

**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

**PMP/ALTRIA’S MEMORANDUM IN RESPONSE TO, AND IN SUPPORT OF,  
COUNTERCLAIM DEFENDANTS’ MOTION TO SEAL THEIR REPLY IN SUPPORT  
OF R.J. REYNOLDS VAPOR COMPANY’S MOTION TO COMPEL DEFENDANT  
PHILIP MORRIS PRODUCTS S.A. TO DESIGNATE RULE 30(B)(6) WITNESSES**

Pursuant to Local Civil Rule 5(C), Counterclaim Plaintiffs Altria Client Services LLC (“ACS”), Philip Morris USA Inc. (“PM USA”), and Philip Morris Products S.A. (“PMP”) (collectively, “PMP/Altria”) submit this memorandum in response to, and in support of, Counterclaim Defendants RAI Strategic Holdings, Inc.’s and R.J. Reynolds Vapor Company’s (collectively, “Counterclaim Defendants”) Motion to Seal their Reply in Support of R.J. Reynolds Vapor Company’s Motion to Compel Defendant Philip Morris Products S.A. to Designate Rule 30(b)(6) Witnesses. (Dkt. 635.) The proposed sealed material includes confidential, proprietary, and competitively sensitive business information of PMP/Altria, Counterclaim Defendants, and/or third parties that falls within the scope of the Stipulated Protective Order. (Dkt. 103.) These confidential materials should remain under seal.

## **I. LEGAL STANDARD**

Local Civil Rule 5 requires that, when a party moves to file material under seal that another party has designated as confidential, “the party designating the material as confidential must file a response to the motion complying with requirements (2), (3), and (4) [] along with a proposed order” that “shall recite the findings required by governing case law to support the proposed sealing.”

The materials that Counterclaim Defendants move for leave to seal include highly confidential and proprietary business and technological information of PMP/Altria and should be kept under seal permanently for the reasons described below.

## **II. DESCRIPTION OF MATERIALS SOUGHT TO BE SEALED**

Counterclaim Defendants seek leave to file under seal an un-redacted version of their Reply in Support of R.J. Reynolds Vapor Company’s Motion to Compel Defendant Philip Morris Products S.A. to Designate Rule 30(b)(6) Witnesses. Specifically, the sensitive information that Counterclaim Defendants move for leave to file under seal, and to redact from a publicly filed version, includes proprietary and confidential business information from Counterclaim Defendants, PMP/Altria, and/or third parties, such as confidential financial and technical information, communications, and discovery responses.

## **III. 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-REP-DWD, 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. Counterclaim Defendants' sealing motions were publicly docketed a week ago on May 14, 2021, in accordance with Local Civil Rule 5, and PMP/Altria now files this memorandum in support of sealing. Since the "public has had ample opportunity to object" to Counterclaim Defendants' motion and "the Court has received no objections," the first requirement under *Ashcraft*, 218 F.3d at 302, has been satisfied. *GTSI Corp. v. Wildflower Int'l, Inc.*, No. 1:09-cv-123-JCC, 2009 WL 1248114, at \*9 (E.D. Va. Apr. 30, 2009); *U.S. ex rel Carter v. Halliburton Co.*, No. 1:10-cv-864-JCC/TCB, 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, Counterclaim Defendants seek to seal and to redact from the public record only information that the parties must keep confidential by the stipulated protective order. Counterclaim Defendants have filed publicly a redacted version of their Reply in Support of R.J. Reynolds Vapor Company's Motion to Compel Defendant Philip Morris Products S.A. to Designate Rule 30(b)(6) Witnesses (Dkt. 639), in addition to a sealed version, and have redacted only those limited portions it seeks to seal. 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 "proposal to redact only the proprietary and confidential information,

rather than seal the entirety of his declaration, constitutes the least drastic method of shielding the information at issue”). The public has no legitimate interest in information that is confidential to Counterclaim Defendants, PMP/Atria, and/or third parties. *Id.* at \*4. The information that Counterclaim Defendants seek to seal includes confidential, proprietary, and competitively sensitive business information of PMP/Atria, who could face harm if such information were to be released publicly. No procedure other than filing this information under seal is sufficient to preserve the confidential and sensitive nature of the information.

Third, there is support for filing portions of Counterclaim Defendants’ Reply in Support of R.J. Reynolds Vapor Company’s Motion to Compel Defendant Philip Morris Products S.A. to Designate Rule 30(b)(6) Witnesses under seal, with a publicly filed version of the same containing strictly limited redactions. Placing these materials under seal is proper because the public’s interest in access is outweighed by a party’s interest in “preserving confidentiality” of the limited amount of confidential information that is “normally unavailable to the public.” *Flexible Benefits Council v. Feltman*, No. 1:08-cv-00371-JCC, 2008 WL 4924711, at \*1 (E.D. Va. Nov. 13, 2008); *U.S. ex rel. Carter*, 2011 WL 2077799, at \*3. As noted, the portions of Counterclaim Defendants’ Reply in Support of R.J. Reynolds Vapor Company’s Motion to Compel Defendant Philip Morris Products S.A. to Designate Rule 30(b)(6) Witnesses that are redacted concern confidential information of Counterclaim Defendants, PMP/Atria, and/or third parties.

#### IV. CONCLUSION

For the foregoing reasons, PMP/Atria respectfully requests that Counterclaim Defendants’ Motion to Seal be granted and that such sealing be maintained until further Order of this Court.

Dated: May 27, 2021

Respectfully submitted,

By: /s/ Maximilian A. Grant  
Maximilian A. Grant (VSB No. 91792)  
max.grant@lw.com  
Lawrence J. Gotts (VSB No. 25337)  
lawrence.gotts@lw.com  
Matthew J. Moore (*pro hac vice*)  
matthew.moore@lw.com  
Jamie Underwood (*pro hac vice*)  
jamie.underwood@lw.com  
LATHAM & WATKINS LLP  
555 Eleventh Street, N.W., Suite 1000  
Washington, DC 20004  
Telephone: (202) 637-2200  
Facsimile: (202) 637-2201

Clement J. Naples (*pro hac vice*)  
clement.naples@lw.com  
LATHAM & WATKINS LLP  
885 Third Avenue  
New York, NY 10022-4834  
Tel: (212) 906-1200; Fax: (212) 751-4864

Gregory J. Sobolski (*pro hac vice*)  
greg.sobolski@lw.com  
LATHAM & WATKINS LLP  
505 Montgomery Street, Suite 2000  
San Francisco, CA 94111  
Telephone: (415) 391-0600  
Facsimile: (415) 395-8095

Brenda L. Danek (*pro hac vice*)  
brenda.danek@lw.com  
LATHAM & WATKINS LLP  
330 North Wabash Avenue, Suite 2800  
Chicago, IL 60611  
Tel: (312) 876-7700; Fax: (312) 993-9767

*Counsel for Defendants-Counterclaim Plaintiffs  
Altria Client Services LLC, Philip Morris USA  
Inc., and Philip Morris Products S.A.*

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