



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

This ruling has been modified by court action.
The ruling and judgment can be viewed in PDF
format below.



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

March 18, 2015

The ruling you have requested has been amended as a result of litigation and has been attached to this document.

Mr. Jeffrey Giles
Assistant City Attorney
Legal Department
City of Houston
P.O. Box 368
Houston, Texas 77001-0368

OR2015-05233

Dear Mr. Giles:

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# 555377 (GC Nos. 21947 & 21988).

The City of Houston (the "city") received a request for the number of Uber drivers in the city and a copy of what their permits look like as well as their markings on their vehicles. The city received a second request for the number of taxi and for-hire-vehicle permits in the city. Although the city takes no position as to whether the submitted information is excepted under the Act, it states release of the submitted information may implicate the proprietary interests of Uber, Inc. ("Uber"). Accordingly, the city states, and provides documentation showing, it notified Uber of the request for information and of its 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 Uber. We have considered the submitted arguments and reviewed the submitted information.

Initially, we note the city has not submitted a copy of the permit at issue. We assume, to the extent this information existed on the date the city received the request, the city has released it. If the city has not released any such information, it must do so at this time. *See Gov't Code* §§ 552.006, .301, .302; *see also* Open Records Decision No. 664 (2000) (if governmental body concludes no exceptions apply to requested information, it must release information as soon as possible).

Uber contends some of the submitted information is excepted from disclosure under section 552.110 of the Government Code. Section 552.110 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, which holds a trade secret to be:

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 Hyde Corp. v. Huffines*, 314 S.W.2d 776 (Tex. 1958). 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. This office must accept a claim 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* Open Records Decision No. 552 at 5 (1990). However, we cannot conclude section 552.110(a) is applicable unless it has been shown 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).

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; *see also* Open Records Decision Nos. 319 at 2 (1982), 306 at 2 (1982), 255 at 2 (1980).

Section 552.110(b) protects “[c]ommercial or financial information for which it is demonstrated based on specific factual evidence 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, substantial competitive injury would likely result from release of the information at issue. *Id.*; *see also* Open Records Decision No. 661 at 5 (1999) (to prevent disclosure of commercial or financial information, party must show by specific factual evidence, not conclusory or generalized allegations, release of requested information would cause that party substantial competitive harm).

Uber argues a portion of the submitted information constitutes a trade secret. Upon review, we find Uber has failed to establish a *prima facie* case the information at issue meets the definition of a trade secret, nor has it demonstrated the necessary factors to establish a trade secret claim for this information. *See* ORD 402. Therefore, the information at issue may not be withheld under section 552.110(a).

Uber further argues the information at issue consists of commercial information, the release of which would cause the company substantial competitive harm under section 552.110(b) of the Government Code. Upon review, we find Uber has not made the specific factual or evidentiary showing required by section 552.110(b) that release of the information at issue would cause the company substantial competitive harm. *See* ORD 661. Therefore, this information may not be withheld under section 552.110(b). As no other exception are raised for the submitted information, the city must release the submitted information.

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,



Rustam Abedinzadeh
Assistant Attorney General
Open Records Division

RA/bhf

Ref: ID# 555377

Enc. Submitted documents

c: Requestor
(w/o enclosures)

Uber Technologies
Rasier
c/o Ms. Lori Fixley Windland
Locke Lord
600 Congress, Suite 2200
Austin, Texas 78701
(w/o enclosures)

SEP 07 2016

At 3:01 P.M.
Velva L. Price, District Clerk

CAUSE NO. D-1-GN-15-001355

RASIER LLC,
Plaintiff,

v.

THE HONORABLE KEN PAXTON,
Attorney General of Texas, and the
CITY OF HOUSTON, TEXAS,
Defendant.

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IN THE DISTRICT COURT OF

353rd JUDICIAL DISTRICT

TRAVIS COUNTY, TEXAS

AGREED FINAL JUDGMENT

This cause is an action under the Public Information Act (PIA), Tex. Gov't Code ch. 552, in which Rasier LLC (Rasier), sought to withhold certain information which is in the possession of the City of Houston (the City) from public disclosure. All matters in controversy between Plaintiff, Rasier, and Defendants, Ken Paxton, Attorney General of Texas (Attorney General), and the City arising out of this lawsuit have been resolved by settlement, a copy of the Settlement Agreement is attached hereto as Exhibit "A", and the parties agree to the entry and filing of an Agreed Final Judgment.

The Attorney General represents to the Court that, in compliance with Tex. Gov't Code § 552.325(c), the Attorney General sent certified letters to the requestors, Lauren Barrash and Raya Stantcheva, on August 12, 2016, informing them of the setting of this matter on the uncontested docket on this date. The requestors were informed of the parties' agreement that the City will withhold the designated portions of the information at issue. The requestors were also informed of their right to intervene in the suit to contest the withholding of this information. A copy of the certified mail receipt is attached to this Judgment.



None of the requestors have filed motions to intervene. Texas Government Code section 552.325(d) requires the Court to allow a requestor a reasonable period to intervene after notice is attempted by the Attorney General.

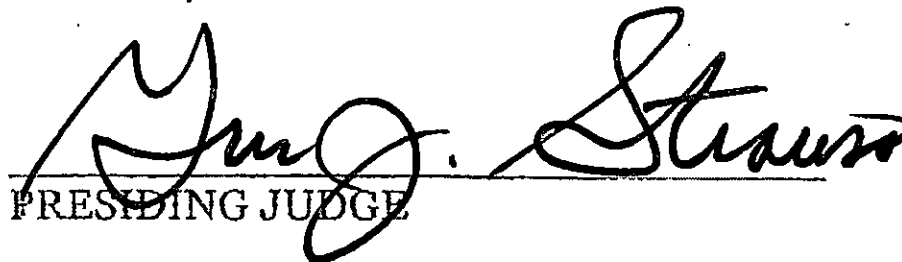
After considering the agreement of the parties and the law, the Court is of the opinion that entry of an agreed final judgment is appropriate, disposing of all claims between these parties.

IT IS THEREFORE ADJUDGED, ORDERED AND DECLARED THAT:

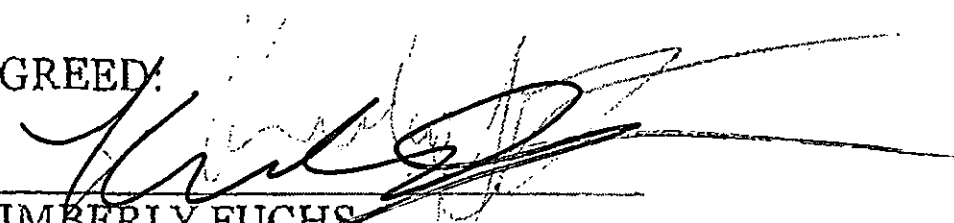
1. Rasier, the Attorney General, and the City have agreed that in accordance with the PIA and under the facts presented, the information at issue, which includes the portions of the following documents not already made confidential or exempted from disclosure by letter ruling OR2015-05233, specifically the records relating to the Transportation Network Company (TNC), which indicate the number of Uber Drivers operating in the City of Houston, and the number of TNC Vehicle for Hire permits issued by the City of Houston as of the dates of the requests (collectively the "Requested Information"), are excepted from disclosure pursuant to Texas Government Code section 552.104. Pursuant to Texas Government Code section 552.104, the City will withhold the Requested Information.
2. Attorney General Letter Ruling OR2015-05233 shall not be relied on as a previous determination.
3. All court costs and attorney fees are taxed against the parties incurring the same;
4. All relief not expressly granted is denied; and
5. This Agreed Final Judgment finally disposes of all claims that are the subject of this lawsuit between Rasier, the Attorney General, and the City and is a final judgment.

D-1-GN-15-001355

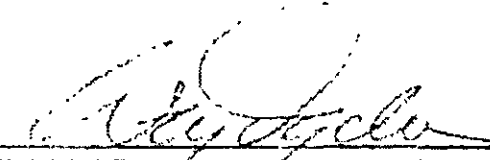
SIGNED the 7th day of Sept., 2016.


PRESIDING JUDGE

AGREED:


KIMBERLY FUCHS
Texas Bar No. 24044140
Chief, Open Records Litigation
Administrative Law Division
P. O. Box 12548, Capitol Station
Austin, Texas 78711-2548
Telephone: (512) 475-4195
Facsimile: (512) 320-0167

ATTORNEY FOR DEFENDANT, KEN PAXTON


WILLIAM W. OGDEN
State Bar No. 15228500
JUDITH A. MEYER
State Bar No. 13993200
OGDEN, BROOCKS & HALL, L.L.P.
1900 Pennzoil South Tower
711 Louisiana Street
Houston, Texas 77002
Telephone: (713) 844-3001
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JENNIFER S. RIGGS
RIGGS & RAY, P.C.
State Bar No. 16922300
700 Lavaca Street, Suite 920
Austin, Texas 78701
Telephone: (512) 457-9806

ATTORNEYS FOR PLAINTIFF, RASIER LLC

Agreed Final Judgment
Cause No. D-1-GN-15-001355



DAVID L. RED

Texas Bar No. 16656900

Senior Assistant City Attorney

CITY OF HOUSTON LEGAL DEPARTMENT

P. O. Box 368

Houston, Texas 77001

Telephone: (832) 393-6293

Facsimile: (832) 393-6259

ATTORNEY FOR DEFENDANT, CITY OF HOUSTON

A

CAUSE NO. D-1-GN-15-001355

RASIER LLC,
Plaintiff,

v.

THE HONORABLE KEN PAXTON,
Attorney General of Texas, and the
CITY OF HOUSTON, TEXAS,
Defendant.

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IN THE DISTRICT COURT OF

353rd JUDICIAL DISTRICT

TRAVIS COUNTY, TEXAS

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is made by and between Rasier, LLC, (Rasier), Ken Paxton, Attorney General of Texas (the Attorney General), and the City of Houston (the City). This Agreement is made on the terms set forth below.

Background

This case is a challenge to Open Records Letter ruling OR 2015-05233 (March 18, 2015) which was issued in response to two open records requests made pursuant to the Texas Public Information Act, Tex. Gov. Code §552.001 *et seq.* (the "PIA"): a request dated December 3, 2014 from Ms. Lauren Barrash, and a request dated December 4, 2014 from Ms. Raya Stantcheva ("the Requests"). In each of these requests, some of the responsive information belonged to Rasier. After the letter ruling was issued, Rasier disputed the ruling and filed the above styled lawsuit to preserve its rights under the PIA.

Rasier submitted information and briefing to the Attorney General establishing that its information is excepted from disclosure under Texas Government Code section 552.104. The City and the Attorney General have reviewed Rasier's request and agree to the settlement.

Texas Government Code section 552.325(c) allows the Attorney General to enter into a settlement pursuant to which the information at issue in this lawsuit may be withheld. The parties wish to resolve this matter without further litigation.

Terms

For good and sufficient consideration, the receipt of which is acknowledged, the parties to this Agreement agree and stipulate that:

1. Rasier, the Attorney General, and the City have agreed that in accordance with the PIA and under the facts presented, the information at issue, specifically the records relating to the Transportation Network Company (TNC), which include the number of licensed TNC drivers operating in the City of Houston and the number of TNC Vehicle for Hire permits issued by the City of Houston as of the date of the Request (collectively the "Requested Information"), are excepted from disclosure pursuant to Texas Government Code section 552.104. (This information was not already determined to be confidential or exempted from disclosure by letter Ruling OR 2015-05233.) Pursuant to Texas Government Code section 552.104, the City will withhold the above described records.

2. Rasier, the City, and the Attorney General agree to the entry of an agreed final judgment, the form of which has been approved by each party's attorney. The agreed final judgment will be presented to the court for approval, on the uncontested docket, with at least 15 days prior notice to each of the requestors.

3. The Attorney General agrees that he will also notify the requestors, as required by Tex. Gov't Code § 552.325(c), of the proposed settlement and of their rights to intervene to contest Rasier's right to have the City withhold the information.

4. A final judgment entered in this lawsuit after a requestor intervenes prevails over this Agreement to the extent of any conflict.

5. Each party to this Agreement will bear their own costs, including attorney fees relating to this litigation.

6. The terms of this Agreement are contractual and not mere recitals, and the agreements contained herein and the mutual consideration transferred is to compromise disputed claims fully, and nothing in this Agreement shall be construed as an admission of fault or liability, all fault and liability being expressly denied by all parties to this Agreement.

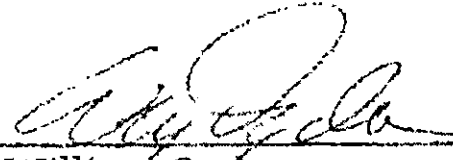
7. Rasier warrants that its undersigned representative is duly authorized to execute this Agreement on its behalf and that its representative has read this Agreement and fully understands it to be a compromise and settlement and release of all claims that Rasier has against the Attorney General and/or the City arising out of the matters described in this Agreement.

8. The Attorney General warrants that his undersigned representative is duly authorized to execute this Agreement on behalf of the Attorney General and his representative has read this Agreement and fully understands it to be a compromise and settlement and release of all claims that the Attorney General has against Rasier and/or the City arising out of the matters described in this Agreement.

9. The City of Houston warrants that its undersigned representative is duly authorized to execute this Agreement on behalf of the City and its representative has read this Agreement and fully understands it to be a compromise and settlement and release of all claims that the City has against Rasier and/or the Attorney General arising out of the matters described in this Agreement.


10. This Agreement shall become effective, and be deemed to have been executed, on the date on which the last of the undersigned parties sign this Agreement.

RASIER, LLC

By: 
name: William Ogden
firm: Ogden, Broocks & Hall, L.L.P.

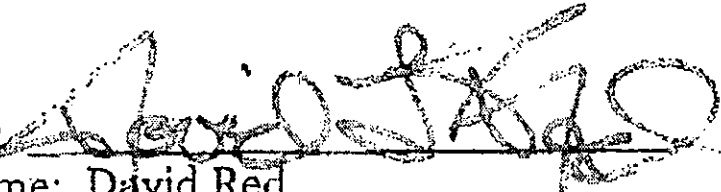
Date: 9 AUGUST 2016

KEN PAXTON, ATTORNEY GENERAL
OF TEXAS

By: 
name: Kimberly Fuchs
title: Assistant Attorney General,
Administrative Law Division

Date: 8/12/16

CITY OF HOUSTON

By: 
name: David Red
title: Senior Assistant City Attorney,
General Litigation Section

Date:

B

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Raya Stantcheva
 42-32 21st Street
 Long Island City, NY 11101
 [Rasier2]: [Req Ltr 1 re settlement]

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) **ERIC MARTINEZ** C. Date of Delivery **08/15/16**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

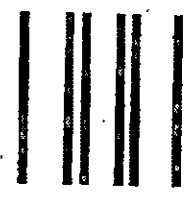
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Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) **7007 3020 0000 0976 3217**

UNITED STATES POSTAL SERVICE
 NEW YORK
 NY 100
 15 AUG 16
 0471

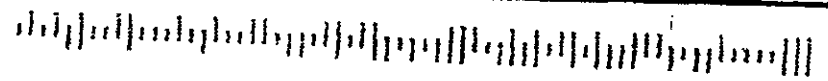


First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

]: [Req Ltr 1 re settlement]

Kimberly Fuchs, Open Records Litigation
 Office of Attorney General, ALD - 018
 P O BOX 12548 CAPITOL STATION
 AUSTIN TX 78711-2548



SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 08/17/16

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:

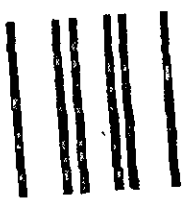
 Ms. Lauren Barrash
 The Wave
 1160 W. 26th Street
 Houston, TX 77008
 [Rasier2]: [Req Ltr 1 re settlement]

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7007 3020 0000 0976 3200

UNITED STATES POSTAL SERVICE
 HOUSTON TX 77008
 2015 08 17
 PM 11



First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

[Rasier2]: [Req Ltr 1 re settlement]

Kimberly Fuchs, Open Records Litigation
 Office of Attorney General, ALD - 018
 P O BOX 12548 CAPITOL STATION
 AUSTIN TX 78711-2548

