



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

May 5, 2014

Mr. Darin Darby
Counsel for the San Antonio Independent School District
Escamilla & Poneck, L.L.P.
P.O. Box 200
San Antonio, Texas 78291-0200

OR2014-07528

Dear Mr. Darby:

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# 521537.

The San Antonio Independent School District (the "district"), which you represent, received a request for information pertaining to the Fox Tech High School Remodel/Addition Competitive Sealed Proposal 14-006, job 1867. Although you take no position as to whether the submitted information is excepted under the Act, you state release of this information may implicate the proprietary interests of third parties. Accordingly, you state, and provide documentation showing, you notified Amstar, Inc. ("Amstar"), F.A. Nunelly Company ("F.A. Nunelly"); Jamail & Smith Construction, L.P. ("Jamail & Smith"); Sabinal Group ("Sabinal Group"); and Stoddard Construction Management ("Stoddard") of the request for information and of their right to submit arguments to this office as to why the submitted information should not be released. *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 Jamail & Smith and Amstar. We have considered the submitted arguments and reviewed the submitted information.

Initially, we note 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 F.A. Nunelly, Sabinal, or Stoddard explaining why their information should not be released. Therefore, we have no basis to conclude F.A. Nunelly, Sabinal, or Stoddard has a protected proprietary interest in the 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 any of the information at issue on the basis of any proprietary interest F.A. Nunelly, Sabinal, or Stoddard may have in it.

Jamail & Smith informs this office it does not object to inspection of its information. Thus, we have no basis to conclude Jamail & Smith has an interest in the submitted information that is protected from required public release under section 552.110, and it may not be withheld on that basis. However, Jamail & Smith states its information is copyrighted.

Next, Amstar claims some of its information is excepted under section 552.110 of the Government Code, which protects (1) trade secrets, and (2) commercial or financial information, the disclosure of which 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 trade secret from section 757 of the Restatement of Torts. *See Hyde Corp. v. Huffines*, 314 S.W.2d 763 (Tex. 1957); *see also* ORD 552. Section 757 provides that a trade secret is

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 single or ephemeral events 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 Huffines*, 314 S.W.2d at 776. In determining whether particular information constitutes a trade secret, this office considers the Restatement's definition of trade secret as well as the Restatement's list of six trade secret factors.¹ RESTATEMENT OF TORTS § 757 cmt. b (1939). This office must accept a claim that information subject to the Act is excepted as a trade secret if a *prima facie* case for the exception is made and no argument is submitted that rebuts the claim as a matter of law. *See* ORD 552 at 5. However, we cannot conclude that section 552.110(a) is applicable unless it has been shown that the information meets the definition of a trade secret and the necessary factors have been demonstrated to establish a trade secret claim. *See* Open Records Decision No. 402 (1983).

Section 552.110(b) protects “[c]ommercial 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[.]” Gov’t Code § 552.110(b). This exception to disclosure requires a specific factual or evidentiary showing, not conclusory or generalized allegations, that substantial competitive injury would likely result from release of the information at issue. *Id.*; *see also* ORD 661 at 5-6 (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).

Upon review of Amstar’s arguments and the information at issue, we find Amstar has established release of some of its submitted information would result in substantial damage to its competitive position, including some of its financial, pricing, and customer information. Accordingly, the district must withhold the information we have marked under section 552.110(b); however, to the extent the customer information we have marked is

¹The 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 other 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).

publicly available on Amstar's website, it may not be withheld under section 552.110(b). However, we find Amstar has failed to demonstrate the release of its remaining information would result in substantial damage to its competitive position. *See* Open Records Decision Nos. 661, 509 at 5 (1988) (because 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). Accordingly, none of the remaining information may be withheld under section 552.110(b).

Having considered Amstar's arguments under section 552.110(a), we determine Amstar has failed to demonstrate that any portion of its remaining information meets the definition of a trade secret, nor has it demonstrated the necessary factors to establish a trade secret claim for this information. Accordingly, the district may not withhold any of Amstar's remaining information on the basis of section 552.110(a) of the Government Code.

We note some of the materials at issue may 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. Open Records Decision No. 180 at 3 (1977). A governmental body must allow inspection of copyrighted materials unless an exception applies to the information. *Id.*; *see* Open Records Decision No. 109 (1975). 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 law and the risk of a copyright infringement suit. As no other exceptions have been raised, the district must release the submitted information. However, any information subject to copyright may only be released in accordance with federal copyright law.

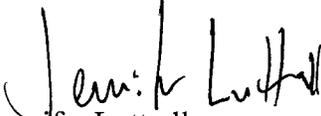
In summary, the district must withhold the information we have marked under section 552.110(b) of the Government Code; however, to the extent the customer information we have marked is publicly available on Amstar's website, it may not be withheld under section 552.110(b) of the Government Code. The remaining information must be released, but any information subject to 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.texasattorneygeneral.gov/open/orl_ruling_info.shtml, 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 may be directed to the Office of the Attorney General, toll free, at (888) 672-6787.

Sincerely,



Jennifer Luttrall
Assistant Attorney General
Open Records Division

JL/akg

Ref: ID# 521537

Enc. Submitted documents

c: Requestor
(w/o enclosures)

Mr. Theodore M. Bailey
For Amstar, Inc.
Bailey & Bailey, P.C.
230 Pereida Street
San Antonio, Texas 78210-1145
(w/o enclosures)

Mr. Gregory Smith
Jamail & Smith Construction
8868 Research Boulevard, Suite 401
Austin, Texas 78758
(w/o enclosures)

F.A. Nunnally Company
2922 North Pan Am Expressway
San Antonio, Texas 78208
(w/o enclosures)

The Sabinal Group
237 West Travis, Suite 200
San Antonio, Texas 78205
(w/o enclosures)

Stoddard Construction
Management
30665 US Hwy 281 North
Bulverde, Texas 78163
(w/o enclosures)