



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

January 12, 2010

Ms. Christine Badillo
Walsh, Anderson, Brown, Aldridge & Gallegos, P.C.
For Wichita Falls ISD
P.O. Box 2156
Austin, Texas 78768

OR2010-00567

Dear Ms. Badillo:

You ask whether certain information is subject to required public disclosure under the Public Information Act (the "Act"), chapter 552 of the Government Code. Your request was assigned ID# 366868.

The Wichita Falls Independent School District (the "district"), which you represent, received a request for all contracts, proposals, and evaluation documents related to a specified contract.¹ Although you take no position with respect to the submitted information, you claim the documents may contain proprietary information subject to exception under the Act. Accordingly, you state, and provide documentation showing, you notified Skyward, Inc. ("Skyward"), Tyler Technologies, Inc. ("Tyler"), and Windsor Management Group ("Windsor") of the district's receipt of the request for information and of each company's right to submit arguments to this office as to why the submitted information should not be released to the requestor. *See* Gov't Code § 552.305(d); *see also* Open Records Decision No. 542 (1990) (statutory predecessor to section 552.305 permits governmental body to rely on interested third party to raise and explain applicability of exception in the Act in certain circumstances). We have received comments from Tyler. We have considered the submitted arguments and reviewed the submitted information.

¹We note the requestor modified his request. *See* Gov't Code § 552.222(b) (governmental body may communicate with requestor for purpose of clarifying or narrowing request for information).

Initially, we note that the proposals from Prologic and SunGard are not responsive to the instant request for information because the requestor modified his request to exclude these proposals. This ruling will not address such non-responsive information and the district need not release it in response to this request.

An interested third party is allowed ten business days after the date of its receipt of the governmental body's notice under section 552.305(d) to submit its reasons, if any, as to why information relating to that party should be withheld from public disclosure. *See* Gov't Code § 552.305(d)(2)(B). As of the date of this letter, we have not received comments from Skyward or Windsor explaining why their submitted information should not be released. Therefore, we have no basis to conclude these companies have protected proprietary interests in their submitted information. *See id.* § 552.110; Open Records Decision Nos. 661 at 5-6 (1999) (to prevent disclosure of commercial or financial information, party must show by specific factual evidence, not conclusory or generalized allegations, that release of requested information would cause that party substantial competitive harm), 552 at 5 (1990) (party must establish *prima facie* case that information is trade secret), 542 at 3. Accordingly, the district may not withhold Skyward's and Windsor's information on the basis of any proprietary interest they may have in the information.

Tyler asserts that portions of its information are excepted from disclosure under section 552.104 of the Government Code, which excepts from disclosure "information that, if released, would give advantage to a competitor or bidder." Gov't Code § 552.104. We note that section 552.104 protects the interests of governmental bodies, not third parties. *See* Open Records Decision No. 592 (1991) (statutory predecessor to section 552.104 designed to protect interests of a governmental body in a competitive situation, and not interests of private parties submitting information to the government), 522 (1989) (discretionary exceptions in general). As the district does not raise section 552.104, this section is not applicable to the requested information. *See* ORD 592 (section 552.104 may be waived by governmental body). Therefore, the district may not withhold any of Tyler's information under section 552.104 of the Government Code.

Tyler claims sections 1, 4, 5, 7, and 11 of its bid proposal are excepted under section 552.110 of the Government Code. Section 552.110 protects the proprietary interests of private parties by excepting from disclosure two types of information: (1) "[a] trade secret obtained from a person and privileged or confidential by statute or judicial decision," and (2) "commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained." *See* Gov't Code § 552.110(a)-(b).

Section 552.110(a) protects trade secrets obtained from a person and privileged or confidential by statute or judicial decision. *Id.* § 552.110(a). The Texas Supreme Court has adopted the definition of a "trade secret" from section 757 of the Restatement of Torts, which holds a "trade secret" to be

any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers. It differs from other secret information in a business . . . in that it is not simply information as to a single or ephemeral event in the conduct of the business . . . A trade secret is a process or device for continuous use in the operation of the business . . . [It may] relate to the sale of goods or to other operations in the business, such as a code for determining discounts, rebates or other concessions in a price list or catalogue, or a list of specialized customers, or a method of bookkeeping or other office management.

RESTATEMENT OF TORTS § 757 cmt. b (1939); *see also Hyde Corp. v. Huffines*, 314 S.W.2d 763, 776 (Tex. 1958). This office will accept a private person's claim for exception as valid under section 552.110(a) if that person establishes a *prima facie* case for the exception, and no one submits an argument that rebuts the claim as a matter of law. *See* ORD 552 at 5. However, we cannot conclude section 552.110(a) is applicable unless it has been shown the information meets the definition of a trade secret and the necessary factors have been demonstrated to establish a trade secret claim.² Open Records Decision No. 402 (1983).

Section 552.110(b) requires a specific factual or evidentiary showing, not conclusory or generalized allegations, substantial competitive injury would likely result from release of the information at issue. *See* ORD 661 at 5-6 (business enterprise must show by specific factual evidence that release of information would cause it substantial competitive harm).

Tyler contends that portions of its bid proposal qualify as trade secret information under section 552.110(a). Although Tyler explains disclosure of this information would allow competitors to adapt their bids, we find Tyler has failed to demonstrate that any portion of

²The Restatement of Torts lists the following six factors as indicia of whether information constitutes a trade secret:

- (1) the extent to which the information is known outside of [the company];
- (2) the extent to which it is known by employees and others involved in [the company's] business;
- (3) the extent of measures taken by [the company] to guard the secrecy of the information;
- (4) the value of the information to [the company] and [its] competitors;
- (5) the amount of effort or money expended by [the company] 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 Nos. 319 at 2 (1982), 306 at 2 (1982), 255 at 2 (1980).

its proposal meets the definition of a trade secret. Therefore, the district may not withhold any portion of Tyler's bid proposal under section 552.110(a) of the Government Code. Tyler also claims that some of its information is excepted under section 552.110(b). Based on Tyler's arguments and our review, we find Tyler has established release of its pricing information in section 11 would cause it substantial competitive injury. Therefore, the district must withhold the pricing information we have marked in section 11 of Tyler's proposal under section 552.110(b) of the Government Code. We find, however, Tyler has provided no specific factual or evidentiary showing release of the remaining information would cause the company substantial competitive injury. *See* Open Records Decision Nos. 661 (for information to be withheld under commercial or financial information prong of section 552.110, business must show by specific factual evidence that substantial competitive injury would result from release of particular information at issue), 509 at 5 (1988) (because costs, bid specifications, and circumstances would change for future contracts, assertion that release of bid proposal might give competitor unfair advantage on future contracts is too speculative). Therefore, the district may not withhold the remaining information at issue in Tyler's bid proposal under section 552.110(b) of the Government Code.

We note some of the remaining information is excepted from disclosure under section 552.136 of the Government Code, which provides that "[n]otwithstanding any other provision of this chapter, a credit card, debit card, charge card, or access device number that is collected, assembled, or maintained by or for a governmental body is confidential."³ Gov't Code § 552.136(b). This office has determined that insurance policy numbers are access device numbers for purposes of section 552.136. *See id.* § 552.136(a) (defining "access device"). Therefore, the district must withhold the insurance policy numbers we have marked pursuant to section 552.136 of the Government Code.⁴

We also note a portion of the remaining information appears to be protected by copyright. A custodian of public records must comply with the copyright law and is not required to furnish copies of records that are copyrighted. Attorney General Opinion JM-672 (1987). A governmental body must allow inspection of copyrighted materials unless an exception applies to the information. *Id.* If a member of the public wishes to make copies of copyrighted materials, the person must do so unassisted by the governmental body. In making copies, the member of the public assumes the duty of compliance with the copyright

³The Office of the Attorney General will raise a mandatory exception on behalf of a governmental body, but ordinarily will not raise other exceptions. *See* Open Records Decision Nos. 481 (1987), 480 (1987), 470 (1987).

⁴We note this office recently issued Open Records Decision No. 684 (2009), a previous determination to all governmental bodies authorizing them to withhold ten categories of information, including insurance policy numbers under section 552.136 of the Government Code, without the necessity of requesting an attorney general decision.

law and the risk of a copyright infringement suit. *See* Open Records Decision No. 550 (1990).

In summary, the district must withhold the pricing information we have marked in Tyler's proposal under section 552.110(b) of the Government Code. The district must withhold the insurance policy numbers we have marked under section 552.136 of the Government Code. The district must release the remaining information, but any information that is protected by copyright may only be released in accordance with copyright law.

This letter ruling is limited to the particular information at issue in this request and limited to the facts as presented to us; therefore, this ruling must not be relied upon as a previous determination regarding any other information or any other circumstances.

This ruling triggers important deadlines regarding the rights and responsibilities of the governmental body and of the requestor. For more information concerning those rights and responsibilities, please visit our website at http://www.oag.state.tx.us/open/index_orl.php, or call the Office of the Attorney General's Open Government Hotline, toll free, at (877) 673-6839. Questions concerning the allowable charges for providing public information under the Act must be directed to the Cost Rules Administrator of the Office of the Attorney General, toll free, at (888) 672-6787.

Sincerely,



Tamara Wilcox
Assistant Attorney General
Open Records Division

TW/dls

Ref: ID# 366868

Enc. Submitted documents

c: Requestor
(w/o enclosures)

Mr. Wade A. Riley
Contract Specialist
Tyler Technologies
370 U.S. Route One
Falmouth, Maine 04105
(w/o enclosures)

Mr. Jerry J. King
Vice President of Finance
Skyward
5233 Coye Drive
Stevens Point, Wisconsin 54481
(w/o enclosures)

Mr. Richard Lessard
Vice President Sales & Marketing
Infinite Visions
Windsor Management Group
8950 South 52nd Street #309
Tempe, Arizona 85284
(w/o enclosures)

Mr. Jim Pepper
President
Prologic Technology Systems, Inc.
9600 North MoPac Expressway, Suite 300
Austin, Texas 78759
(w/o enclosures)

Mr. Regis D'Angelo
Account Executive
Sungard Pentamation, Inc.
3 West Broad Street
Bethlehem, Pennsylvania 18018
(w/o enclosures)