

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
CALIFORNIA

M.A. Silva Corks USA, LLC, et al. v. M.A. Silva Holdings, Inc., et al.

No. 22-cv-04345-HSG, United States District Court for the Northern District of California (March 10, 2023)

SUMMARY

The United States District Court for the Northern District of California denied Plaintiffs’ administrative motions to file portions of their initial and first amended complaints under seal. Applying the compelling-reasons standard and Civil Local Rule 79-5, the Court held that the proposed redactions concerned allegations central to Plaintiffs’ claims and that the asserted competitive and reputational harms did not justify sealing. The Court directed Plaintiffs to file public versions of the documents within seven days.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Northern District of California                                                                                                                                                                            |
| WRITING FOR THE COURT | Haywood S. Gilliam, Jr.                                                                                                                                                                                                                         |
| JURISDICTION          | United States District Court for the Northern District of California                                                                                                                                                                            |
| DECIDED               | March 10, 2023                                                                                                                                                                                                                                  |
| DOCKET                | 22-cv-04345-HSG                                                                                                                                                                                                                                 |
| DISPOSITION           | other                                                                                                                                                                                                                                           |
| PROCEDURAL POSTURE    | Plaintiffs filed administrative motions to seal portions of their initial and first amended complaints.                                                                                                                                         |
| STANDARD OF REVIEW    | The court applied the compelling-reasons standard to materials attached to pleadings forming the basis of the action, requiring specific factual findings that the interests favoring secrecy outweigh the strong presumption of public access. |
| PRECEDENTIAL VALUE    | Unknown                                                                                                                                                                                                                                         |
| PARTIES               | M.A. Silva Corks USA, LLC, et al. v. M.A. Silva Holdings, Inc., et al.                                                                                                                                                                          |

TOPICS

- pleadings
- civil procedure
- commercial litigation
- commercial

PRACTICE AREAS

**QUESTIONS PRESENTED**

1. Whether the compelling-reasons standard governed plaintiffs' motions to seal portions of the initial and first amended complaints.
2. Whether plaintiffs demonstrated compelling reasons sufficient to overcome the strong presumption of public access to the allegations.
3. Whether plaintiffs should be permitted to withdraw the proposed sealed portions after denial of the motions.

**HOLDINGS**

1. The compelling-reasons standard applies to motions to seal portions of complaints because a complaint is the pleading on which the action is based.
2. Plaintiffs failed to establish compelling reasons to seal allegations that were central to their claims, and the motions to seal were therefore denied.
3. The court declined to permit plaintiffs to withdraw the proposed sealed portions of the complaint because the allegations were central to plaintiffs' claims.

**FACTUAL BACKGROUND**

Plaintiffs alleged that defendants sabotaged their business, causing customer complaints and reputational and financial harm. Plaintiffs sought to seal allegations describing defendants' business conduct, sales practices, competitive positions, and the alleged methods used to undermine the company's value. The court found those allegations central to the claims and necessary to public understanding of the judicial proceedings.

**PROCEDURAL HISTORY**

Plaintiffs moved to file portions of their complaints under seal. Plaintiffs filed an amended complaint before defendants answered, and the court considered the proposed sealing in light of the amended pleading. The court denied all three motions to seal and directed plaintiffs to file public versions within seven days.

**DISPOSITION**

other

**CASES CITED**

- *Pintos v. Pacific Creditors Association*, 605 F.3d 665, 678 (9th Cir. 2010)
- *Kamakana v. City & County of Honolulu*, 447 F.3d 1172, 1178-80 (9th Cir. 2006)
- *Nixon v. Warner Communications, Inc.*, 435 U.S. 589, 598 (1978)
- *Phillips ex rel. Estates of Byrd v. General Motors Corp.*, 307 F.3d 1206, 1210-11 (9th Cir. 2002)
- *Beckman Industries, Inc. v. International Insurance Co.*, 966 F.2d 470, 476 (9th Cir. 1992)

- Space Data Corp. v. Alphabet Inc., No. 16-CV-03260-BLF, 2018 WL 10454862, at \*2 (N.D. Cal. Aug. 31, 2018)
- In re iPhone Application Litigation, No. 11-MD-02250-LHK, 2013 WL 12335013, at \*2 (N.D. Cal. Nov. 25, 2013)

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