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10	SAN	JOSE DIVISION
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	INTERSERVE, INC. dba TECHCRUNCH, Delaware corporation, and CRUNCHPAD, INC., a Delaware corporation, Plaintiffs, vs. FUSION GARAGE PTE LTD., a Singapore company, Defendant.	I, a CASE NO. C 09-cv-5812 JW (PVT) FUSION GARAGE'S MOTION FOR PROTECTIVE ORDER PENDING PLAINTIFFS' IDENTIFICATION OF ITS ALLEGEDLY MISAPPROPRIATED TRADE SECRETS;
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	MOTION F	FOR PROTECTIVE ORDER Dockets.Justia

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NOTICE OF MOTION AND MOTION

2	Please take notice that on March 16, 2010, at 10:00 a.m. in the Courtroom of the
3	Honorable Patricia Trumbull of the United States District Court for the Northern District of
4	California, San Jose Division, 280 South 1st Street, San Jose, California, 95113, Defendant Fusion
5	Garage PTE, Ltd. will, and hereby does, move for a protective order pursuant to California Code
6	of Civil Procedure § 2019.210 and Federal Rule of Civil Procedure 26.
7	The basis for this motion is that (1) Plaintiffs are seeking discovery of Fusion Garage's
8	highly confidential trade secrets, proprietary information, and confidential information and
9	discovery; (2) Plaintiffs have asserted a trade secrets complaint (without calling it a trade secrets
10	complaint) and have not disclosed the alleged trade secrets that they allege Fusion Garage
11	misappropriated; and (3) absent a protective order, Plaintiffs will obtain Fusion Garage's
12	confidential information and then seek to claim ownership in such information and re-cast their
13	claims.
14	This motion is based on this Notice of Motion and Motion, the attached Memorandum of
15	Points and Authorities, the pleadings in this action, the Declaration of Patrick Doolittle, and such
16	other matters and argument as the Court may consider at the time of the hearing hereon.
17	STATEMENT OF ISSUES (Civ. L. R. 7-4(a)(3))
18	1. Should Plaintiffs be required to identify the alleged trade secrets or other
19	confidential information that they allege Fusion Garage misappropriated before Fusion Garage is
20	required to provide discovery of its confidential, proprietary, and trade secret information?
21	2. Should the Court enter a protective order to prevent Plaintiffs from obtaining
22	Fusion Garage's confidential information in discovery and then claiming such information is
23	Plaintiffs property and re-casting their claims?
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MEMORANDUM OF POINTS AND AUTHORITIES

Preliminary Statement

Plaintiffs Interserve, Inc., dba TechCrunch ("TechCrunch") and CrunchPad, Inc. ("CP,
Inc.") have filed a trade secrets case without calling it a trade secrets case. Rather, they have
invented a claim for "misappropriation of business ideas," claiming that Fusion Garage
incorporated certain business ideas of TechCrunch (a web blog) or Michael Arrington
(TechCrunch's founder) into Fusion Garage's product. Plaintiffs have also alleged claims for false
advertising, breach of fiduciary duty, and fraud.

9 After filing their complaint, Plaintiffs moved for expedited discovery. Among other
10 things, Plaintiffs are seeking discovery of Fusion Garage's source code and other highly
11 proprietary information, even though there is no allegation that Plaintiffs ever wrote, contributed,
12 or provided a single line of code to Fusion Garage.

13 Plaintiffs' strategy here is obvious: because they have no trade secrets of their own, they 14 have filed a vague "placeholder" complaint,¹ demanded discovery of Defendant's proprietary information, and will then point to Fusion Garage's confidential information as Plaintiffs' trade 15 16 secrets in an amended pleading. The Court should not countenance this strategy. Plaintiffs in 17 trade secrets cases must identify the trade secrets that they allege were misappropriated with 18 particularity before commencing trade secrets discovery. The Court should not allow Plaintiffs to 19 go on a fishing expedition into Defendant's technology and proprietary information by asserting a trade secrets complaint with a different label. Indeed, there is no reason for Plaintiffs to be 20 21 seeking Fusion Garage's source code and other highly confidential and proprietary information 22 based on the current claims in the Complaint unless they are simply trying to make an "end run" 23 around the trade secret identification requirement. 24 Plaintiffs should not need the benefit of discovery to identify what they allege was 25 misappropriated. This case arises out of a failed merger—Plaintiffs contend that they were part of 26

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 $[\]begin{bmatrix} 27 \\ 1 \end{bmatrix}$ The complaint appears to be a hastily-drafted pleading as it contains blanks, conflates the identities of the Plaintiffs, and is generally vague and uncertain.

an alleged collaboration with Fusion Garage that lasted approximately one year until the merger
discussions broke down. While Plaintiffs claim to have part ownership in some unspecified
intellectual property of Fusion Garage, they do not allege the existence of any contract at all
between the parties. However, given their allegation that the parties were working shoulder-toshoulder as part of some vague and informal "collaboration," "joint venture," or "project" that
lasted one year, Plaintiffs should be able to easily identify the trade secrets or other proprietary
information that they claim Fusion Garage misappropriated.

8 In short, Plaintiffs filed a legally defective pleading as a vehicle to access Defendant's
9 technology and then claim ownership in it. The Court should enter a protective order pursuant to
10 California Code of Civil Procedure § 2019.210 or Federal Rule of Civil Procedure 26 to forestall this tactic.

11

Factual Allegations and Procedural Background

12 **Summary.** Fusion Garage is being sued by a self-described Internet "blog," TechCrunch, 13 founded by blogger Michael Arrington. Mr. Arrington also formed another company, Plaintiff 14 CP, Inc. to acquire Defendant Fusion Garage. After the parties' merger talks fell through, 15 Plaintiffs filed this lawsuit to disrupt Fusion Garage's introduction of its product into the market. 16 Plaintiffs alleged a Lanham Act claim and claims for breach of fiduciary duty, misappropriation of 17 business ideas, fraud, and unfair competition. Plaintiffs now seek access to Fusion Garage's 18 confidential and proprietary information. Fusion Garage has filed motions to dismiss, to strike, 19 and for a more definite statement regarding Plaintiffs' vague complaint.

20The TechCrunch Blog and Arrington's Internet Post.Plaintiff TechCrunch is a21publisher of technology-oriented blogs and other web media. (Cmpl. ¶ 3). Its founder and editor22is Michael Arrington. In July 2008, Arrington publicly posted a challenge on the Internet "to23himself and the world" to build "a dead simple web tablet for \$200." (Id. ¶ 11). He solicited the24public at large to assist on the project and stated "[i]f everything works well, we'd then open25source the design and software and let anyone build one that wants to." (Id.)² TechCrunch

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 ^{27 27} The full text of Arrington's challenge can be found at:
 28 <u>http://www.techcrunch.com/2008/07/21/we-want-a-dead-simple-web-tablet-help-us-build-it/</u>.

eventually planned to call the web tablet a "CrunchPad." (*Id.* ¶4 & 13). At some point,

Arrington also formed a corporation called CP, Inc. to "commercialize the CrunchPad." (*Id.* ¶ 4).
Plaintiffs do not allege when CP, Inc. was formed. Plaintiffs refer to both entities collectively as
"TechCrunch" in their Complaint, (*id.*), but their separate existence and activities are relevant and
key to the various claims asserted. For example, the Complaint does not specify whether Plaintiff
TechCrunch, Plaintiff CP, Inc., or non-party Arrington "owned" the various business ideas that
Fusion Garage allegedly misappropriated.

8 Prototype A. Plaintiffs allege that by August 30, 2008, they had constructed a Prototype
9 A of the web tablet. The prototype was still crude as it "was still far from having beta units." (*Id.*10 ¶ 12). Plaintiffs "posted pictures and a description" of the prototype on the Internet in a blog post.
11 (*Id.*) While Plaintiffs do not attach the blog post to their Complaint—and only selectively quote
12 from it—Plaintiffs revealed in that post that it was "[a] humble (and messy) beginning. Prototype
13 A has been built. It's in a temporary aluminum case that a local sheet metal shop put together."³

- 14 Fusion Garage Meets TechCrunch/Arrington in September 2008. Fusion Garage, a Singapore-based software and technology company, formed in early 2008. (Id., Ex. A, p. 1.). The 15 16 Complaint alleges that Fusion Garage's CEO, Chandrasekar Rathakrishnan, first met Arrington at 17 a conference called "TechCrunch 50" on September 8-10, 2008. (Id. ¶ 14). As an attachment to 18 the Complaint reveals, Fusion Garage had already developed a prototype for its product idea and 19 sent its entry to the TechCruch 50 conference to "showcase the concept to the attendees, gauge 20 their interest and gather feedback." (Id., Ex. A, p. 2). The Complaint nowhere alleges that these 21 communications were confidential or predicated on any fiduciary relationship. Mr. Rathakrishnan subsequently met with Arrington and "Interserve's CEO Heather Harde" on September 23, 2008 22 23 to discuss "the project." (Id. ¶ 15). While Plaintiffs allege that Ms. Harde was the CEO, an email 24 Plaintiffs attach to their Complaint has Ms. Harde stating that Mr. Arrington was the "CEO of the 25
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³ <u>http://www.techcrunch.com/2008/08/30/update-on-the-techcrunch-tablet-prototype-a/</u>.

business." (*Id.*, Ex. D (Nov. 17, 2009 Harde email)). There is no allegation that these discussions
 were confidential, either.

Prototype B. The Complaint does not specify when Fusion Garage and Plaintiffs began
working together on a web tablet. The Complaint alleges that "[b]y January 19, 2009, the project
had constructed a Prototype B, and TechCrunch started calling the device the CrunchPad." (*Id.*¶ 15). Plaintiffs do not define what "the project" is or was, nor do they allege who was a member
of "the project" at that time. Plaintiffs nonetheless assert that they created Prototype B. (*Id.* ¶ 35).
However, they also allege that Fusion Garage's software was running on Prototype B. (*Id.* ¶ 19).
Plaintiffs concede that they posted videos on the Internet detailing Prototype B. (*Id.*).

10 <u>"All the Credit Should Go to Fusion Garage."</u> When the next prototype of the
11 CrunchPad was unveiled, Arrington publicly announced that "*the ID and hardware work was*12 *driven by Fusion Garage*" and "[i]n fact, *all the credit should go to Fusion Garage*." (*Id.* ¶ 22
13 (emphasis added)). A month later, in June 2009, a new prototype of the CrunchPad neared
14 completion and Arrington publicly stated that "*Fusion Garage continues to drive the software*15 *forward*." (*Id.* ¶ 24 (emphasis added)).

16 <u>No Contract Between the Parties Exists</u>. According to the Complaint, during all this
 17 time that Fusion Garage was developing the hardware and software for these prototypes, there was
 18 no non-disclosure agreement in place between Fusion Garage and TechCrunch, nor was there any
 19 written contract purporting to assign rights to the embryonic product. Moreover, the Complaint
 20 does not allege that any partnership, joint venture, or development agreement existed. The
 21 complaint nowhere defines the metes and bounds of what is alleged in a conclusory fashion to be a
 22 "joint venture" between Plaintiffs and Fusion Garage.

23The Merger Negotiations. At one point, Arrington and Rathakrishnan began negotiating24a merger or acquisition deal between Fusion Garage and CP, Inc., a new company set up by25Arrington. Arrington offered a deal by which Fusion Garage would acquire 35% of26CrunchPad, Inc. After Mr. Rathakrishnan equivocated on whether this deal would be acceptable27to Fusion Garage, Arrington rescinded the 35% offer on June 27. (*Id.*, Ex. B) (e-mail from28Arrington to Rathakrishnan, June 27, 2009 2:17 p.m.) ("You don't seem to be able to speak

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authoritatively for your investors [sic] and creditors. For reputation reasons I'm forced to notify
our investors that the deal is off.") In response, Rathakrishnan proposed a counteroffer. (*Id.*) (email from Rathakrishnan to Arrington, June 27, 2009 3:01 p.m.). Nowhere does the Complaint
allege that either of the Plaintiffs accepted, or even purported to accept, this proposal. Hence, if
the Complaint is to be believed, as of June 27, 2009, there was nothing but a negotiation taking
place between CP, Inc. and Fusion Garage.

7 The End of the Merger Negotiations. By November 2009, Fusion Garage's outside 8 investors grew impatient with the merger discussions between the parties. In a November 29, 9 2009 e-mail to Rathakrishnan, one of these investors (Bruce Lee) pointed out that Fusion Garage 10 had "assumed all related operational and developmental costs of the device" and could not 11 understand why Fusion Garage would even consider merger offers that would give Fusion Garage 12 less than 50% equity in CrunchPad, Inc. (Id., Ex. D) (e-mail from Lee to Rathakrishnan, Nov. 17, 13 2009 11:51 p.m.) The investor stated that the proposed deal was lopsided. (*Id.*) Frustrated with Fusion Garage's position in the merger negotiations, Lee demanded that Fusion Garage propose a 14 15 structure by which TechCrunch would receive only 10% equity. (Id.).

16 Rathakrishnan promptly forwarded Lee's e-mail to Arrington, stating that Fusion Garage needed Lee's continued investment and thus Rathakrishnan had "no choice but to put forth" Lee's 17 18 10% counteroffer, given the obligations that he owed to Fusion Garage's shareholders. (Id.) (e-19 mail from Rathakrishnan to Arrington, Nov. 17, 2009 2:50 p.m.). By the following week, after 20 more meetings with Fusion Garage's investors and phone calls with Arrington, Rathakrishnan 21 realized that the parties' positions were simply too far apart and that the merger was not a realistic possibility. He wrote Arrington on November 29 to say that "We have a sizable funding offer on 22 23 the table that will take us to market. I have to do right by the shareholders and employees and 24 make the decision that is in the best interest of all stakeholders. Regrettably, given that both 25 parties are unable to reach a favorable agreement, I have no choice but to move forward [without TechCrunch]." (Id.) (e-mail from Rathakrishnan to Arrington, Nov. 29 2:46 p.m.). The parties 26 27 never agreed to terms on a merger or acquisition.

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1	The JooJoo Product. After discontinuing negotiations with TechCrunch, Fusion Garage
2	publicly announced the release of its web tablet – named the JooJoo – during a video conference
3	on December 7, 2009. (<i>Id.</i> ¶ 44).
4	This Lawsuit and Plaintiffs' Discovery Requests. Three days later, on December 10,
5	2009, Plaintiffs filed this lawsuit. Plaintiffs quickly moved for expedited discovery, even though
6	they have not identified what Fusion Garage allegedly misappropriated. Among other things, the
7	discovery requests that Plaintiffs propounded include the following:
8	Request for Production No. 13: All documents concerning the design, development or writing of software for the JooJoo.
9 10	Request for Production No. 15: All documents concerning the design of the JooJoo, including but not limited to industrial design, hardware, software, feature set, and user interface.
11 12	<i>Request for Production No. 20</i> : All documents concerning user documentation for the JooJoo.
13 14	Request for Production No. 24: All documents concerning plans for the development, design, manufacturing, marketing, advertising and promotion, and distribution of the JooJoo.
15 16	Request for Production No. 33: All documents evidencing or concerning communications concerning intellectual property in the JooJoo.
17	<i>Request for Production No. 38</i> : A complete copy of all versions of the source codes, object codes, and executables for the JooJoo.
18	<i>Request for Production No. 46</i> : All design documents, bill of materials, and other technical materials concerning the JooJoo.
19	See Doolittle Decl., Ex. A. Plaintiffs have also served interrogatories seeking Fusion Garage's
20	product and customer information. Id., Ex. B. Moreover, Plaintiffs have propounded a variety of
21	discovery requests using the defined term "CrunchPad" where that definition appears to be
22	designed to encompass Fusion Garage's product, the JooJoo. Id., Exs. A & B.
23	After the Court allowed discovery to begin before the Rule 26(f) conference, counsel for
24 25	Fusion Garage called counsel for Plaintiffs to request a trade secret identification. Doolittle Decl.
23 26	¶ 2. Plaintiffs' position was that no trade secret identification was required in light of the claims
20 27	that they were asserting. <i>Id</i> .
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1	Fusion Garage has provided certain responses to Plaintiffs' discovery requests that do not
2	implicate Fusion Garage's technology or proprietary information. As explained below, however,
3	Fusion Garage seeks the Court's assistance in preventing discovery of Fusion Garage's
4	confidential information unless and until Plaintiffs identify their trade secrets with particularity.
5	Argument
6	I. <u>THE COURT SHOULD ENTER A PROTECTIVE ORDER PURSUANT TO</u> <u>SECTION 2019.210</u>
7	A. <u>The Requirements and Purposes of Section 2019.210</u>
8	California Code of Civil Procedure Section 2019.210 provides: "In any action alleging the
9	misappropriation of a trade secret before commencing discovery relating to the trade secret,
10	the party alleging the misappropriation shall identify the trade secret with reasonable
11	particularity" Section 2019.210 codifies the holding of <i>Diodes, Inc. v. Franzen</i> , 260 Cal.
12 13	App. 2d 244, 252 (1968):
13	Before a defendant is compelled to respond to a complaint based upon claimed misappropriation or misuse of a trade secret and to
15	embark on discovery which may be both prolonged and expensive, the [plaintiff] should describe the subject matter of the trade secret
16	with sufficient particularity to separate it from matters of general knowledge in the trade or of special knowledge of those who are
17	skilled in the trade, and to permit the defendant to ascertain at least the boundaries within which the secret lies.
18	Computer Econ., Inc. v. Gartner Group, 50 F. Supp. 2d 980, 984 (S.D. Cal. 1999) (quoting Diodes).
19	Section 2019.210 serves at least five purposes. "It promotes well-investigated claims and
20	dissuades the filing of meritless trade secret complaints." <i>Perlan Therapeutics, Inc. v. Super. Ct.</i>
21	(<i>Nexbio</i>), 178 Cal. App. 4th 1333, 1343 (2009). "It prevents plaintiffs from using the discovery
22	process as a means to obtain the defendant's trade secrets." <i>Id.</i> It "assists the court in framing the
23	appropriate scope of discovery." <i>Id.</i> "It enables defendants to form complete and well-reasoned
24	
25	defenses, ensuring that they need not wait until the eve of trial to effectively defend against
26	charges of trade secret misappropriation." <i>Id.</i> And it is "designed to prevent" the "shifting sands
27	approach" to "trade secrets allegations and discovery." <i>Neothermia Corp. v. Rubicor Med., Inc.,</i>
28	345 F. Supp. 2d 1042, 1045 (N.D. Cal. 2004).
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1 Whereas most trade secrets identification motions concern the inadequacy of a plaintiff's 2 disclosure, Plaintiffs here have not identified any trade secrets at all. They have not alleged any 3 intellectual property that Fusion Garage allegedly took other than vague and general "ideas" that are described in the Complaint. Plaintiffs' strategy here not only fails to satisfy the requirements 4 5 of Section 2019.210 but it actively thwarts each and every one of the rule's purposes. Accordingly, Plaintiffs should be required to identify their trade secrets with particularity pursuant 6 7 to Section 2019.210 before they are permitted to commence discovery in this case regarding 8 Fusion Garage's proprietary technology and confidential information.

- 9
- B. <u>Plaintiffs Claim Is a Trade Secrets Claim With a Different Label</u>

Secrets Claim

10

1. Plaintiffs' Discovery Requests Reveal They are Prosecuting a Trade

11 Plaintiffs' discovery requests reveal that they are seeking Fusion Garage's highly 12 confidential and proprietary information. See supra; see also Doolittle Decl., Exs. A & B. 13 Among other things, Plaintiffs seek Fusion Garage's source code, (Req. for Prod. No. 38), design 14 and development documents, (Req. for Prod. Nos. 13 & 15), documents concerning intellectual 15 property, (Req. for Prod. No. 33), and other technical information. They have also sought 16 discovery of Fusion Garage's proprietary information by serving discovery requests using the 17 defined term "CrunchPad," while defining that term to encompass Fusion Garage's product. 18 Doolittle Decl., Exs. A & B.

19 Given the current claims in the case, there is absolutely no basis for Plaintiffs to be seeking 20 these types of proprietary information from Fusion Garage unless Plaintiffs are trying to build a 21 trade secrets case by obtaining discovery and then pointing to Fusion Garage's information as 22 their own. Perlan, 178 Cal. App. 4th at 1343 (trade secret identification requirement "prevents 23 plaintiffs from using the discovery process as a means to obtain the defendant's trade secrets."). 24 Neither their Lanham Act claim, their fraud claim, their 17200 claim, their breach of fiduciary 25 duty claim, nor their misappropriation of business ideas claim entitle Plaintiffs to dig into Fusion 26 Garage's proprietary information.

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Plaintiffs' strategy is exactly what the Section 2019.210 requirement is designed to avoid.
 Their placeholder complaint is a mere pretext to go on a fishing expedition. Accordingly, the
 Court should enter a protective order requiring that Plaintiffs identify their alleged trade secrets
 that Fusion Garage allegedly misappropriated before Plaintiffs can take discovery regarding
 Fusion Garage's trade secrets, technology, or other proprietary information.

6

2. <u>Plaintiffs' Claims Are Preempted by the UTSA</u>

7 Given the lack of any contract between the parties, Plaintiffs' public posting of its alleged 8 "business ideas" on the Internet, and the absence of any allegation regarding who "owns" the 9 supposed ideas, Plaintiffs did not, and could not, allege a trade secrets claim. They instead opted 10 to allege "misappropriation of business ideas" and a 17200 claim as trade secrets claims with a 11 different label. The Court should recognize the common law misappropriation claim and unfair 12 competition claim as ones that are preempted by the California Uniform Trade Secrets Act 13 ("CUTSA"). The only types of misappropriation claims *not* preempted by CUTSA are contract 14 claims, civil remedies not based on misappropriation, and criminal remedies: This title does not affect (1) contractual remedies, whether or not based upon 15 misappropriation of a trade secret, (2) other civil remedies that are not based upon 16 misappropriation of a trade secret, or (3) criminal remedies, whether or not based upon misappropriation of a trade secret. 17 CAL. CIV. CODE § 3426.7(b). 18 Courts interpret this language to mean all that other claims based on misappropriation are 19 preempted by CUTSA. Cadence Design Sys., Inc. v. Avant! Corp., 29 Cal. 4th 215, 224 (2002) 20 (plaintiffs required to assert common law cause action for pre-CUTSA misappropriation, and 21 CUTSA claim for misappropriation occurring after effective date of statute); Accuimage 22 Diagnostics Corp. v. Terarecon, Inc., 260 F. Supp. 2d 941, 953-54 (N.D. Cal. 2003) (holding "the 23 CUTSA occupies the field in California"). Otherwise, the language would be rendered 24 meaningless. Digital Envoy, Inc. v. Google, Inc., 370 F. Supp. 2d 1025, 1035 (N.D. Cal. 2005); 25 see also AirDefense, Inc. v. AirTight Networks, Inc., No. 05-4615, 2006 WL 2092053, *4 (N.D. 26 Cal. 2006) (dismissing common law unfair competition claim based on same facts as CUTSA 27 claim). 28

1 There is no allegation in Plaintiffs' claims to suggest they are anything but a subterfuge for 2 a trade secrets claim where Plaintiffs cannot meet the elements of trade secrecy. Callaway Golf 3 Co. v. Dunlop Slazenger Group Americas, Inc., 318 F. Supp. 2d 216, 220 (D. Del. 2004) ("If the 4 other claims are no more than a restatement of the same operative facts which . . . spell out only 5 trade secrets misappropriation, then dressing those claims up in different clothing is not consistent with the preemption dictates of UTSA."). Plaintiffs want to obtain Fusion Garage's 6 7 trade secrets and construct a claim based on such information. The Court should require Plaintiffs 8 to identify their alleged trade secrets before allowing them to take discovery regarding Fusion 9 Garage's proprietary information.

10 11

C. Plaintiffs Should Be Able to Identify the Allegedly Misappropriated Information At Issue Here If Their Claim Was Filed in Good Faith

Before filing their claims in this case, Plaintiffs and their counsel were required to have a 12 good faith basis for believing that misappropriation occurred. Fed. R. Civ. P. 11; *Perlan*, 178 Cal. 13 App. 4th at 1343. Section 2019.210 requires that Plaintiffs state those trade secrets – and only 14 those trade secrets – with particularity. Brescia v. Angelin, 172 Cal. App. 4th 133, 140, 150 15 (2009) (affirming trial court's order "to succinctly and with particularity lay out the trade secrets 16 without surplusage, instead of essentially hiding the alleged trade secret in plain view by putting 17 lots of clutter around it"). Given that Plaintiffs contend they were involved in some sort of 18 collaboration or joint venture with Fusion Garage for approximately one year, they should be able 19 to accomplish this task if they filed their claim in good faith. Plaintiffs must comply before 20 discovery may proceed. 21 II. THE COURT SHOULD ENTER A PROTECTIVE ORDER PURSUANT TO RULE 22

26 AND ITS INHERENT POWERS

23 Even if the Court declines to enter a Protective Order pursuant to Section 2019.210, it 24 should enter a Protective Order pursuant to Federal Rule of Civil Procedure 26(c). That Rule 25 provides the Court with authority to protect a party's "trade secret or other confidential research, 26 development, or commercial information" from being revealed. Fed. R. Civ. P. 26(c)(1)(G). Rule 27 26, of course, also empowers a Court to enter orders regarding the sequencing of discovery and 28 preventing discovery.

Such a protective order is necessary and appropriate here. The Court should not require
 Fusion Garage to disclose any information revealing its trade secrets or proprietary information
 until Plaintiffs identify with particularity the specific trade secrets that Plaintiffs claim Fusion
 Garage misappropriated.

5 Conclusion For the foregoing reasons, Fusion Garage respectfully requests that the Court enter a 6 7 protective order providing that Fusion Garage need not respond to discovery requiring it to 8 disclose its trade secrets or confidential or proprietary information until Plaintiffs identify with 9 particularity the trade secrets or other proprietary information that Plaintiffs allege Fusion Garage 10 misappropriated. 11 12 DATED: February 5, 2010 QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP 13 14 By /s/ Patrick Doolittle 15 Patrick C. Doolittle Attorneys for Certain Individual Defendants 16

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