

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Smahi v. STMicroelectronics, Inc.

No. 23-cv-06645-PCP (N.D. Cal. Mar. 31, 2025) · No. 23-cv-06645-PCP · Decided March 31, 2025

SUMMARY

The United States District Court for the Northern District of California denied STMicroelectronics, Inc.’s motion for case-terminating sanctions against plaintiff Rachid Smahi without prejudice, finding material factual disputes concerning preservation duties, data loss, and intent under Federal Rule of Civil Procedure 37(e). The court granted ST’s motion to strike separately filed evidentiary objections. The court also granted sealing requests in part and ordered the parties to publicly file documents with only permitted redactions.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	P. Casey Pitts
JURISDICTION	United States District Court for the Northern District of California
DECIDED	March 31, 2025
DOCKET	23-cv-06645-PCP
DISPOSITION	other
PROCEDURAL POSTURE	Defendant and counterclaimant STMicroelectronics, Inc. moved for case-terminating sanctions based on alleged spoliation of electronically stored information, and separately moved to strike evidentiary objections and to seal portions of motion papers. The district court denied the sanctions motion without prejudice, granted the motion to strike, and granted the sealing motions in part.
STANDARD OF REVIEW	The court applied a preponderance-of-the-evidence standard to determine whether spoliation sanctions were warranted under Federal Rule of Civil Procedure 37(e). For sealing, the court applied the strong presumption of public access and the compelling-reasons standard for sealing judicial records. The court exercised discretion in considering supplemental evidence supporting the sanctions motion.
PRECEDENTIAL VALUE	unpublished district court order; persuasive authority only

TOPICS

sanctions discovery dispute civil procedure trade secrets

PRACTICE AREAS

civil procedure employment law trade secret litigation evidence

QUESTIONS PRESENTED

1. Whether ST had shown by a preponderance of the evidence that Smahi failed to take reasonable steps to preserve electronically stored information that should have been preserved in anticipation of litigation and could not be restored or replaced through additional discovery.
2. Whether the existing factual record established the intent required under Federal Rule of Civil Procedure 37(e)(2) for terminating sanctions or adverse inferences.
3. Whether the requested documents and materials should be sealed under the applicable presumption of public access and compelling-reasons standard.
4. Whether Smahi's separately filed evidentiary objections should be stricken for failure to comply with Civil Local Rule 7-3(a).

HOLDINGS

1. The court could not determine by a preponderance of the evidence that sanctions were warranted because material factual conflicts existed concerning Smahi's preservation duty, the reason the information was lost, and his intent. The motion for sanctions was therefore denied without prejudice to renewal after further factual development.
2. The court could not impose terminating sanctions on the current record because it could not determine whether Smahi possessed the requisite intent to deprive ST of the lost information's use in the litigation.
3. The court granted ST's sealing requests at Docket Nos. 53 and 65, granted in part and denied in part the request at Docket No. 61, and granted ST's motion to strike Smahi's separately filed evidentiary objections for failure to comply with Civil Local Rule 7-3(a).

KEY QUOTATIONS

"A party engages in sanctionable misconduct triggering Rule 37(e) when it (1) "fail[s] to take reasonable steps to preserve" electronically stored information that (2) "should have been preserved in anticipation or conduct of litigation," and (3) when such information "cannot be restored or replaced through additional discovery."" (at 3)

"Based on the factual record before it, the Court is unable to conclude by a preponderance of the evidence that sanctions are warranted." (at 4)

"The public has a longstanding and well-recognized "right to inspect and copy public records and documents, including judicial records and documents."" (at 5)

“To overcome this strong presumption, a party who wishes to seal a court record must generally “articulate compelling reasons supported by specific factual findings ... that outweigh the general history of access and the public policies favoring disclosure.”” (at 5)

FACTUAL BACKGROUND

Smahi was employed by ST from October 2021 until late June 2023 and brought claims alleging retaliation, disability discrimination, failure to accommodate, harassment, assault and battery, and unpaid wages. ST later asserted counterclaims concerning alleged trade-secret violations after Smahi produced documents related to ST projects. ST alleged that Smahi wiped or deleted data from devices and accounts and destroyed a USB drive, while Smahi disputed the characterization of those events and asserted that some deletions occurred before he understood any preservation obligation or because he feared hacking.

PROCEDURAL HISTORY

Smahi filed an employment-discrimination action in Santa Clara County Superior Court on December 22, 2023. ST removed the action to the Northern District of California on December 28, 2023. After Smahi produced documents allegedly revealing internal ST materials, ST amended its answer to add trade-secret-related counterclaims and then sought forensic examination and sanctions based on alleged deletion or destruction of electronically stored information.

DISPOSITION

other

CASES CITED

- Gregory v. Montana, 118 F.4th 1069, 1080 (9th Cir. 2024)
- Morehead v. City of Oxnard, No. CV 2:21-cv-07689-SPG-ADXS, 2023 WL 8143973, at *4 (C.D. Cal. Oct. 4, 2023)
- Leon v. IDX Sys. Corp., 464 F.3d 951, 956, 959 (9th Cir. 2006)
- Fast v. GoDaddy.com LLC, 340 F.R.D. 326, 353 (D. Ariz. 2022)
- Nixon v. Warner Commc'ns, Inc., 435 U.S. 589, 597 (1978)
- Ctr. for Auto Safety v. Chrysler Grp., LLC, 809 F.3d 1092, 1096, 1096-99 (9th Cir. 2016)
- Kamakana v. City & Cnty. of Honolulu, 447 F.3d 1172, 1178-79 (9th Cir. 2006)
- PNY Techs., Inc. v. SanDisk Corp., 2014 WL 1677521, at *2 n.4 (N.D. Cal. Apr. 25, 2014)
- Hodges v. Hertz Corp., 351 F. Supp. 3d 1227, 1249 (N.D. Cal. 2018)
- Edgen Murray Corp. v. Vortex Marine Constr., Inc., 2018 WL 4203801, at *3 (N.D. Cal. June 27, 2018)