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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

<p>QUIDEL CORPORATION, Plaintiff, v. SIEMENS MEDICAL SOLUTIONS USA, INC., <i>et al.</i>, Defendants.</p>	<p>Case No. 16-cv-3059-BAS-AGS ORDER GRANTING MOTION TO SEAL [ECF No. 274]</p>
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18 As part of their opposition to Quidel’s motion for summary judgment, Siemens
19 has moved to seal seven exhibits and portions of its opposition brief. (ECF No. 274.)
20 Siemens lodges these documents under seal because Quidel marked information
21 within the exhibits as confidential pursuant to a protective order; therefore, the Court
22 ordered Quidel to respond to Siemens’ motion and provide compelling reasons for
23 the sealing any of the material. (ECF No. 277.) Quidel filed a response. (ECF No.
24 282.)

25 **I. LEGAL STANDARD**

26 “[T]he courts of this country recognize a general right to inspect and copy
27 public records and documents, including judicial records and documents.” *Nixon v.*
28 *Warner Commc’ns, Inc.*, 435 U.S. 589, 597 (1978). “Unless a particular court record

1 is one ‘traditionally kept secret,’ a ‘strong presumption in favor of access’ is the
2 starting point.” *Kamakana v. City & Cty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir.
3 2006) (citing *Foltz v. State Farm Mut. Auto Ins. Co.*, 331 F.3d 1122, 1135 (9th Cir.
4 2003)). “The presumption of access is ‘based on the need for federal courts, although
5 independent—indeed, particularly because they are independent—to have a measure
6 of accountability and for the public to have confidence in the administration of
7 justice.’” *Ctr. for Auto Safety v. Chrysler Grp., LLC*, 809 F.3d 1092, 1096 (9th Cir.
8 2016) (quoting *United States v. Amodeo*, 71 F.3d 1044, 1048 (2d Cir. 1995)).

9 A party seeking to seal a judicial record bears the burden of overcoming the
10 strong presumption of access. *Foltz*, 331 F.3d at 1135. The showing required to
11 meet this burden depends upon whether the documents to be sealed relate to a motion
12 that is “more than tangentially related to the merits of the case.” *Ctr. for Auto Safety*,
13 809 F.3d at 1102. When the underlying motion is more than tangentially related to
14 the merits, the “compelling reasons” standard applies. *Id.* at 1096–98. When the
15 underlying motion does not surpass the tangential relevance threshold, the “good
16 cause” standard applies. *Id.*

17 “In general, ‘compelling reasons’ sufficient to outweigh the public’s interest
18 in disclosure and justify sealing court records exists when such ‘court files might
19 have become a vehicle for improper purposes,’ such as the use of records to gratify
20 private spite, promote public scandal, circulate libelous statements, or release trade
21 secrets.” *Kamakana*, 447 F.3d at 1179 (quoting *Nixon*, 435 U.S. at 598). However,
22 “[t]he mere fact that the production of records may lead to a litigant’s embarrassment,
23 incrimination, or exposure to further litigation will not, without more, compel the
24 court to seal its records.” *Id.* (citing *Foltz*, 331 F.3d at 1136). The decision to seal
25 documents is “one best left to the sound discretion of the trial court” upon
26 consideration of “the relevant facts and circumstances of the particular case.” *Nixon*,
27 435 U.S. at 599.

1 **II. ANALYSIS**

2 Because the underlying motion for summary judgment is more than
3 tangentially related to the merits of the case, the “compelling reasons” standard
4 applies to the instant motion.

5 Siemens seeks to seal Exhibits 1, 22, 24, 26, 33, 40, and 41 to the Declaration
6 of Erik Haas in Support of Defendants’ Opposition to Plaintiff’s Motion for
7 Summary Judgment. Siemens also seeks to seal portions of its Memorandum of
8 Points and Authorities in Opposition to Plaintiffs’ Motion for Summary Judgment.

9 Quidel provides that exhibits 1, 22, and 24 reflect Quidel’s confidential
10 financial and pricing information regarding Thyretain. The Court finds that this
11 information is sealable under the compelling reasons standard. *See Apple Inc. v.*
12 *Samsung Elecs. Co. Ltd.*, 727 F.3d 1214, 1225 (Fed. Cir. 2013) (applying compelling
13 reasons standard to seal “detailed product-specific financial information” and “profit,
14 cost, and margin data, [which] could give the suppliers an advantage in contract
15 negotiations, which they could use to extract price increases for components”).

16 Quidel provides that exhibit 26 reflects its confidential reimbursement analysis
17 for products not related to this litigation, exhibit 33 reflects terms of a consulting
18 agreement, and exhibits 41–41 reflect negotiations for the acquisition of confidential
19 data from a third party. The Court concludes that if this information was released,
20 Quidel would suffer competitive harm in future negotiations with third parties. *See*
21 *Baker v. SeaWorld Entm’t, Inc.*, No. 14-cv-2129-MMA (AGS), 2017 WL 5029612,
22 at *6 (S.D. Cal. Nov. 3, 2017) (finding compelling reasons to seal “negotiations with
23 third parties” and “contract fees” owed to third parties); *Icon-IP Pty Ltd. v.*
24 *Specialized Bicycle Components, Inc.*, No. 12-cv-3844-JST, 2015 WL 984121, at
25 *2–3 (N.D. Cal. Mar. 4, 2015) (concluding compelling reasons exist to seal an exhibit
26 containing information about assignments, and consulting and licensing agreements
27 between a third party consultant and the defendant).

28 The Court also finds compelling reasons to seal the portions of Siemens’

1 opposition brief that relies upon portions of the exhibits.

2 **III. CONCLUSION**

3 For the foregoing reasons, the Court **GRANTS** Siemens' Motion to Seal.
4 (ECF No. 274.)

5 **IT IS SO ORDERED.**

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7 **DATED: March 4, 2020**

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Hon. Cynthia Bashant
United States District Judge