 1206, 1210–11 (9th
20 Cir. 2002); *see Fed. R. Civ. P. 26(c)*. “Broad allegations of harm, unsubstantiated by specific
21 examples or articulated reasoning” will not suffice. *Beckman Indus., Inc. v. Int’l Ins. Co.*, 966 F.2d
22 470, 476 (9th Cir. 1992).

23 Pursuant to Rule 26(c), a trial court has broad discretion to permit sealing of court
24 documents for, inter alia, the protection of “a trade secret or other confidential research,
25 development, or commercial information.” Fed. R. Civ. P. 26(c)(1)(G). The Ninth Circuit has
26 adopted the definition of “trade secrets” set forth in the Restatement of Torts, holding that “[a]
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1 trade secret may consist of any formula, pattern, device or compilation of information which is
2 used in one’s business, and which gives him an opportunity to obtain an advantage over
3 competitors who do not know or use it.” *Clark v. Bunker*, 453 F.2d 1006, 1009 (9th Cir. 1972)
4 (quoting Restatement (First) of Torts § 757 cmt. b). “Generally [a trade secret] relates to the
5 production of goods. . . . It may, however, relate to the sale of goods or to other operations in the
6 business. . . .” *Id.* (ellipses in original). In addition, the U.S. Supreme Court has recognized that
7 sealing may be justified to prevent judicial documents from being used “as sources of business
8 information that might harm a litigant’s competitive standing.” *Nixon*, 435 U.S. at 598.

9 In addition, parties moving to seal documents must comply with the procedures established
10 by Civil Local Rule 79-5. Pursuant to that rule, a sealing order is appropriate only upon a request
11 that establishes the document is “sealable,” or “privileged, protectable as a trade secret or
12 otherwise entitled to protection under the law.” Civ. L. R. 79-5(b). “The request must be narrowly
13 tailored to seek sealing only of sealable material, and must conform with Civil L.R. 79-5(d).” *Id.*
14 Civil Local Rule 79-5(d), moreover, requires the submitting party to attach a “proposed order that
15 is narrowly tailored to seal only the sealable material” and that “lists in table format each
16 document or portion thereof that is sought to be sealed,” as well as an “unredacted version of the
17 document” that “indicate[s], by highlighting or other clear method, the portions of the document
18 that have been omitted from the redacted version.” *Id.* R. 79-5(d)(1).

19 The material that Facebook seeks to seal is part of Facebook’s supplemental remedies brief
20 addressing damages and injunctive relief after summary judgment pursuant to the Ninth Circuit’s
21 opinion affirming in part and reversing and remanding in part. *See* ECF No. 401 (Ninth Circuit
22 opinion). Since this brief addresses the damages and injunctive relief to which Facebook is entitled
23 after summary judgment, this brief is “more than tangentially related to the underlying cause of
24 action.” *Ctr. for Auto Safety*, 809 F.3d at 1099. The Court therefore applies the “compelling
25 reasons” standard to the parties’ requests. *Id.*

26 In support of the motions to seal, the parties have filed the following declarations:
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1 (1) Declaration of Monte M.F. Cooper, see ECF No. 415-2

2 (2) Declaration of Joseph Cutler, ECF No. 415-3

3 Facebook seeks to seal two classes of material. First, Facebook seeks to seal information regarding
4 Facebook and outside counsel’s special billing arrangement and rates. Facebook states that these
5 matters are “not publically known and could prejudice Facebook and its outside counsel in future
6 negotiations.” ECF No. 415, at 2. The Court agrees that disclosure of these particular billing
7 arrangements and rates could prejudice Facebook, and the public interest in this information is
8 minimal. Therefore, the Court finds that compelling reasons exist to seal information regarding
9 Facebook and outside counsel’s special billing arrangement and rates. The Court therefore
10 GRANTS Facebook’s motion to seal the following material.

- 11 • Requested Redactions on Page 11 ¶ 30 and Page 38 of Exhibit 5 to the Declaration
12 of Monte M.F. Cooper (Expert Report of Richard Ostiller)
- 13 • Requested Redactions on Page 1 ¶ 6 and Page 2 ¶ 7 of Declaration of Joseph Cutler
- 14 • Requested Redactions on Page 2 Line 25, Page 4 Line 11, and Page 5 Line 18 of
15 Facebook’s Supplemental Remedies Brief

16 The second class of material that Facebook seeks to seal is material that Facebook claims is
17 covered by the parties’ stipulated protective order. However, neither Facebook’s motion nor the
18 attached declarations offer any “compelling reason” to seal the requested material. Instead,
19 Facebook simply states that “pursuant to the Protective Order, Facebook requests permission to
20 files these materials under seal.” ECF No. 415, at 1. Under the Court’s Civil Local Rules,
21 “[r]eference to a stipulation or protective order that allows a party to designate certain documents
22 as confidential is not sufficient to establish that a document, or portions thereof, are sealable.” Civ.
23 L.R. 79-5(d)(1)(A). Therefore, the Court DENIES WITHOUT PREJUDICE Facebook’s motion to
24 seal the following material.

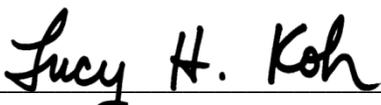
- 25 • Exhibit 2 to the Declaration of Monte M.F. Cooper (Excerpts from the March 7,
26 2012 Rule 30(b)(6) deposition of Power Ventures)

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- Exhibit 3 to the Declaration of Monte M.F. Cooper (Copy of an email produced by Defendants)
- Exhibit 4 to the Declaration of Monte M.F. Cooper (Copy of an email produced by Defendants)

IT IS SO ORDERED.

Dated: April 28, 2017



LUCY H. KOH
United States District Judge