Defendants ask to be able to seal their filings, but they did not (1) identify the information they intend to seal and explain specifically why making that information available to the public would be harmful to Defendants, (2) serve Jacobsen's counsel with the redacted and unredacted filings, nor (3) lodge those filings with the court clerk. Because they did not meet fundamental

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requirements for a sealing order to issue, this Court should deny their motion to seal.

## II. RELEVANT FACTS

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Defendants plan to file a declaration from Matthew Katzer in support of their opposition to Jacobsen's motion for preliminary injunction. They now seek to seal a portion of that declaration—not only from the public, but from the <u>Plaintiff</u>, Robert Jacobsen, as well, who will respond to that declaration in his reply, due November 21, 2008.

Defendants filed an administrative motion and proposed order as required by Civil Local Rule 79-5, but filed nothing else. They did not:

- provide a declaration from counsel certifying why the information needed to be sealed
- provide to Jacobsen's counsel a copy of the original and the redacted versions of the declaration to be sealed.
- lodge the original and redacted versions with the court clerk.
- explain why the information is so sensitive that this Court should issue an order that would interfere with communication between Jacobsen and his attorney.
- give any explanation that would allow this Court to make particularized findings of fact that good cause exists to issue a sealing order.

## Defendants instead stated:

- 1.) The proposed to-be-sealed portion of the declaration contains confidential commercial information relating to Defendants' proprietary software development activity and Defendants' confidential business partners;
- 2.) The disclosure of this information is necessary to demonstrate the harm that entry of an injunction would cause Defendants;
- 3.) The disclosure of this information to Plaintiff and the public would be harmful to Defendants' commercial interests.

Defs.' Admin. Mot. to File Portions of Decl. of Matthew Katzer in Opp'n to Pl.'s Mot. for a Prelim. Inj. Under Seal [Docket # 247] [hereinafter Defs.' Admin. Mot. to Seal], at 2.

### III. ARGUMENT

Defendants' motion to seal is deficient because it fails to specifically demonstrate how

<sup>&</sup>lt;sup>1</sup> In 2½ years of litigation, Defendants have not sought a protective order under Federal Rules of Civil Procedure Rule 26(c), nor discussed such a protective order with Jacobsen.

public disclosure would harm Defendants, and because Defendants have failed to provide the original and redacted declaration to this Court, and to Jacobsen and his counsel. Even if the Court grants the motion, the Court should permit Jacobsen to review the unredacted filings so that he and his counsel can discuss how to address the filings in their Reply, due November 21, 2008.

#### A. Defendants Do Not Identify Any Relevant Information that Warrants Protection Under Seal.

In making vague and generalized assertions of confidentiality and harm, Defendants fail to meet their burden of showing particularized harm that would result from public disclosure of Katzer's declaration.

Where a business is the party seeking protection, it will have to show that disclosure would cause significant harm to its competitive and financial position. That showing requires specific demonstrations of fact, supported where possible by affidavits and concrete examples, rather than broad, conclusory allegations of harm.

Contratto v. Ethicon, Inc., 227 F.R.D. 304, 307-08 (N.D. Cal. 2005). Here, Defendants state, "The proposed to-be-sealed portion of the declaration contains confidential commercial information relating to Defendants' proprietary software development activity and Defendants' confidential business partners. [...] The disclosure of this information to Plaintiff and the public would be harmful to Defendants' commercial interests." Defs.' Admin. Mot. to Seal, at 2. Defendants do not provide any "specific demonstrations of fact". Instead, Defendants vaguely refer to "confidential commercial information" and "confidential business partners". These "broad allegations of harm [are] unsubstantiated by specific examples or articulated reasoning..." Contratto, 227 F.R.D. at 308. Similar broad statements were insufficient to warrant an order to seal in Contratto, where, unlike here, Defendant Ethicon had obtained a protective order. 227 F.R.D. at 310-312. See also SuccessFactors, Inc. v. Softscape, Inc., No. C08-1376 CW (BZ), 2008 WL 3876472 at \*1-3 (denying motion to seal for failure to describe how public disclosure of purported "confidential internal marketing information and competitive strategies" would harm defendants) (N.D. Cal. Aug. 19, 2008); Phillips v. Netblue, Inc., No. C-05-4401 SC, 2007 WL 420214 at \*1 (N.D. Cal. Feb. 5, 2007) (denying a motion to seal information relating to business affiliates after a determination that this information did not warrant protection). Thus, Defendants' "broad,

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conclusory allegations of harm" cannot support an order to seal portions of Katzer's declaration. Accordingly, the Court should deny Defendants' motion to seal.

In addition, Katzer's information relating to his software development is irrelevant. Defendants state that "[t]he disclosure of this information is necessary to demonstrate the harm that entry of an injunction would cause Defendants[.]" Defs.' Admin. Mot. to Seal at 2. Katzer has repeatedly stated that he no longer uses JMRI materials. If so, then he will make no changes once the Court enters an injunction. If he does not have to change his activities, then he suffers no hardship or harm. If, despite his previous assertions, Katzer is in fact using JMRI materials, then he will have to change his ways. However, "[Defendants] cannot complain of the harm that will befall [them] when properly forced to desist from [their] infringing activities." Triad Sys. Corp. v. Southeastern Express Co., 64 F.3d 1330, 1338 (9th Cir. 1995). This harm is not factored into the irreparable harm analysis. See id. Thus, again, it would be irrelevant. For these reasons, the information is not necessary for Defendants' opposition. This forms another basis for this Court to deny the motion to seal.

## B. <u>Defendants Failed to Comply with Requirements for a Motion to Seal</u>

Defendants' motion to seal should be denied because they did not comply with important requirements for obtaining an order to seal.

Setting aside Defendants' failure to include a declaration establishing that the information was sealable, Civil Local Rule 79-5(c)(3) & (5) requires that Defendants serve the entire document and the redacted version of the document on Jacobsen. They have not. Defendants have also not lodged the documents with the court clerk.

This Court needs the documents to determine if Defendants have met their burden of showing particularized harm that would result from public disclosure. Jacobsen and his counsel must also have the documents. Without the documents, Jacobsen, his counsel, and the Court can only guess as to the contents of the Katzer declaration and the information that Defendants seek to redact. Even if the Court granted the motion to seal, Defendants have no reason for failing provide at least the redacted version now, which Jacobsen and the public will eventually see anyway. For

these reasons too, Defendants' motion should be denied.

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# C. Even if Defendants' Information Should Be Sealed, It Should Not Be Kept From Jacobsen

If the Court finds the information is sealable, Jacobsen should be allowed to review the unredacted documents. Jacobsen is an expert in software development. His counsel is not. Jacobsen must be permitted to review Defendants' unredacted submissions to determine their relevance and to advise his counsel on how to respond to Defendants' opposition to the preliminary injunction. The order that Defendants seek would interfere with Jacobsen's attorney-client relationship, and would give Defendants an unfair advantage.

Jacobsen notes that Defendants had 2½ years to obtain a protective order in which they could have, after showing good cause, designated levels of confidentiality, including attorney's eyes only confidential. E.g., ASIS Internet Servs. v. Active Response Group, No. C07-6211 TEH, 2008 WL 2129417 at \*1 (N.D. Cal. May 20, 2008). As discussed above, they have not yet set forth any particularized reasoning which could support an order to seal, let alone the highly confidential "attorney's eyes only" designation.

For these reasons, if the Court orders the documents to be sealed, the Court should permit Jacobsen to review the unredacted documents.

## IV. CONCLUSION

Defendants' administrative motion to seal should be denied in all respects.

Respectfully submitted,

DATED: October 20, 2008

By /s/
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ATTORNEY FOR PLAINTIFF

No. C06-1905-JSW

OPPOSITION TO DEFENDANTS' ADMINISTRATIVE MOTION TO FILE PORTIONS OF DECLARATION OF MATTHEW KATZER IN OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION UNDER SEAL

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