

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

**Carbon Autonomous Robotic Systems Inc. v. Laudando & Associates
LLC**

Carbon Autonomous Robotic Systems · No. 2:24-cv-03012-DAD-JDP · Decided June 13, 2025

SUMMARY

The United States District Court for the Eastern District of California grants the parties’ renewed requests to seal and redact materials filed in connection with a motion for a preliminary injunction. Applying the Ninth Circuit’s compelling-reasons standard, the court finds that the requested redactions protect confidential business, financial, technical, pricing, sales, and customer information and are narrowly tailored. The court authorizes the redactions and orders the parties to file unredacted versions under seal within ten days.

OPINION

Carbon Autonomous Robotic Systems Inc. v. Laudando & Assoc.

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 FOR THE EASTERN DISTRICT OF CALIFORNIA

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11 CARBON AUTONOMOUS ROBOTIC No. 2:24-cv-03012-DAD-JDP

SYSTEMS INC.,

12 Plaintiff,

13 ORDER GRANTING PLAINTIFF’S

v. RENEWED REQUESTS TO SEAL AND

14 REDACT AND GRANTING DEFENDANT’S

LAUDANDO & ASSOCIATES LLC, RENEWED REQUEST TO SEAL AND

15 REDACT

Defendant. 16 (Doc. Nos. 67, 68, 70) 17

LAUDANDO & ASSOCIATES LLC,

18 Counter Claimant, 19 v. 20

CARBON AUTONOMOUS ROBOTIC

21

SYSTEMS INC.,

22 Counter Defendant. 23 24 This matter is before the court on the renewed requests to seal and

redact documents filed 25 by plaintiff and defendant in connection with plaintiff's motion for a preliminary injunction. 26 (Doc. Nos. 67, 68, 70.) The court previously denied the parties' initial requests to seal and redact 27 (Doc. Nos. 50, 59, 62) for failing to "articulate compelling reasons that justify sealing" the 28 documents at issue. (Doc. No. 65 at 5.) The court directed the parties to either: "(i) file renewed 1 requests to seal the documents addressed in this order; or (ii) file the documents addressed in this 2 order without redactions." (Doc. No. 65 at 7.) On May 15, 2025, plaintiff filed its renewed 3 requests to seal and redact documents. (Doc. Nos. 67, 68.) On May 16, 2025, defendant filed its 4 renewed request to seal and redact documents. (Doc. No. 70.) 5 In its renewed requests to seal and redact documents, plaintiff seeks to seal: "1. Portions 6 of Carbon's Memorandum of Points and Authorities in Support of Carbon's Motion for 7 Preliminary Injunction; 2. Portions of the Declaration of Paul Mikesell; 3. Exhibit M1 to the 8 Declaration of Paul Mikesell; 4. Exhibit M4 to the Declaration of Paul Mikesell; and 5. Portions 9 of the Declaration of Jim Bergman" as well as "1. Portions of Carbon's Reply in Support of its 10 Motion for Preliminary Injunction; 2. Portions of Exhibit 14 to the Supplemental Declaration of 11 Ralph W. Powers III; and 3. Portions of the Reply Declaration of Paul R. Weckler, Ph.D." (Doc.

12 Nos. 67 at 2; 68 at 2.) Plaintiff represents as to each of its requests to seal and redact that during

13 its meet-and-confer efforts, defendant's counsel indicated that they had no opposition to 14 plaintiff's requests to seal. (Doc. Nos. 67 at 3; 68 at 3.) 15 In its renewed request to seal and redact documents, defendant seeks to seal: "1. Portions 16 of L&A's Memorandum of Points and Authorities in Support of L&A's Opposition to Motion for 17 Preliminary Injunction; and 2. Portions [sic] Declaration of Christopher Laudando in Support of 18 L&A's Opposition to Motion for Preliminary Injunction." (Doc. No. 70 at 2.) Defendant 19 represents in its renewed request that during its meet-and-confer efforts, plaintiff's counsel 20 indicated that it did not oppose this request. (Id. at 2–3.) 21 The court observes that both parties have filed the redacted versions of the documents on 22 the court's public docket, prior to the court granting them leave to do so. (See Doc. Nos. 49-1; 23 49-2; 49-5; 58; 58-1; 61; 61-1; 61-2.)

24 LEGAL STANDARD

25 All documents filed with the court are presumptively public. *San Jose Mercury News, Inc. v. U.S. Dist. Court*, 187 F.3d 1096, 1103 (9th Cir. 1999) ("It is well-established that the fruits 27 of pretrial discovery are, in the absence of a court order to the contrary, presumptively public."). 28 "Historically, courts have recognized a 'general right to inspect and copy public records and 1 documents, including judicial records and documents.'" *Kamakana v. City & Cnty. of Honolulu*, 2 447 F.3d 1172, 1178 (9th Cir. 2006) (quoting *Nixon v. Warner Commc'ns, Inc.*, 435 U.S. 589, 3 597 & n.7 (1978)).¹ 4 Two standards generally govern requests to seal documents. *Pintos v. Pac. Creditors 5 Ass'n*, 605 F.3d 665, 677 (9th Cir. 2010). 6 [J]udicial records attached to dispositive motions [are treated] differently from records attached to non-dispositive motions. Those 7 who

seek to maintain the secrecy of documents attached to dispositive motions must meet the high threshold of showing that 8 “compelling reasons” support secrecy. A “good cause” showing under Rule 26(c) will suffice to keep sealed records attached to non- 9 dispositive motions. 10 Kamakana, 447 F.3d at 1180 (citing Foltz v. State Farm Mut. Auto. Ins. Co., 331 F.3d 1122, 11 1135–36 (9th Cir. 2003)). The reason for these two different standards is that “[n]on-dispositive 12 motions are often unrelated, or only tangentially related, to the underlying cause of action, and, as 13 a result, the public’s interest in accessing dispositive materials does not apply with equal force to 14 non-dispositive materials.” Pintos, 605 F.3d at 678 (internal quotation marks omitted). 15 Under the “compelling reasons” standard applicable to dispositive motions, such as a 16 motion to dismiss: 17 [T]he court must conscientiously balance the competing interests of the public and the party who seeks to keep certain judicial records 18 secret. After considering these interests, if the court decides to seal certain judicial records, it must base its decision on a compelling 19 reason and articulate the factual basis for its ruling, without relying on hypothesis or conjecture. 20 21 Id. at 1178–79 (internal quotation marks and citations omitted). The party seeking to seal a 22 judicial record bears the burden of meeting the “compelling reasons” standard. Id. at 1178. 23 While the terms “dispositive” and “non-dispositive” motions are often used in this 24 context, the Ninth Circuit has clarified that the “compelling reasons” standard applies whenever 25 26 1 Pursuant to Federal Rule of Civil Procedure 5.2(d), a court “may order that a filing be made 27 under seal without redaction.” However, even if a court permits such a filing, it may “later unseal the filing or order the person who made the filing to file a redacted version for the public record.” 28 Fed. R. Civ. P. 5.2(d). 1 the motion at issue “is more than tangentially related to the merits of a case.” Ctr. for Auto Safety 2 v. Chrysler Grp., LLC, 809 F.3d 1092, 1101 (9th Cir. 2016). 3 “In general, ‘compelling reasons’ sufficient to . . . justify sealing court records exist when 4 such ‘court files might . . . become a vehicle for improper purposes,’ such as the use of records to 5 gratify private spite, promote public scandal, circulate libelous statements, or release trade 6 secrets.” Kamakana, 447 F.3d at 1179 (quoting Nixon, 435 U.S. at 598). “The mere fact that the 7 production of records may lead to a litigant’s embarrassment, incrimination, or exposure to 8 further litigation will not, without more, compel the court to seal its records.” Id. Finally, “[t]he 9 ‘compelling reasons’ standard is invoked even if the dispositive motion, or its attachments, were 10 previously filed under seal or protective order.” Id. at 1178–79.

11 DISCUSSION

12 As noted, the renewed requests to seal and redact at issue were filed in relation to a 13 motion for preliminary injunction. In some instances, the proposed filing of documents under 14 seal in connection with motions for preliminary injunctions, motions for sanctions, or motions in 15 limine—though such motions are not dispositive—may be governed by the “compelling reasons” 16 test, which is predicated on the right of access and the need to “provide the public with a more 17 complete understanding of the judicial system and a better perception of its fairness.” Ctr. for 18 Auto Safety, 809 F.3d at 1101–02. The Ninth Circuit has held that when a motion for

preliminary 19 injunction is “more than tangentially related to the merits” that the “compelling reasons” test 20 applies to such motions. *Id.* Plaintiff’s motion for preliminary injunction involves a 21 determination of whether plaintiff is likely to succeed on the merits of its claim that defendant is 22 infringing at least one of its patents. (Doc. No. 49-1 at 16.) Moreover, here plaintiff has sought 23 preliminary relief in the form of a court order that defendant not launch its allegedly infringing 24 product until this action is resolved. (*Id.* at 31.) Plaintiff, in its operative first amended complaint 25 (“FAC”), requests injunctive relief against defendant to prevent infringement of its patents. (Doc.

26 No. 46 at 55.) Therefore, for plaintiff, success on its motion for a preliminary injunction will 27 result in the granting of some of the injunctive relief that it requests in the FAC. See *Ctr. for Auto 28 Safety*, 809 F.3d at 1102 (concluding that the plaintiffs’ motion for preliminary injunction was 1 more than tangentially related to the merits where it would provide some of the relief sought in 2 the plaintiffs’ complaint). Therefore, the requests to seal and redact will be evaluated under the 3 “compelling reason” standard. 4 A. Plaintiff’s Requests to Seal Documents 5 Plaintiff’s argument in its first notice of request to seal and redact, in its entirety, is as 6 follows: 7 Collectively, these documents contain: (1) Carbon’s confidential pricing information; (2) Carbon’s confidential financial information 8 regarding costs, including research and development expenditures; and (3) Carbon’s detailed confidential sales information, including 9 the number of LaserWeeder[] G1 units sold, the number of LaserWeeder[] G2 units on order, per-product revenue information, 10 and the location of Carbon’s customer base. In addition, the Declaration of Paul Mikesell (Document 2, above) identifies at least 11 one potential Carbon customer targeted by Defendant Laudando & Associates LLC (“L&A”). Carbon’s proposed redactions to these 12 documents are identical to those previously filed with the court. . . . As further explained in Carbon’s Renewed Request to Seal and 13 Redact Documents, public disclosure of this information would cause competitive harm to Carbon, the risk of which outweighs the 14 public’s interest in disclosure. 15 (Doc. No. 67 at 2.) Plaintiff’s argument in its second notice of request to seal and redact, in its 16 entirety, is as follows: 17 Collectively, these documents contain: (1) Carbon’s confidential pricing information; (2) Defendant Laudando & Associates LLC’s 18 (“L&A”) confidential technical information related to its L&Aser Modules, which has been designated by L&A as 19 “CONFIDENTIAL—ATTORNEYS’ EYES ONLY” under the parties’ stipulated Protective Order (Dkt. 36); (3) L&A’s confidential 20 information regarding its financial status; and (4) L&A’s confidential sales data from its opposition papers that L&A has represented to the 21 Court is confidential (Dkt. 59). Carbon’s proposed redactions to these documents are identical to those previously filed with the 22 Court. . . . As further explained in Carbon’s Renewed Request to Seal and Redact Documents, public disclosure of this information 23 would cause competitive harm to Carbon and/or L&A, the risk of which outweighs the public’s interest in disclosure. 24 25 (Doc. No. 62 at 2.) 26 The court concludes that plaintiff has met its burden with regard to its pending requests to 27 seal and redact. Detailed information about a

party's "business arrangements, business plans 28 about specific . . . products, and identities of its partners and customers[]" are appropriately the 1 subject of filing under seal. *Apex.AI, Inc. v. Langmead*, No. 5:23-cv-02230-BLF, 2023 WL 2 4157629, at *2 (N.D. Cal. June 23, 2023); see also *Stiles v. Wal-Mart Stores, Inc.*, No. 2:14-cv- 3 02234-KJM-DMC, 2021 WL 1212645, at *1–2 (E.D. Cal. Mar. 31, 2021) ("Detailed data about 4 profits, costs, and margins, for example, might give an opponent an advantage in contract 5 negotiations.") (citing *Apple Inc. v. Samsung Elecs. Co.*, 727 F.3d 1214, 1225 (Fed. Cir. 2013)); 6 *Virun, Inc. v. Cymbiotika, LLC*, No. 8:22-cv-00325-SSS-DFM, 2022 WL 17401698, at *3 (C.D. 7 Cal. Aug. 19, 2022) (holding that protecting a customer's identity was a compelling reason to 8 seal). Plaintiff has also filed redacted versions of the documents which ensures that its "requests 9 to seal are narrowly tailored to only seal the confidential information at issue." *Fate 10 Therapeutics, Inc. v. Shoreline Biosciences, Inc.*, No. 22-cv-00676-H-MSB, 2023 WL 6376095, 11 at *1 (S.D. Cal. Feb. 16, 2023). Accordingly, the court will grant plaintiffs' requests to seal and 12 redact. 13 B. Defendant's Request to Seal 14 In its renewed notice of request to seal and redact, defendant clarifies that it is only 15 requesting that the court allow it to "maintain the public filing of the redacted versions" of the 16 documents at issue in their request to seal and redact. (Doc. No. 70 at 2.) Having reviewed the 17 redactions defendant proposes and defendant's request to seal and redact, it appears to the court 18 that defendant seeks to redact information related to: (1) defendant's financial situation and 19 information concerning its business (Doc. Nos. 58 at 12, 27–28, 30; 58-1 at 12–15); (2) 20 information contained within redacted portions of plaintiff's motion for preliminary injunction 21 (Doc. Nos. 58 at 22–23, 25, 26–27, 30; 58-1 at 7); and (3) technical information regarding 22 defendant's product (Doc. No. 58-1 at 4–5, 7.) Defendant's showing in support of its renewed 23 request for sealing is considerably thinner than that made by plaintiff. Nonetheless, having 24 concluded that plaintiff's requests to seal should be granted, the court finds that there are also 25 compelling reasons to maintain the redactions in defendant's opposition pertaining to references 26 to redacted portions of plaintiff's motion for preliminary injunction. The court also finds that 27 defendant has satisfied its burden of showing compelling reasons to maintain the redactions of the 28 first and third categories of documents it seeks to have redacted. See *Edtronic, Inc. v. Axonics 1 | Modulation Techs., Inc.*, No. 8:19-cv-02115-DOC-JDE, 2023 WL 6813743, at *2 (sealing "non- 2 | public technical information related to the accused products"); see also *Intel Corp. v. Tela 3 | Innovations, Inc.*, No. 3:18-cv-02848-WHO, 2021 WL 783560, at *13–14 (N.D. Cal. Mar. 1, 4 | 2021) (finding that there were compelling reasons to seal confidential business and financial 5 | information); *Virtru Corp. v. Microsoft Corp.*, No. 2:23-cv-00872-JNW, 2025 WL 1383793, at *5 6 | (W.D. Wash. May 12, 2025) (finding compelling reason to seal "sensitive financial information"). 7 | Finally, defendant has also narrowly tailored its request through specific redactions of only 8 | confidential information. See *Johnstech Int'l Corp. v. JF Microtechnology SDN BHD*, No. 14-cv- 9 | 02864-JD, 2016 WL 4091388, at *2 (N.D. Cal. Aug. 2, 2016) (finding that redactions were 10 | narrowly tailored where the redactions only sealed

confidential information). Accordingly, the court will also grant defendant's renewed request to seal and redact.

CONCLUSION

For the reasons explained above, 1. Plaintiff's renewed requests to seal and redact (Doc. Nos. 67, 68) are GRANTED; 2. Defendant's renewed request to seal and redact (Doc. No. 70) is GRANTED; 3. The court authorizes the redactions in plaintiff's motion for preliminary injunction and the exhibits attached thereto (Doc. Nos. 49-1, 49-2, 49-5), defendant's 18 opposition and the exhibits attached thereto (Doc. Nos. 58, 58-1), and 19 reply and the exhibits attached thereto (Doc. Nos. 61, 61-1, 61-2) pursuant to 20 Local Rule 140; and 21 4. Within ten (10) days of the entry of this order, parties shall file unredacted 22 versions of the identified documents under seal. 23 IT IS SO ORDERED. * | Dated: June 12, 2025 Da A. 2, axel

DALE A. DROZD

UNITED STATES DISTRICT JUDGE

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