



Office of the Attorney General  
State of Texas

DAN MORALES  
ATTORNEY GENERAL

May 18, 1993

Ms. Elaine H. Piper  
Assistant City Attorney  
Office of the City Attorney  
The City of El Paso  
2 Civic Center Plaza  
El Paso, Texas 79999

OR93-239

Dear Ms. Piper:

You ask whether certain information is subject to required public disclosure under the Texas Open Records Act, article 6252-17a, V.T.C.S. Your request was assigned ID# 15286.

The El Paso Police Department (EPPD) received a request from NEC Technologies (NEC) for documents pertaining to its automated fingerprint system (AFIS) purchased from North American MORPHO Systems, Inc. (MORPHO). Specifically, NEC has requested:

1. Technical Specifications (CDRL-D-009)
2. Delivery Schedule (CDRL-D-0101, Appendix A)
3. Conversion Plan (CDRL-D-003, Appendix A)
4. Acceptance Test Plan (CDRL-D-003)
5. Project Management Plan (CDRL-D-007)

You contend that the documents are excepted from required public disclosure by sections 3(a)(1), 3(a)(4) and 3(a)(10) of the Open Records Act. Pursuant to section 7(c) we have also solicited a brief from MORPHO, and you have endorsed MORPHO's arguments.

We begin with the Technical Specifications document. You contend that the document is excepted by Section 3(a)(10), the trade secret exception. In the alternative, because the document was not in your possession at the time of the request, you argue that you are not required to obtain it.

The Open Records Act provides that all information in the physical possession of a governmental body is public unless a specific exception applies. Open Records Decision No. 549 (1990) at 4. Since EPPD did not have the Technical Specifications when the original request was made, EPPD is not required to disclose it to NEC. However, since

NEC may make another request for the manual, we will address whether the section 3(a)(10) exception applies. See Open Records Decision No. 465 (1987), (concerning periodic requests for information not in existence when first request was made).

Section 3(a)(10) excepts from public disclosure either trade secret or commercial or financial information obtained from a person and privileged or confidential by statute or judicial decision. This exception protects the property interests of third parties recognized by the courts. Open Records Decision No. 319 (1982). In *Hyde Corp. v. Huffines*, 314 S.W.2d 763, 776 (Tex.), *cert denied*, 358 U.S. 898 (1958), the Texas Supreme Court adopted the Restatement of Torts definition of a trade secret. The following criteria determine whether information constitutes a trade secret:

(1) the extent to which the information is known outside [the owner's] business; (2) the extent to which it is known by employees and others involved in [the owner's] business; (3) the extent of measures taken by [the owner] to guard the secrecy of the information; (4) the value of the information to [the owner] and to [its] competitors; (5) the amount of effort or money expended by [the owner] in developing the information; (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.

Restatement of Torts, § 757 cmt. b (1939); see also Open Records Decision No. 552 (1990).

We must accept a claim that a document is excepted as a trade secret if a *prima facie* case for exception is made and no argument is submitted that rebuts the claim as a matter of law. Open Records Decision No. 552 at 5. MORPHO has addressed each of the six factors as they apply to the Technical Specifications and we agree that the document contains trade secrets. MORPHO has made a *prima facie* case that the Technical Specifications document is a trade secret and you may therefore withhold the document pursuant to section 3(a)(10).<sup>1</sup>

MORPHO also claims that the documents are excepted from required public disclosure under section 3(a)(4), information which, if released, would give advantage to competitors or bidders. MORPHO asserts that disclosure of the documents would give MORPHO's competitors an advantage in bidding for government contracts. The purpose of section 3(a)(4) is to protect the interests of a governmental entity and not the interests of the private party that submitted information to the government. Open Records Decision No. 592 (1991) at 8. Therefore, section 3(a)(4) does not apply in this context.

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<sup>1</sup> You also say that several of the other documents in question may be excepted as trade secrets, but you did not present any information regarding that issue. When an agency or private company fails to provide relevant information of the factors necessary to make a trade secret exception claim, there is no basis on which to conclude that the exception applies. Open Records Decision No. 402 (1983) at 2.

We next address your argument regarding the other four documents, specifically that they are excepted under 3(a)(10) as commercial information.<sup>2</sup> Section 3(a)(10) of the Open Records Act excepts from required public disclosure commercial or financial information obtained from a person and confidential by statute or judicial decision. MORPHO may be correct in asserting that the documents contain commercial information obtained from "a person," however, the documents must also satisfy the second prong of the exception which requires that the information be confidential by statute or judicial decision. *See* Open Records Decision No. 592 (1991) at 6.

Information is not confidential under the Open Records Act merely because the private company submitting the information expects confidentiality. *Industrial Found. of the South v. Texas Indus. Accident Bd.*, 540 S.W.2d 668, 677 (Tex. 1976) *cert denied*, 430 U.S. 931 (1977). MORPHO contends that there is more than a unilateral expectation of confidentiality because its contract with EPPD keeps the information confidential. However, a contract cannot overrule the Open Records Act, it is only evidence of an attempt to keep information confidential. Attorney General Opinion No. JM-672 (1987). A governmental body may not enter into agreements or contracts to keep information confidential. Open Records Decision No. 514 (1988). Therefore, MORPHO's contract with EPPD is not sufficient to invoke the 3(a)(10) exception for commercial information confidential by statute or judicial decision.

MORPHO argues that the documents are protected by federal copyright law, specifically 17 U.S.C. section 106, and therefore deemed confidential by statute. MORPHO's argument is twofold: first, that MORPHO has the exclusive right to authorize the reproduction or publication of its copyrighted materials and second, that federal copyright law forbids disclosure of copyrighted material without MORPHO's consent.<sup>3</sup>

We cannot make a factual determination as to whether the documents are protected by copyright law, however, we will treat them as such for purposes of this

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<sup>2</sup>Since we have established that the Technical Specifications document is excepted as a trade secret, we will not make reference to it in addressing the other arguments.

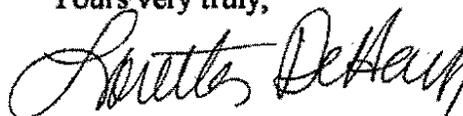
<sup>3</sup>Although section 106 gives the copyright holder the exclusive right to reproduce or publish the copyrighted work, this exclusive right of publication is limited by the defense of fair use. *See* 17 U.S.C. §§ 106, 107; *Meeropol v. Nizer*, 560 F.2d 1061 (2d Cir. 1977), *cert. denied*, 434 U.S. 1013 (1978); *College Examination Bd v. Cuomo*, 788 F.Supp 134 (N.D.N.Y. 1992) (fair use defense applies to test questions held as public records). A fair use defense to an infringement action turns on the facts and circumstances of a particular case. *See* Open Records Decision No. 180 (1977). However, we cannot resolve fact questions in a ruling of this office. *See* Open Records Decision 426 (1985) at 5. Moreover, the Texas Open Records Act specifically forbids a government entity from inquiring into the proposed use of the requested documents. *Industrial Found. of the South v. Texas Indus. Accident Bd.*, 540 S.W.2d at 675; *see also* Attorney General Opinion No. MW-307 (1981); Open Records Decision No. 180 at 4. Therefore, we cannot determine whether the doctrine of fair use applies in this case.

opinion. Although MORPHO may have the exclusive right to authorize the reproduction or publication of its copyrighted materials, no publication is said to occur when a governmental body holds documents open to public inspection. *WPOW, Inc. v. MRLJ Enter.*, 584 F.Supp. 132 (D.C. 1984). Therefore, copyrighted documents held as public records are not published when a governmental body discloses the information therein.<sup>4</sup>

A governmental body must allow inspection of copyrighted materials unless a section 3(a) exception applies; it need not furnish copies of copyrighted materials. Attorney General Opinion No. JM-672 at 2. Therefore, NEC must be allowed to inspect the documents not protected by the trade secret exception because Federal Copyright law does not prevent their disclosure, and no Open Records exception raised by EPPD applies. The documents are open to public inspection.

Because case law and prior published open records decisions resolve your request, we are resolving this matter with this informal letter ruling rather than with a published open records decision. If you have questions about this ruling, please contact our office.

Yours very truly,



Loretta R. DeHay  
Assistant Attorney General  
Opinion Committee

LRD/le

Ref.: ID# 15286

Enclosures: submitted documents

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<sup>4</sup>MORPHO contends that EPPD may not even disclose the copyrighted material without MORPHO's consent under 17 U.S.C. §106. MORPHO asserts that its copyright rights include the exclusive right to disclose the information. However, documents filed for copyright registration in the Copyright Office are open to public inspection and are subject to the Federal Freedom of Information Act in accordance with section 552(a)(2) of the same act. See 37 C.F.R. § 201.2(b); § 203.4(a); 5 U.S.C. 552(a)(2) (1991).