

Digital Gadgets, LLC v Lieder Enters. Inc.
2021 NY Slip Op 31584(U)
May 10, 2021
Supreme Court, New York County
Docket Number: 654290/2019
Judge: Andrea Masley
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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. ANDREA MASLEY PART IAS MOTION 48EFM

Justice

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DIGITAL GADGETS, LLC,

Plaintiff,

- v -

LIEDER ENTERPRISES INC. and YECHEZKEL LIEDER

Defendants.

-----X

INDEX NO. 654290/2019

MOTION DATE 04/09/2021

MOTION SEQ. NO. 005

**DECISION + ORDER ON
MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 005) 112, 113, 114, 115, 116, 117, 118, 145

were read on this motion to/for SEAL.

Upon the foregoing documents, it is

In motion sequence number 005, plaintiff Digital Gadgets, LLC moves to seal NYSCEF Doc. Nos. [NYSCEF] 115, 116, and 117 and to publicly file redacted versions of those documents. These documents are also filed as NYSCEF 127, 134, and 135 in connection with defendant Lieder Enterprises' motion for summary judgment. This motion is unopposed.

NYSCEF 115 and 134 contain the unredacted version of an accounts payable report to defendant, from which plaintiff seeks to redact the name of plaintiff's bank, the last four digits of plaintiff's banking account numbers, and the names of parties to whom amounts are due listed as credits in the report.

NYSCEF 116 and 135 contain the unredacted version of email correspondences between plaintiff and its customers, namely QVC, The Home Shopping Network, and The Shopping Channel. Plaintiff seeks to redact from these correspondences its pricing

terms, negotiations, and strategies with respect to programs offered by its customers, and the names of its business contacts at well-known home shopping networks.

NYSCEF 117 and 127 contain the unredacted deposition transcript of Charles Tebele, plaintiff's principal. Plaintiff seeks to redact its pricing terms and business strategies from the transcript.

Plaintiff argues that the proposed redactions contain confidential and sensitive business and financial information, the disclosure of which would harm its competitive advantage in its industry. Plaintiff also contends that there is no legitimate public interest in the disclosure of these confidential documents.

Section 216.1(a) of the Uniform Rules for Trial Courts empowers courts to seal documents upon a written finding of good cause. It provides:

“(a) [e]xcept where otherwise provided by statute or rule, a court shall not enter an order in any action or proceeding sealing the court records, whether in whole or in part, except upon a written finding of good cause, which shall specify the grounds thereof. In determining whether good cause has been shown, the court shall consider the interests of the public as well as the parties. Where it appears necessary or desirable, the court may prescribe appropriate notice and an opportunity to be heard.”

In the business context, courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage.” (*Mosallam v Berenson*, 76 AD3d 345, 350-351 [1st Dept 2010] [citations omitted].) Records concerning financial information may be sealed where there has not been a showing of relevant public interest in the disclosure of that information. (See *Dawson v White & Case*, 184 AD2d 246, 247 [1st Dept 1992].) A party “ought not to be required to make their private financial information public ... where no substantial public interest would be

furthered by public access to that information” and that “sealing a court file may be appropriate to preserve the confidentiality of materials which involve the internal finances of a party and are of minimal public interest.” (*D'Amour v Ohrenstein & Brown*, 17 Misc 3d 1130[A], 1130A, 2007 NY Slip Op 52207[U], *20 [Sup Ct, NY County 2007][citations omitted].)

To the extent that plaintiff seeks to keep private its confidential business and financial information, the disclosure of which would cause competitive harm, plaintiff has demonstrated that good cause exists. (*Mosallem*, 76 AD3d at 350-351 [citations omitted].) Additionally, there has been no showing of legitimate public concern in these terms to counterbalance the interests of the parties in keeping private their nonpublic business and financial information. (See *Dawson*, 184 AD2d at 247 [1st Dept 1992].) Furthermore, rather than requesting a wholesale sealing of the documents at issue, defendants have sought a narrow redaction seeking only to seal account numbers, the names of individual business contacts, and mention of particular business strategies. This tailored redaction effectively balances the interests of the public with the interest of the parties in keeping private their nonpublic and sensitive business and financial information. (See *Danco Lab, Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 9 [1st Dept 2010].)

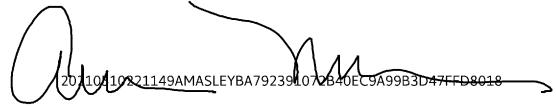
Accordingly, it is

ORDERED that the motion is granted to the extent that plaintiff shall file a copy of NYSCEF Doc. Nos. 115, 116, and 117 redacted as proposed to be publicly accessible; unredacted versions of these documents are currently filed under temporary seal; and it is further

ORDERED that the New York County Clerk, upon service to him of this order, is directed to permanently seal NYSCEF 115, 116, 117, 127, 134 and 135; and it is further

ORDERED the New York County Clerk shall restrict access to the sealed documents with access to be granted only to authorized court personnel and designees, the parties and counsel of record in this action, and any representative of a party or of counsel of record upon presentation to the County Clerk of written authorization from counsel; and it is further

ORDERED that any further publicly available filing in this action containing the sealed or redacted portions of NYSCEF 115, 116, or 117, or describing the substance thereof, shall be filed in redacted form on the docket and with the unredacted form submitted under seal.



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5/10/2021

DATE

ANDREA MASLEY, J.S.C.

CHECK ONE:

CASE DISPOSED

NON-FINAL DISPOSITION

GRANTED

DENIED

GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE