

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

RAI STRATEGIC HOLDINGS, INC. and
R.J. REYNOLDS VAPOR COMPANY,

Plaintiffs and Counterclaim
Defendants,

v.

ALTRIA CLIENT SERVICES LLC; PHILIP
MORRIS USA INC.; and PHILIP MORRIS
PRODUCTS S.A.

Defendants and Counterclaim
Plaintiffs.

Civil Action No. 1:20-cv-393-LO-TCB

**MEMORANDUM IN SUPPORT OF PMI/ALTRIA'S MOTION FOR
LEAVE TO FILE DOCUMENTS UNDER SEAL**

Pursuant to Local Civil Rule 5(C), Plaintiffs Altria Client Services, LLC, Philip Morris USA Inc., and Philip Morris Products S.A. (collectively, "PMI/Altria") respectfully move the Court for leave to file their Motion to Show Cause Why Sanctions Should Not be Imposed ("Motion to Show Cause") under seal.

PMI/Altria also respectfully move for leave to file publicly a redacted version of the Motion to Show Cause that omits confidential information. All of the materials PMI/Altria seek to file under seal have been designated by at least one party and/or a third party as confidential under the stipulated protective order.

I. DESCRIPTION OF MATERIALS SOUGHT TO BE SEALED

PMI/Altria respectfully seek leave to file the following document under seal:

- An unredacted version of their Motion to Show Cause.

- Exhibit 2 to PMI/Altria’s Motion to Show Cause, which are excerpts from the transcript of the March 18, 2022 Motion Hearing in this case.
- Exhibit 3 to PMI/Altria’s Motion to Show Cause, which is an excerpt from the expert report of James Malikowski, served in the a litigation between Altria Client Services, LLC and R.J. Reynolds Vapor Company, current pending in the Middle District of North Carolina.
- Exhibit 4 to PMI/Altria’s Motion to Show Cause, which are excerpts from the Opening Expert Report of Paul K. Meyer.
- Exhibit 5 to PMI/Altria’s Motion to Show Cause, which are excerpts from a settlement and license agreement.
- Exhibit 10 to PMI/Altria’s Motion to Show Cause, which is correspondence between counsel in this case.
- Exhibit 17 to PMI/Altria’s Motion to Show Cause, which are excerpts from the December 3, 2020 deposition transcript of Nicholas Gilley.

II. ARGUMENT

Although there is a general presumption that the public has the right to access documents in the files of the courts, this presumption may be overcome “if the public’s right of access is outweighed by competing interests.” *Ashcraft v. Conoco, Inc.*, 218 F.3d 288, 302 (4th Cir. 2000) (citation omitted); *Stone v. Univ. of Md. Med. Sys. Corp.*, 855 F.2d 178, 180 (4th Cir. 1988). To determine whether the interests in sealing the records outweigh the public’s right of access, a court must follow a three-step process: (1) provide public notice of the request to seal and allow interested parties a reasonable opportunity to object; (2) consider less drastic alternatives to sealing the documents; and (3) articulate specific reasons and factual findings supporting its decision to seal. *Ashcraft*, 218 F.3d at 302; *Adams v. Object Innovation, Inc.*, No. 11-cv-00272, 2011 WL 7042224, at *4 (E.D. Va. Dec. 5, 2011), *report and recommendation adopted*, 2012 WL 135428 (E.D. Va. Jan. 17, 2012). All three requirements are satisfied here.

First, the public has received notice of the request to seal and will have a reasonable opportunity to object. In accordance with Local Civil Rule 5 procedures, this sealing motion was

publicly docketed, satisfying the first requirement. RJR will have an opportunity to respond, and once the “public has had ample opportunity to object” to PMI/Altria’s motion and “the Court has received no objections,” the first *Ashcraft* requirement may be deemed satisfied. *See GTSI Corp. v. Wildflower Int’l, Inc.*, No. 09-cv-00123, 2009 WL 1248114, at *9 (E.D. Va. Apr. 30, 2009); *U.S. ex rel. Carter v. Halliburton Co.*, No. 10-cv-00864, 2011 WL 2077799, at *3 (E.D. Va. May 24, 2011) (“[T]he parties provided public notice of the request to seal that allowed interested parties a reasonable opportunity to object—nearly two weeks.”).

Second, PMI/Altria seek to seal and to redact from the public record only information that the parties must keep confidential pursuant to the stipulated protective order. PMI/Altria will file publicly a redacted version of its Motion in addition to a sealed version. Moreover, the exhibits filed under seal contain competitively sensitive information the disclosure of which would cause harm. This selective and narrow protection of confidential material constitutes “the least drastic method of shielding the information at issue.” *Adams*, 2011 WL 7042224, at *4. The public has no legitimate interest in information that is confidential to PMI/Altria and RJR. *See Adams*, 2011 WL 7042224, at *4 (“[T]here is no legitimate public interest in disclosing the proprietary and confidential information of [the defendant] ... and disclosure to the public could result in significant damage to the company.”). The information that PMI/Altria seek to seal and redact includes confidential, proprietary, and competitively sensitive business information of the parties and/or third parties, each of which could face harm if such information were released publicly.

Third, there is support for filing portions of PMI/Altria’s Motion under seal, with a publicly filed version containing strictly limited redactions. As an initial matter, the stipulated protective order requires that this information remain confidential. And the redacted portions of the Motion only pertain to this confidential information. Moreover, the exhibits filed under seal contain

information that the parties have designated as competitively sensitive business information. Sealing these materials is therefore proper because the public's interest in access is outweighed by a party's interest in "preserving confidentiality" of limited amounts of confidential information that is "normally unavailable to the public." *Flexible Benefits Council v. Feltman*, No. 08-cv-00371, 2008 WL 4924711, at *1; *U.S. ex rel. Carter*, 2011 WL 2077799, at *3.

III. CONCLUSION

PMI/Altria respectfully request that the Court grant this Motion and enter the attached proposed Order.

Dated: March 25, 2022

Respectfully submitted,

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