UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of

TAPESTRY, INC., a corporation,

DOCKET NO. 9429

and

CAPRI HOLDINGS LIMITED, a corporation,

NON-PARTY STRATHBERRY, INC.'S MOTION FOR IN CAMERA TREATMENT

Under Rule 3.45(b) of the Federal Trade Commission's ("FTC") Rules of Practice, 16 C.F.R § 3.45(b), non-party Strathberry, Inc. respectfully moves this Court for *in camera* treatment of certain confidential business documents (the "Confidential Documents") that the parties have indicated that they may introduce into evidence at the FTC's Part 3 administrative evidentiary hearing beginning on September 25, 2024.

Strathberry, Inc. requests the Court to grant *in camera* treatment for the Confidential Documents for a <u>five-year period</u>. Strathberry, Inc. is a third party to this litigation and its confidential business information would not have been made public but for the subpoena issued by the FTC in this case. *In camera* treatment is necessary to prevent competitors from gaining access to this highly sensitive information.

In support of this motion, Strathberry, Inc. relies on the Declaration of Keith Wilks in Support of Non-Party Strathberry, Inc.'s Motion for *In Camera* Treatment ("Wilks Declaration"), attached hereto as <u>Appendix 1</u>.

The parties do not oppose the relief sought in this motion.

I. Strathberry's Business.

Strathberry Limited (together with Strathberry, Inc., "Strathberry") is a private company with a principal place of business in Edinburgh, Scotland. It is an internationally known brand specializing in luxury leather goods, including handbags. *See* Wilks Declaration, ¶¶ 1, 3.

Strathberry, Inc. is a United States registered subsidiary of Strathberry Limited. It is currently used as a settlement vehicle for Strathberry's online direct-to-customer sales to customers located in the United States. *See* Wilks Declaration, ¶ 2.

II. Documents for Which Protection is Sought.

During discovery and pursuant to a subpoena, Strathberry produced to the FTC and Respondents a number of documents. While not everything that Strathberry produced was marked "Confidential," the five Strathberry documents that the FTC and Respondents have included on their exhibit lists were, in fact, designated as "Confidential." *See* Wilks Declaration, ¶ 5. Those materials (the "Confidential Documents") are as follows:

Exhibit No.	Description	Beg. Bates Label	End Bates Label
PX3142	Portions of a confidential customer	Strathberry-	Strathberry-
	insights review completed in the summer of 2022.	00002	00004
PX3144	Confidential Strathberry sales data, by	Strathberry-	Strathberry-
	month, from 2019 through 2023.	00007	00008
PX3145	This spreadsheet, produced natively,	Strathberry-	Strathberry-
	contains additional confidential	00018	00018
	Strathberry sales data from 2019 to 2023.		
PX3149	This spreadsheet contains the same data as	Strathberry-	Strathberry-
	Strathberry-00007-08, but was produced	00017	00017
	natively at the request of the parties.		
DX-0169	This is the same customer insights review	Strathberry-	Strathberry-
	as Strathberry-00002-04, but was	00010	00014
	reproduced to include the cover page and		
	last page.		

Complete copies of each of the five Confidential Documents for which Strathberry seeks *in camera* treatment in their entirety are attached under seal as <u>Appendix 2</u>.

III. The Nature of Information for Which Protection Was Sought.

The Confidential Documents are non-public, internal records of Strathberry. *See* Wilks Declaration, ¶ 7. The customer insights review (Strathberry-00002-04 and Strathberry-00010-14) is the result of a customer survey (3,700 respondents) commissioned by Strathberry to gain insight into the marketplace and Strathberry's standing in it. *See* Wilks Declaration, ¶ 8. The insights review, which includes survey results and commentary about the competitive marketplace, have not been shared outside the company. *See* Wilks Declaration, ¶¶ 9, 10. Strathberry considers it to be highly confidential competitive intelligence as it touches upon crossover ownership of luxury brands, customer opinions of Strathberry and its competitors in the luxury handbag market, customer aspirations, categories of luxury, and opinions about pricing. *Id*.

Strathberry's sales and revenue data (Strathberry-00007-08 and Strathberry-00017-18) are similarly confidential and have not been shared outside the company. The information in these documents include Strathberry's U.S. sales by month from 2019-2023; the number of units sold in the United States by month from 2019-2023; a breakdown of the same information (sales and units) by different channels (wholesale and online); direct-to-consumer sales by state from 2019-2023; and direct-to-consumer sales (measured in both dollars and units) by price range from 2019-2023. *See* Wilks Declaration, ¶ 11.

This highly confidential information about Strathberry's sales and financial data would give competitors great insight into, among other things: Strathberry's financial health, which markets Strathberry has been most successful in, at which price points Strathberry has had the

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greatest success, and where Strathberry is growing the fastest (in both markets and product type). *See* Wilks Declaration, \P 12.

IV. The Confidential Documents Warrant In Camera Treatment.

In camera treatment of material is appropriate when "public disclosure will likely result in a clearly defined, serious injury to the person, partnership, or corporation requesting" such treatment. 16 C.F.R § 3.45(b).

Although the FTC administrative process recognizes the significant public interest in holding open and transparent adjudicative proceedings, *see H.P. Hood & Sons, Inc.,* 58 F.T.C. 1184, 1961 WL 65882, at *2 (Mar. 14, 1961), under Commission Rule 3.45(b), the Court has recognized the interest in placing material *in camera* when "public disclosure of the documentary evidence will result in a clearly defined, serious injury to the person or corporation whose records are involved." *In re Illumina, Inc.*, 2021 WL 3701606, at *1 (Docket No. 9401, Aug. 12, 2021) (citations omitted). Courts will generally seek "to protect confidential business information from unnecessary airing." *H.P. Hood & Sons, Inc.,* 58 F.T.C. 1184, 1961 WL 65882, at *4 (Mar. 14, 1961).

The Court thus strikes a fine balance between (a) the need to publicize information to explain the rationale of FTC decisions, against (b) the risk of causing serious competitive injury to participants in the administrative process. *See In re Illumina, Inc.*, 2021 WL 3701606 at *1. In striking that balance, this Court has paid "special solicitude" to third parties like Strathberry which request *in camera* treatment. *Id.*; *In re ProMedica Health System, Inc.*, 2011 WL 2258040, at *5 (Docket No. 9346, May 25, 2011).

In deciding whether to grant *in camera* treatment, the Court generally has looked to six factors: (1) the extent to which the information is known outside of the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures

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taken to guard the secrecy of information; (4) the value of the information to the business and its competitors; (5) the amount of effort or money expended in developing the information; and (6) the ease or difficulty with which the information could be acquired or duplicated by others. *In re BristolMeyers Co.*, 90 F.T.C. 455, 1977 WL 189054, at *2 (Nov. 11, 1977).

These considerations weigh in favor of *in camera* treatment of Strathberry's Confidential Documents for a five-year period because they contain competitively sensitive information that would result in serious injury to Strathberry if disclosed. As set forth in the Wilks Declaration, (1) none of the information in the Confidential Documents is known outside the business; (2) internally, the information is known on a "need to know" basis; (3) Strathberry safeguards the information and has not shared it outside the business; (4) the information goes to the core of Strathberry's business and financial condition and would be highly valuable to competitors; (5) Strathberry developed the information through the conduct of its business; and (6) unless it were disclosed in this proceeding, information in the Confidential Documents could not be acquired or duplicated by others. *See* Wilks Declaration, ¶¶ 8-13.

The release of the Confidential Documents would be of great value to Strathberry's competitors, and would be highly detrimental to Strathberry's business advantage. *See* Wilks Declaration, ¶ 7-15. In short, the Confidential Documents contain the type of information that the Court has previously afforded *in camera* status to. *See, e.g., In the Matter of Louisiana Real Estate Appraisers Board*, 2021 WL 1143455, at *3 (Docket No. 9374, Mar. 12, 2021) (granting *in camera* treatment for five years of information concerning geographic scope of operations); *In re Otto Bock Healthcare N. Am., Inc.,* No. 9378, 2018 FTC LEXIS 111, at *11 (July 6, 2018) (granting *in camera* treatment for five years of confidential sales data and pricing information); *In re Tronox Ltd.*, 2018 WL 2336016, at *4 (Docket No. 9377, May 15, 2018) (*in camera*

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treatment granted for five years to business operations data, pricing data, and internal assessments of the market); *Matter of McWane, Inc.,* 2012 WL 3862131, at *3-4 (Docket No. 9351, Aug. 17, 2012) (granting *in camera* status for five year to sales data, pricing data, and information related to business strategies and financial status).

Finally, it should be noted that, "[a]s a policy matter, extensions of confidential or *in camera* treatment in appropriate cases involving third party bystanders encourages cooperation with future adjudicative discovery requests." *In the Matter of Kaiser Aluminum & Chem. Corp.*, 103 F.T.C. 500, 1984 WL 565325, at *1 (May 25, 1984). This consideration is especially apt here. Strathberry Limited is a foreign company that cooperated through its U.S. based subsidiary (i.e., the entity which was subpoenaed). It produced sensitive and proprietary information based on the understanding that that information would be kept confidential. In fact, Strathberry cooperated with the FTC and Respondents when the parties requested *additional* information after Strathberry's initial production. In such circumstances, the confidentiality of Strathberry's Confidential Documents should be preserved.

Conclusion

For the reasons set forth above and in the accompanying Wilks Declaration, Strathberry respectfully requests that this Court grant *in camera* treatment for the Confidential Documents for five years. As noted above, the parties do not oppose the relief requested in this motion.

Respectfully submitted,

Dated: September 20, 2024

<u>/s/ Scott McConchie</u> Scott McConchie (Mass. BBO #634127) Sherin and Lodgen LLP 101 Federal Street Boston, MA 02110 Tele: (617) 646-2000 smcconchie@sherin.com

Counsel for Third-Party Strathberry, Inc.

CERTIFICATION OF COUNSEL

I, Scott McConchie, hereby certify that (a) Complaint Counsel informed me that the FTC intended to offer the following exhibits at the administrate trial: PX3142, PX3144, PX3145, and PX3149; (b) counsel for Respondents informed me that Respondents intended to offer the following exhibit at the administrate trial: DX-0169; (c) the proposed exhibits contain confidential information produced by Strathberry; and (d) I have conferred with the parties and they do not oppose *in camera* treatment of the exhibits that are subject to this motion.

/s/ Scott McConchie Scott McConchie



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UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of

TAPESTRY, INC., a corporation,

DOCKET NO. 9429

and

CAPRI HOLDINGS LIMITED, a corporation,

DECLARATION OF KEITH WILKS IN SUPPORT OF NON-PARTY STRATHBERRY, INC.'S MOTION FOR *IN CAMERA* TREATMENT

I, Keith Wilks, pursuant to 28 U.S.C. § 1746, state and declare as follows:

1. I am the Chief Financial Officer of non-party Strathberry Limited, a private

company with a principal place of business in Edinburgh, Scotland.

2. Strathberry Limited is the parent company of non-party Strathberry, Inc., which

produced documents pertaining to Strathberry Limited's business to the Federal Trade

Commission ("FTC") and Respondents. Collectively, Strathberry Limited and Strathberry, Inc. are referred to herein as "Strathberry."

3. Strathberry is an internationally known brand specializing in luxury leather goods, including handbags. I make this declaration in support of Strathberry's motion for *in camera* treatment of certain documents that Strathberry produced in response to a subpoena issued by the FTC and which the parties have indicated that they may use at the FTC's Part 3 administrative evidentiary hearing beginning on September 25, 2024.

4. I have personal knowledge of the matters stated herein and, if called upon to do so, could competently testify about them.

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5. While not all documents that Strathberry produced in discovery were marked

"Confidential" pursuant to the applicable Protective Order, Strathberry did designate as

"Confidential" the five documents at issue (the "Confidential Documents").

6. The Confidential Documents subject to Strathberry's motion are listed in the table

below:

Exhibit No.	Description	Beg. Bates Label	End Bates Label
PX3142	Portions of a confidential customer insights review completed in the summer of 2022.	Strathberry- 00002	Strathberry- 00004
PX3144	Confidential Strathberry sales data, by month, from 2019 through 2023.	Strathberry- 00007	Strathberry- 00008
PX3145	This spreadsheet, produced natively, contains additional confidential Strathberry sales data from 2019 to 2023.	Strathberry- 00018	Strathberry- 00018
PX3149	This spreadsheet contains the same data as Strathberry-00007-08, but was produced natively at the request of the parties.	Strathberry- 00017	Strathberry- 00017
DX-0169	This is the same confidential customer insights review as Strathberry-00002-04, but was reproduced to include the cover page and last page.	Strathberry- 00010	Strathberry- 00014

7. All of the Confidential Documents listed above are non-public, internal records of

Strathberry.

8. The customer insights review (Strathberry-00002-04 and Strathberry-00010-14) is the result of a customer survey (3,700 respondents) commissioned by Strathberry in 2022 to gain insight into the luxury handbag marketplace and Strathberry's standing in it.

9. The customer insights review, which includes both survey results and

commentary about the competitive marketplace, touches upon crossover ownership of luxury

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brands, customer opinions of Strathberry and its competitors in the luxury handbag market, customer aspirations, categories of luxury, and opinions about pricing.

10. The customer insights review has not been shared outside the company and Strathberry considers it to be highly confidential competitive intelligence.

11. Strathberry's sales and revenue data (Strathberry-00007-08 and Strathberry-00017-18) are similarly confidential and have not been shared outside the company. The information in these documents include Strathberry's U.S. sales by month from 2019-2023; the number of units sold in the United States by month from 2019-2023; a breakdown of the same information (sales and units) by different channels (wholesale and online); direct-to-consumer sales by state from 2019-2023; and direct-to-consumer sales (measured in both dollars and units) by price range from 2019-2023.

12. This highly confidential information about Strathberry's sales and financial data would give competitors great insight into, among other things: Strathberry's financial health, which markets Strathberry has been most successful in, at which price points Strathberry has had the greatest success, and where Strathberry is growing the fastest (in both markets and types of products).

13. Like the customer insights review, this financial and sales information is the kind of information that Strathberry would never share with competitors or make publicly available. Internally, Strathberry limits access to this proprietary information on a "need to know basis."

14. Strathberry produced the Confidential Documents to the FTC and Respondents pursuant to the Protective Order and its assurances that such information could be kept confidential. In fact, we cooperated with the FTC and Respondents when they asked for

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additional information after our initial production. Our productions – and cooperation – were rooted in the expectation of continued confidentiality.

15. In my opinion, Strathberry – a private company – would suffer great competitive injury if our competitors (including the Respondents) had access to this information. There is little doubt that the information would be of great value to them.

Pursuant to 28 U.S.C. § 1746, I declare, under the penalty of perjury, that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed in Edinburgh, Scotland on September $\frac{16}{2024}$, 2024

Signed by: keith Wilks 2F6F9D216BDF4B8

Name: Keith Wilks Title: Chief Financial Officer, Strathberry Limited



Hearing Exhibit Nos. PX3142, PX3144, PX3145, PX3149, DX-0169

CERTIFICATE OF SERVICE

I hereby certify that on September 20, 2024, I caused the foregoing document to be electronically filed using the FTC's e-filing system, which will send notice to the following:

April Tabor Secretary Federal Trade Commission 600 Pennsylvania Avenue, N.W., Rm. H-113 Washington, DC 20580 ElectronicFilings@ftc.gov

The Honorable Diana L. Ayoubi Office of Administrative Law Judges Federal Trade Commission 600 Pennsylvania Avenue, N.W., Rm. H-110 Washington, DC 20580 OALJ@ftc.gov

I also certify that I caused a true and correct copy of the foregoing document to be served via electronic mail to:

Complaint Counsel

Abby L. Dennis (adennis@ftc.gov) Peggy Bayer Femenella (pbayerfemenella@ftc.gov) Frances Anne Johnson (fjohnson@ftc.gov) Timothy Singer (tsinger@ftc.gov) Brandon Boxbaum (bboxbaum@ftc.gov) Victoria Sims (vsims@ftc.gov) Peter Colwell (pcolwell@ftc.gov) Blake Risenmay (brisenmay@ftc.gov) Andrew Lowdon (alowdon@ftc.gov) Sarah Kerman (skerman@ftc.gov) Sarah Kerman (skerman@ftc.gov) Nicole Lindquist (nlindquist@ftc.gov) Danielle Quinn (dquinn@ftc.gov) Laura Antonini (lantonini@ftc.gov)

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Dated: September 20, 2024

/s/ Scott McConchie Scott McConchie