



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

August 26, 2009

Mr. Renaldo Stowers
Senior Associate General Counsel
The University of North Texas
P.O. Box 310907
Denton, Texas 76203-0907

OR2009-12087

Dear Mr. Stowers:

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# 353614 (UNT Public Information Request No. 09-133).

The University of North Texas (the "university") received a request for the food service contract between Sodexo Services of Texas L.P. ("Sodexo") and the university, as well as any other food service contracts the university has with outside companies. You state you will release some of the requested information to the requestor. Although you take no position with respect to the public availability of the requested information, you state that release of this information may implicate the proprietary interests of third parties. You inform us, and provide documentation showing, that pursuant to section 552.305 of the Government Code, the university has notified the interested third parties of the request and of their right to submit arguments to this office explaining why their information should not be released.¹ See Gov't Code § 552.305 (permitting interested third party to submit to attorney general reasons why requested information should not be released); see also Open Records Decision No. 542 (1990) (determining that statutory predecessor to section 552.305 permits governmental body to rely on interested third party to raise and explain applicability of exception in certain circumstances). Pursuant to section 552.305(d), The Coca-Cola

¹The notified third parties are: Ben E. Keith Foods; The Coca-Cola Company; D Bars Concession, LLC; Dippin' Dots, Inc.; Miner Health Solutions, Inc.; Smoothie King Franchises, Inc.; Sodexo; and Sysco Foods of Dallas.

Company ("Coca-Cola") has submitted comments to this office objecting to the release of its information. We have considered the submitted arguments and reviewed the submitted information.

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, only Coca-Cola has submitted to this office reasons explaining why its information should not be released. Therefore, the remaining third parties have provided us with no basis to conclude that they have protected proprietary interests in any of the submitted information. *See* 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 (1990). Therefore, the university may not withhold any portion of the submitted information on the basis of any proprietary interest that the remaining third parties may have in this information.

Coca-Cola raises section 552.101 of the Government Code, which excepts from disclosure "information considered to be confidential by law, either constitutional, statutory, or by judicial decision." Gov't Code § 552.101. This exception encompasses information that is considered to be confidential under other constitutional, statutory, or decisional law. *See* Open Records Decision Nos. 600 at 4 (1992) (constitutional privacy), 478 at 2 (1987) (statutory confidentiality), 611 at 1 (1992) (common-law privacy). In this instance, Coca-Cola has not directed our attention to any law under which any of its information is considered to be confidential for the purposes of section 552.101. Therefore, the university may not withhold any of Coca-Cola's information under section 552.101 of the Government Code.

Next, Coca-Cola asserts that portions of its agreement contain proprietary information. Thus, we understand Coca-Cola to claim that its information is excepted from disclosure 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: (a) trade secrets obtained from a person and privileged or confidential by statute or judicial decision; and (b) 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. *Id.* § 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. *Hyde Corp. v. Huffines*, 314 S.W.2d 763 (Tex. 1957); *see also* Open Records Decision No. 552 at 2 (1990). 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.² 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. Open Records Decision No. 402 (1983). We also note that pricing information pertaining to a particular contract is generally not a trade secret because it is "simply information as to single or ephemeral events in the conduct of the business," rather than "a process or device for continuous use in the operation of the business." Restatement of Torts § 757 cmt. b; *see Hyde Corp. v. Huffines*, 314 S.W.2d 763, 776 (Tex. 1958); Open Records Decision Nos. 319 at 3 (1982), 306 at 3 (1982).

Section 552.110(b) of the Government Code 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

²The following are the six factors that the Restatement gives 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).

injury would likely result from release of the information at issue. *Id.*; *see also* Open Records Decision No. 661 at 5-6 (1999).

Coca-Cola generally asserts that the amount and structure of funding paid and the pricing of products under its agreement with the university contain confidential and proprietary information. Upon review, we find that Coca-Cola has failed to demonstrate how any of its information at issue meets the definition of a trade secret or shown the necessary factors to establish a trade secret claim. Thus, Coca-Cola has failed to establish that any portion of its information constitutes a protected trade secret under section 552.110(a) of the Government Code. Further, we find that Coca-Cola has only made conclusory allegations that release of its information would result in substantial damage to its competitive position. *See* ORD 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). Thus, Coca-Cola has not demonstrated that substantial competitive injury would result from the release of this information. *See* ORD 661 at 5-6. Although Coca-Cola specifically argues against release of their pricing information, we note that this office considers pricing information in government contracts to be a matter of strong public interest. *See generally* Open Records Decision No. 514 (1988) (public has interest in knowing prices charged by government contractors); Freedom of Information Act Guide & Privacy Act Overview, 219 (2000) (federal cases applying analogous Freedom of Information Act reasoning that disclosure of prices charged government is a cost of doing business with government). Moreover, the terms of a contract with a governmental body are generally not excepted from public disclosure. *See* Gov't Code § 552.022(a)(3) (contract involving receipt or expenditure of public funds expressly made public); Open Records Decision No. 541 at 8 (1990) (public has interest in knowing terms of contract with state agency). Accordingly, we find that the university may not withhold any portion of the submitted information under section 552.110(b) of the Government Code. As Coca-Cola raises no further exceptions to disclosure of its information, the university must release its agreement with Coca-Cola, along with the other third-party agreements, to the requestor.³

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,

³We note the submitted information contains social security numbers. Section 552.147(b) of the Government Code authorizes a governmental body to redact a living person's social security number from public release without the necessity of requesting a decision from this office under the Act. Gov't Code § 552.147.

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 at (512) 475-2497.

Sincerely,



Adam Leiber
Assistant Attorney General
Open Records Division

ACL/rl

Ref: ID# 353614

Enc. Submitted documents

c: Requestor
(w/o enclosures)

cc: Mr. Bryan Thomas
Ben E. Keith Foods
7650 Will Rogers Blvd.
Fort Worth, Texas 76140
(w/o enclosures)

Mr. James L. Dinkins
Managing Director, I.C., Channel Development
The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
(w/o enclosures)

Mr. Juergen Meinecue
D Bars Concession, LLC
P.O. Box 2686
Keller, Texas 76244
(w/o enclosures)

Ms. Sheri L. Dikin
Dippin' Dots, Inc.
5101 Charter Oak Drive
Paducah, Kentucky 42001
(w/o enclosures)

Mr. Keith Miner (Smoothie King)
President
Miner Health Solutions, Inc.
4700 Loire Court
Argyle, Texas 76226
(w/o enclosures)

Mr. Richard Leveille
Smoothie King Franchises, Inc.
121 Park Place
Covington, Louisiana 70433
(w/o enclosures)

Mr. Bill Lacey
Senior Vice President
Sodexo Services of Texas, L.P.
5000 New Point Road, Suite 3202
Williamsburg, Virginia 23188
(w/o enclosures)

Ms. Jill Taylor
Sysco Foods of Dallas
800 Trinity Drive
Lewisville, Texas 75056
(w/o enclosures)