



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

April 14, 2014

Ms. Cynthia Tynan  
Office of General Counsel  
The University of Texas System  
201 West Seventh Street  
Austin, Texas 78701

OR2014-06182

Dear Ms. Tynan:

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# 519622 (UT OGC# 154133).

The University of Texas Health Science Center at San Antonio (the "university") received a request for copies of technology transfer agreements executed by the university during a specified time period, specifically including descriptions and additional information regarding the technology being licensed and sold, and documentation regarding the royalties or other payments received by the university for those agreements. You claim the submitted information is excepted from disclosure under sections 552.101 and 552.104 of the Government Code. Additionally, you state release of this information may implicate the proprietary interests of third parties. Accordingly, you inform us, and provide documentation showing, you notified the third parties of the request for information and of their right to submit arguments to this office as to why the requested information should not be released to the requestor.<sup>1</sup> 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 Flora Bioscience, GeneTex, and Numira. We have considered the submitted arguments and reviewed the submitted information.

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<sup>1</sup>The third parties notified pursuant to section 552.305 are: Flora Bioscience, Inc. ("Flora Bioscience"), GeneTex, Inc. ("GeneTex"), Numira, Inc. ("Numira"), Rapamycin Holdings, Inc., and Vaccinex.

The university claims the submitted information is excepted in its entirety under section 552.104 of the Government Code. Section 552.104 excepts from required public disclosure “information that, if released, would give advantage to a competitor or bidder.” Gov’t Code § 552.104. This exception protects a governmental body’s interests in connection with competitive bidding and in certain other competitive situations. *See* Open Records Decision No. 593 (1991) (construing statutory predecessor). This office has held that a governmental body may seek protection as a competitor in the marketplace under section 552.104 and avail itself of the “competitive advantage” aspect of this exception if it can satisfy two criteria. *See id.* First, the governmental body must demonstrate that it has specific marketplace interests. *See id.* at 3. Second, the governmental body must demonstrate a specific threat of actual or potential harm to its interests in a particular competitive situation. *See id.* at 5. Thus, the question of whether the release of particular information will harm a governmental body’s legitimate interests as a competitor in a marketplace depends on the sufficiency of the governmental body’s demonstration of the prospect of specific harm to its marketplace interests in a particular competitive situation. *See id.* at 10. A general allegation of a remote possibility of harm is not sufficient. *See* Open Records Decision No. 514 at 2 (1988).

You assert that the university has specific marketplace interests in the information at issue because “[t]he [u]niversity is a competitor in the marketplace with regard to research discoveries and subsequent licensing of technologies discovered and patented.” You state that in the present situation, the university “is providing a ‘service’ or ‘good’ by licensing its inventions” to these third parties. You further state the university is involved in ongoing negotiations regarding pricing and marketing with its licensees as amendments become necessary to protect the interests of the university. You inform this office that the responsive information contains details about the development of certain research technologies, pricing and commercial information, and the terms of the agreements that reflect the approach taken by the university when negotiating its licensing contracts. You explain that if the competitive information regarding these technologies or the terms under which they were developed and licensed were made public, it would undermine the ability of the university to market its research discoveries and to optimize the financial benefit of its investment for the state because the university would no longer be on equal footing with private companies in the research field. Having carefully considered all of your arguments, we find that you have demonstrated that the university has specific marketplace interests and that the prospective release of the responsive information poses a specific threat of harm to the university’s interests in a particular competitive situation. We therefore conclude that the university may withhold the responsive information in its entirety under section 552.104 of the Government Code.<sup>2</sup>

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<sup>2</sup>As our ruling is dispositive, we need not address any of the remaining arguments against disclosure.

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](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,



Cristian Rosas-Grillet  
Assistant Attorney General  
Open Records Division

CRG/dls

Ref: ID# 519622

Enc. Submitted documents

c: Requestor  
(w/o enclosures)

James Wang, Ph.D.  
CEO/VP Global Business Operation  
GeneTex, Inc.  
2456 Alton Parkway  
Irvine, California 92606  
(w/o enclosures)

John P. Alderete, Ph.D., MBA  
Founder and CEO  
Flora Bioscience, Inc.  
P.O. Box 20033  
Stanford, California 94309-0033  
(w/o enclosures)

Mr. Harold Widlansky  
Numira, Inc.  
420 East South Temple, Suite 520  
Salt Lake City, Utah 84111  
(w/o enclosures)

Vaccinex  
1895 Mount Hope Avenue  
Rochester, New York 14620  
(w/o enclosures)

Rapamycin Holdings, Inc.  
12500 Network Drive, Suite 105  
San Antonio, Texas 78249  
(w/o enclosures)