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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 ZEETOGROUP, LLC; TIBRIO, LLC,
12 Plaintiffs,

13 v.

14 NICHOLAS FIORENTINO, an
15 individual; SABIHA TUDESCO, an
16 individual; INTERNET THINGS, LLC;
17 SIMPLY SWEEPS, LLC;
18 CREDIREADY, LLC; TWO MINUTE
19 MEDIA TOPICS, LLC; and DOES 1-100,
20 inclusive,

Defendants.

Case No.: 19-CV-458 JLS (NLS)

**ORDER GRANTING
PRELIMINARY INJUNCTION**

(ECF No. 13)

21 Presently before the Court is Plaintiffs Zeetogroup, LLC and Tibrio, LLC's Motion
22 for Temporary Restraining Order and Preliminary Injunction ("Mot.," ECF No. 13). Also
23 before the Court are Defendants' Response in Opposition to ("Opp'n," ECF No. 17) and
24 Plaintiffs' Reply in Support of ("Reply," ECF No. 21) the Motion.¹ Having considered the
25 Parties' arguments, the evidence, and the law, the Court rules as follows.
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27 ¹ Defendants also filed evidentiary objections to the Declarations of Stephan Goss offered in support of
28 Plaintiffs' Motion. ECF No. 16. The Court struck that document from the docket at the request of
Defendants. ECF No. 28. The Court notes that, had it considered the merits of Defendants' objections,

BACKGROUND

1
2 Plaintiffs ZeetoGroup, LLC and its subsidiary, Tibrio, LLC, are San Diego-based
3 internet lead generation companies. Mot. at 5. Plaintiffs own and operate samples.com
4 and getitfree.us, which are websites that “aggregate free samples ranging from cleaning
5 supplies to snack foods and give them away to customers who visit the websites.” Id. at 7.
6 Both companies derive their profits from advertising by “connecting consumers to
7 advertisers” and “allowing advertisers to put ads on the websites.” Id.

8 Defendant Internet Things, LLC is a competing internet lead generation company.
9 Id. Internet Things owns and operates multiple subsidiaries, including Defendants Simply
10 Sweeps, LLC dba simplysweeps.com; CrediReady, LLC dba crediready.com; and Two
11 Minute Media Topics, LLC dba twominutemedia.com. Id. Defendant Nicholas Fiorentino
12 is the founder and CEO of Internet Things. Id.

13 Sometime in 2018, Mr. Fiorentino began recruiting a number of Plaintiffs’
14 employees. Id. at 8. Among those employees was Rocky Iorio. Id. at 7–8. Plaintiffs
15 employed Mr. Iorio as an Affiliate Marketing Manager from 2015 until November 1, 2018,
16 when Mr. Iorio accepted a job with Defendant Internet Things. Id. at 7. Immediately after
17 accepting his new position, Mr. Iorio gave Plaintiffs his two weeks’ notice. Id. On
18 November 9, 2018, during Mr. Iorio’s final two weeks working for Plaintiffs,
19 Mr. Fiorentino reached out to Mr. Iorio and asked him for a “list of [Plaintiffs’] big buyers.”
20 Id. Mr. Iorio complied with this request and sent Mr. Fiorentino screen shots of Plaintiffs’
21 “propriet[ary] platform . . . listing around 80 of [Plaintiff]s’ biggest advertising campaigns
22 and all of the associated metrics for each campaign.” Id. at 8; Declaration of Stephan Goss
23 (“Goss Decl.”) Ex. A, ECF No. 13-1.

24 Just three weeks after starting work with Defendants, Mr. Iorio was fired. Id. at 8.
25 Shortly after his firing, on February 9, 2019, Mr. Iorio sent an email to Plaintiffs’ Chief
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27 the Court would have denied those objections for the purposes of this Motion. See *Herb Reed Enters.,*
28 *LLC v. Florida Entm’t Mgmt., Inc.*, 736 F.3d 1239, 1250 n.5 (9th Cir. 2013) (“[T]he rules of evidence do
not apply strictly to preliminary injunction proceedings.”).

1 Revenue Officer, Shayne Caldwell, detailing the communications between Mr. Iorio and
2 Mr. Fiorentino while Mr. Iorio still worked for Plaintiffs. Declaration of Shayne Cardwell
3 (“Cardwell Decl.”) ¶ 5, ECF No. 13-2. Mr. Iorio included in this February email the screen
4 shots of the list taken from Plaintiffs and he resent a copy of the image to Plaintiffs’ CEO,
5 Stephan Goss, on March 6, 2019. See *id.* ¶ 9; Goss Decl. ¶ 7.

6 Another employee hired away from Plaintiffs by Mr. Fiorentino was Defendant
7 Sabiha Tudesco. Mot. at 8. Ms. Tudesco worked as the Chief Revenue Officer for
8 Plaintiffs and, in that position, was familiar with the list sent by Mr. Iorio and knew it was
9 Plaintiffs’ property. *Id.* Despite this knowledge, Plaintiffs allege Ms. Tudesco “proceeded
10 to contact the clients on the list and recruit them to Internet Things.” *Id.* Ms. Tudesco
11 denies having seen the list until after the litigation had commenced. Declaration of Sabiha
12 Tudesco (“Tudesco Decl.”) ¶ 20, ECF No. 17-3.

13 Plaintiffs filed suit on March 8, 2019, “seeking damages and a restraining order
14 against the misappropriation of trade secrets by Fiorentino, Tudesco, Internet Things, and
15 all of Internet Things’ subsidiaries.” Mot. at 9. Plaintiffs claim that as a result of the
16 misappropriation, their sales have declined by an average of \$1,000,000 a month. *Id.* This
17 decline forced Plaintiffs to lay off 27 employees. *Id.* Further, the use of the list has caused
18 market confusion and irreparable harm to Plaintiffs’ business relationships. *Id.* Plaintiffs
19 filed the current Motion on April 4, 2019, seeking a temporary restraining order (“TRO”)
20 and preliminary injunction.² See generally Mot. Specifically, Plaintiffs ask the Court to
21 enjoin Defendants “from using any of the information and be prohibited from contacting
22 the advertisers disclosed by Mr. Iorio.” Mot. at 6.

23 **LEGAL STANDARD**

24 A preliminary injunction is an equitable remedy aimed at preserving the status quo
25 and preventing the occurrence of irreparable harm during the course of litigation. See Fed.
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28 ² The Court set the Motion for a noticed hearing without issuing a TRO to give Defendants the opportunity
to respond. The Court therefore considers only Plaintiffs’ request for a preliminary injunction.

1 R. Civ. P. 65. “A plaintiff seeking a preliminary injunction must establish that he is likely
2 to succeed on the merits, that he is likely to suffer irreparable harm in the absence of
3 preliminary relief, that the balance of equities tips in his favor, and that an injunction is in
4 the public interest.” *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008).

5 A preliminary injunction is an “extraordinary remedy that may only be awarded
6 upon a clear showing that the plaintiff is entitled to such relief.” *Winter*, 555 U.S. at 22.
7 Federal Rule of Civil Procedure 65(d) requires that every order granting an injunction must
8 “state the reasons why it issued; state its terms specifically; and describe in reasonable
9 detail—and not by referring to the complaint or other document—the act or acts restrained
10 or required.” *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1027 (N.D. Cal.
11 2003) (citing *Union Pac. R.R. v. Mower*, 219 F.3d 1069, 1077 (9th Cir. 2000)). Rule 65
12 also requires the movant to give security in an amount that the Court considers proper to
13 pay the costs and damages sustained by any party found to have been wrongfully enjoined
14 or restrained. Fed. R. Civ. P. 65(c).

15 ANALYSIS

16 I. Likelihood of Success on the Merits

17 Plaintiffs seek an injunction pursuant to all three claims alleged in their Complaint:
18 (1) misappropriation of trade secrets in violation of the Defend Trade Secrets Act of 2016
19 (“DTSA”), 28 U.S.C. §§ 1836 et seq., and California’s Uniform Trade Secret Act
20 (“CUTSA”), Cal. Civ Code §§ 3426 et seq., (2) violation of California’s Unfair
21 Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200 et seq., and (3) intentional
22 interference with prospective economic relations.

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1 **A. Misappropriation of Trade Secrets³**

2 To state a claim for misappropriation of trade secrets, Plaintiff must show
3 “(1) the existence and ownership of a trade secret, and (2) misappropriation of the trade
4 secret.” Sun Distrib. Co., LLC v. Corbett, No. 18-CV-2231-BAS-BGS, 2018 WL 4951966,
5 at *3 (S.D. Cal. Oct. 12, 2018).

6 1. Trade Secret

7 Both the DTSA and CUTSA define “trade secret” as:

8 [A]ll forms and types of financial, business, scientific, technical,
9 economic, or engineering information, including patterns, plans,
10 compilations, program devices, formulas, designs, prototypes,
11 methods, techniques, processes, procedures, programs, or codes,
12 whether tangible or intangible, and whether or how stored,
13 compiled, or memorialized physically, electronically,
14 graphically, photographically, or in writing if—

15 (A) the owner thereof has taken reasonable measures to keep
16 such information secret; and

17 (B) the information derives independent economic value, actual
18 or potential, from not being generally known to, and not being
19 readily ascertainable through proper means by, another person
20 who can obtain economic value from the disclosure or use of the
21 information.

22 18 U.S.C. § 1839(3); Cal. Civ. Code § 3426.1(d). A plaintiff seeking relief for
23 misappropriation of trade secrets “must identify the trade secrets and carry the burden of
24 showing that they exist.” MAI Sys. Corp. v. Peak Computer, Inc., 991 F.2d 511, 522 (9th
25 Cir. 1993) (citing Diodes, Inc. v. Franzen, 260 Cal. App. 2d 244, 250–52 (1968)).
26 Generally, the plaintiff must “describe the subject matter of the trade secret with sufficient

27 ³ Because the elements of a trade secret misappropriation claim under the DTSA and CUTSA are
28 substantially similar, the Court will analyze both claims together. See Vendavo, Inc. v. Price f(x) AG, No.
17-CV-6930-RS, 2018 WL 1456697, at *3 (N.D. Cal. Mar. 23, 2018). As other district courts in California
have done, see e.g., *id.*, the Court will apply both federal and California trade secret case law to both
causes of action.

1 particularity to separate it from matters of general knowledge in the trade or of special
2 persons who are skilled in the trade, and to permit the defendant to ascertain at least the
3 boundaries within which the secret lies.” *Pellerin v. Honeywell Int’l, Inc.*, 877 F. Supp. 2d
4 983, 988 (S.D. Cal. 2012) (citing *Diodes*, 260 Cal. App. 2d at 253).

5 Plaintiffs state the trade secret at issue is a list of Plaintiffs’ “biggest advertising
6 campaigns and all of the associated metrics of the campaign.” Mot. at 8. The list
7 “identified advertisers, disclosed what specific campaigns were working most efficiently
8 for [Plaintiffs], how much revenue each campaign was generating, the price point at which
9 the traffic was being sold, and the competitive performance metrics on how the campaigns
10 compared to each other.” Id. at 12. Plaintiffs claim they “spent considerable time and
11 money” creating the list. Id. at 8.

12 Defendants first argue that the customer list is publicly available and therefore does
13 not constitute a trade secret. Opp’n at 7, 14–15. As an internet lead generation company,
14 Plaintiffs’ customers “may be obtained by looking at its website’s TCPA ‘Marketing
15 Partners’ section, which by law is required to list out every customer a company does
16 business with that could potentially call or text the user.” Id. at 7. Defendants point out
17 that Plaintiffs’ website lists all of their customers in accordance with this rule and that the
18 identities of their customers are publicly available. Id.

19 The Court agrees that if the list contained just the identities and locations of
20 customers, it would not constitute a trade secret because not only would that information
21 be publicly available, but it would have no economic value. The list acquired by
22 Defendants, however, contains far more. As noted above, the list also contains the revenue
23 generated by each ad campaign and various performance metrics associated with those
24 campaigns. This type of information “can be found to have economic value because its
25 disclosure would allow a competitor to direct its sales efforts to those customers who have
26 already shown a willingness to use a unique type of service or product.” *Morlife, Inc. v.*
27 *Perry*, 56 Cal. App. 4th 1514, 1522 (1997). Indeed, the value of the list obtained by
28 Defendants “is in the completeness and details of the list,” *Sun Distributing Co.*, 2018 WL

1 4951966, at *4, and the fact Plaintiffs “expended time and effort identifying customers
2 with particular needs or characteristics.” *Wanke, Indus., Commercial, Residential, Inc. v.*
3 *Keck*, 209 Cal. App. 4th 1151, 1175 (2012). This leads the Court to conclude that
4 Plaintiffs’ list contains trade secrets. See *Henry Schein, Inc. v. Cook*, 191 F. Supp. 3d 1072,
5 1077 (N.D. Cal. 2016) (“Customer information such as sales history and customer needs
6 and preferences constitute trade secrets.”).

7 Defendants next attempt to rebut Plaintiffs’ claims that their business model and
8 website components constitute trade secrets. In support of this argument, Defendants
9 submit the expert report of Doug Bania, whom Defendants “asked to review Exhibit D of
10 the Goss Declaration . . . and investigate if the components and aspects of the websites
11 built by [Plaintiffs] highlighted by Mr. Goss are unique to [Plaintiffs].” Declaration of
12 Doug Bania ¶ 2, ECF No. 17-5. Mr. Bania concludes in his report that his “investigation
13 indicates [Defendants have] not misappropriated or mis-used any unique or exclusive
14 properties belonging to [Plaintiffs].” *Id.* ¶ 73. But this argument, and the expert report in
15 general, are not relevant to the Motion at hand. Nowhere in the report does Mr. Bania
16 discuss the list or its contents, which are actually at issue. While Plaintiffs make several
17 allegations in their Complaint that Defendants misappropriated Plaintiffs’ business model
18 and website components—including those highlighted in Exhibit D—those allegations are
19 not the focus of this Motion. Instead, the only trade secret at issue is the list obtained by
20 Mr. Fiorentino from Mr. Iorio, which Mr. Bania did not address.

21 In addition to establishing the existence and ownership of a trade secret, Plaintiffs
22 also have established that they took “reasonable measures to keep such information secret.”
23 See 18 U.S.C. § 1839(3)(A). During the relevant time period, Plaintiffs required all of their
24 employees, including Mr. Iorio and Ms. Tudesco, to sign “Proprietary Information and
25 Inventions Assignment Agreements” that state the employees agreed to treat “client lists,
26 client information, [and] specific Customer needs and requirements” as confidential
27 information. Mot. at 8–9 (citing Goss Decl., Exs. B–C). Further, the information contained
28 in the list was password protected. Reply at 5, 6; Goss Decl. ¶ 6.

1 Because the information has economic value and Plaintiffs took reasonable measures
2 to protect the information, the Court finds Plaintiffs have established they have a
3 protectable trade secret.

4 2. Misappropriation

5 There is no serious dispute that Defendants misappropriated Plaintiffs' customer list.
6 Mr. Fiorentino admits that he "request[ed] a list of buyers from Mr. Iorio before he started
7 working" for Defendants. Opp'n at 6. Mr. Iorio complied with that request and sent the
8 list to Mr. Fiorentino. Mot. at 7. In support, Plaintiffs have included the email messages
9 between Mr. Iorio and Mr. Fiorentino, which clearly show the misappropriation occurred.
10 See Goss Decl., Ex. A. The Court therefore finds that Plaintiffs have established
11 misappropriation.

12 Having found that Plaintiffs have shown both the existence and ownership of a trade
13 secret and that Defendants misappropriated that trade secret, the Court concludes that
14 Plaintiffs are likely to succeed on the merits of their misappropriation of trade secrets
15 claims.

16 **B. California Unfair Competition Law**

17 California's UCL prohibits businesses from engaging in unlawful, unfair, or
18 fraudulent business acts or practices. Cal Bus. & Prof. Code § 17200. To bring a claim
19 under the UCL, a plaintiff must show that the defendant engaged in business practices that
20 were prohibited by law. *Stevens v. Super. Ct.*, 75 Cal. App. 4th 263, 285 (2005).

21 Plaintiffs claim that "Defendants' actions [were] unlawful because they violated
22 California and [f]ederal trade secret laws through their misappropriation of [Plaintiffs']
23 client list and associated metrics." Mot. at 14. Defendants do not contest that Plaintiffs
24 are likely to succeed on the merits as to this cause of action, and the Court finds Plaintiffs'
25 arguments persuasive. Thus, the Court finds that Plaintiffs are likely to succeed on the
26 merits of their UCL claim.

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1 **C. Intentional Interference with Prospective Economic Relations**

2 To state a claim for intentional interference with prospective economic relations, a
3 plaintiff must show:

- 4 (1) an economic relationship between the plaintiff and some third
5 party, with the probability of future economic benefit to the
6 plaintiff; (2) the defendant's knowledge of the relationship;
7 (3) intentional acts on the part of the defendant designed to
8 disrupt the relationship; (4) actual disruption of the relationship;
and (5) economic harm to the plaintiff proximately caused by the
acts of the defendant.

9 Youst v. Longo, 43 Cal. 3d 64, 71 n.6 (1987).

10 Under California law, CUTSA preempts common law claims that are “based on the
11 same nucleus of facts as the misappropriation of trade secrets claim.” Digital Envoy, Inc.
12 v. Google, Inc., 370 F. Supp. 2d 1025, 1034 (N.D. Cal. 2005). “In analyzing this, courts
13 focus on ‘whether [the] claims are not more than a restatement of the same operative facts
14 supporting trade secret misappropriation. . . . If there is no material distinction between the
15 wrongdoing alleged in a [C]UTSA claim and that alleged in a different claim, the [C]UTSA
16 claim preempts the other claim.’” Sun Distrib. Co., 2018 WL 4951966, at *3 (quoting
17 Convolve, Inc. v. Compaq Comp. Corp., No. 00 CV 5141(GBD), 2006 WL 839022, at *6
18 (S.D.N.Y. Mar. 31, 2006)) (internal quotations omitted). But if the claims asserted are
19 based on alternative theories of liability and new facts, CUTSA does not preempt the claim.
20 *Silvaco Data Sys. v. Intel Corp.*, 184 Cal. App. 4th 210, 238–39 (2010).

21 Here, Plaintiffs claim is entirely predicated on the misappropriation of Plaintiffs’
22 trade secrets by Defendants. Plaintiffs allege no other basis for this common law claim
23 separate from their misappropriation claims. The Court therefore concludes that CUTSA
24 preempts Plaintiffs intentional interference claim. Having determined that Plaintiffs have
25 not established the first factor for their intentional interference claim, the Court **DENIES**
26 Plaintiffs’ request for a preliminary injunction as to that claim. See *Garcia v. Google, Inc.*,
27 786 F.3d 733, 740 (9th Cir. 2015) (noting if a party fails to establish the first factor, the
28 court “need not consider the remaining three”).

1 **II. Likelihood of Irreparable Harm**

2 Next, Plaintiffs must make a clear showing that irreparable harm will occur absent
3 the preliminary injunction. This clear showing requires a plaintiff to prove more than a
4 mere “possibility” of irreparable harm; instead, they must “demonstrate that irreparable
5 injury is likely in the absence of an injunction.” *Am. Trucking Ass’ns, Inc. v. City of L.A.*,
6 559 F.3d 1046, 1052 (9th Cir. 2009). “[E]conomic injury alone does not support a finding
7 of irreparable harm, because such injury can be remedied by a damage award.” *Rent-A-*
8 *Ctr., Inc. v. Canyon Television & Appliance Rental, Inc.*, 944 F.2d 597, 603 (9th Cir. 1991).
9 A showing that the party intends “to make imminent or continued use of a trade secret,”
10 however, “will almost always certainly show irreparable harm.” *Pac. Aerospace & Elec.*,
11 *Inc. v. Taylor*, 295 F. Supp. 2d 1188, 1198 (E.D. Wash. 2003) (citing *Campbell Soup Co.*
12 *v. ConAgra, Inc.*, 977 F.2d 86, 92–93 (3rd Cir. 1992)). “Evidence of threatened loss of
13 prospective customers or goodwill certainly supports a finding of the possibility of
14 irreparable harm.” *Stuhlberg Int’l Sales Co., Inc. v. John D. Brush and Co., Inc.*, 240 F.3d
15 832, 841 (9th Cir. 2001).

16 Plaintiffs claim that the list containing trade secrets is the “life blood” of their
17 business. Mot. at 8. “Defendants are in direct competition with Plaintiffs and are actively
18 using” the trade secrets. Id. at 15. Plaintiffs allege that Defendants’ use of the list has
19 caused a decline in advertising sales revenue of “\$1,000,000 per month forcing Plaintiffs
20 to terminate 27 employees.” Id. at 15–16. Plaintiffs allege this staggering loss is
21 “[b]ecause an advertiser only has limited funds to spend” and Defendants’ solicitation of
22 Plaintiffs’ customers forces Plaintiffs “to split those amounts with Defendants.” Id. at 9.
23 Plaintiffs also claim that the “exploitation of the list and disparaging comments made by
24 Defendants . . . ha[ve] caused market confusion and . . . irreparable harm to [their]
25 reputation.” Id. The injunction is necessary, according to Plaintiffs, because “[a]s long as
26 Defendants continue to use [Plaintiffs’] trade secrets, advertisers will become less
27 incentivized to work with [Plaintiffs] or even come back to [Plaintiffs] following
28 adjudication of this matter.” Id. at 16.

1 Defendants counter the claims of irreparable harm in three ways. First, Defendants
2 Mr. Fiorentino and Ms. Tudesco both deny ever having used the list in any way. Opp’n at
3 7, 14; Tudesco Decl. ¶ 20 (stating she never saw the list and grew Defendants’
4 “advertiser-base strictly through [her] networking and the existing relationships [she]
5 secured over [her] 15+ years of being in digital marketing”); Declaration of Nicholas
6 Fiorentino (“Fiorentino Decl.”) ¶ 23, ECF No. 17-2 (“[Mr. Fiorentino] never referenced
7 [the list], needed it, found it valuable, or distributed it to anyone prior to the complaint
8 being served.”). Because Defendants claim they have not used the list for their own benefit
9 or passed the information on to any other competitor, the Court cannot attribute the harm
10 claimed by Plaintiffs to Defendants having obtained the list. Opp’n at 14–15.

11 Second, Defendants claim that they had “less than \$10,000 in total revenue from all
12 of [the] customers identified in the Plaintiffs’ customer list.” Fiorentino Decl. ¶ 2.
13 Defendants contend this amount pales in comparison to the millions in damages Plaintiffs
14 claim and therefore cuts against Plaintiffs’ claims of irreparable harm. Id. ¶¶ 2–3.

15 Finally, Defendants offer to “purge and delete all copies of Plaintiffs’ [customer list]
16 in their possession.” Opp’n at 15. According to Defendants, this would ensure that no
17 future use of the trade secrets would occur. Id.

18 Based on the evidence before it, the Court finds that Plaintiffs have met their burden
19 in showing irreparable harm. While Defendants make potentially strong arguments as to
20 why the damages may not be as high as Plaintiffs purport, the current facts point to a blatant
21 misappropriation of information that harmed not only Plaintiffs’ revenue—which by itself
22 would likely not support Plaintiffs’ arguments for irreparable harm, see *Sampson v.*
23 *Murray*, 415 U.S. 61, 90 (1974) (“The possibility that adequate compensatory or other
24 corrective relief will be available at a later date, in the ordinary course of litigation, weighs
25 heavily against a claim of irreparable harm.”)—but also its goodwill and future business
26 relationships, which can qualify as irreparable harm. See *Leatt Corp. v. Innovative Safety*
27 *Tech., LLC*, No. 09-CV-1301-IEG (POR), 2010 WL 1526382, at *11 (S.D. Cal. April 15,
28 2010) (“[I]ntangible injuries, such as damage to ongoing recruitment efforts and goodwill,

1 can qualify as irreparable harm.”). And while Defendants propose to destroy the list in its
2 possession, this would remedy only some of the problems stemming from the
3 misappropriation. Therefore, Plaintiffs satisfy their burden with respect to this factor.

4 **III. Balance of Equities**

5 “To qualify for injunctive relief, [a p]laintiff must establish that ‘the balance of the
6 equities tips in [its] favor.’” *Stormans, Inc. v. Selecky*, 586 F.3d 1109, 1138 (9th Cir. 2009)
7 (quoting *Winter*, 555 U.S. at 20). A court has the “duty . . . to balance the interests of all
8 parties and weigh the damage to each.” *L.A. Mem’l Coliseum Comm’n v. Nat’l Football*
9 *League*, 634 F.2d 1197, 1203 (9th Cir. 1980).

10 Defendants raise only one argument in opposition which the Court finds unavailing.
11 Defendants claim that they are “a new startup company with de minimis revenue.” Opp’n
12 at 15. While this may be true, they in no way have shown how precluding them from using
13 Plaintiffs’ protected trade secrets would cause them harm. The Court is not stopping
14 Defendants from conducting business in their industry; Defendants simply cannot use
15 Plaintiffs’ ill-gotten trade secrets in doing so. Moreover, Defendants have vehemently
16 denied using the list and claim they derive minimal revenue from the companies on
17 Plaintiffs’ list. See, e.g., *Fiorentino Decl.* ¶ 23. If these claims of non-use are in fact true,
18 the injunctive relief sought would cause very little damage to Defendants’ business.
19 Plaintiffs, on the other hand, have shown evidence that Defendants’ continued use of the
20 list will impact their business and goodwill with clients, thereby causing irreparable harm.
21 See *supra* Section II. Accordingly, the Court finds the balance of equities tips in Plaintiffs’
22 favor.

23 **IV. Public Interest**

24 “The public interest is served when [a] defendant is asked to do no more than abide
25 by trade laws and the obligations of contractual agreements signed with [his] employer.
26 Public interest is also served by enabling the protection of trade secrets.” *Henry Schein*,
27 191 F. Supp. 3d at 1078 (citing *Bank of Am., N.A. v. Lee*, No. CV 08-5546 CAS (JWJX),
28 2008 WL 4351348, at *7 (C.D. Cal. Sept. 22, 2008)). Here, requiring Defendants to abide

1 by trade laws and protect Plaintiffs' trade secrets serves the public interest. Thus, the fourth
2 factor is satisfied.

3 **V. Bond**

4 Under Federal Rule of Civil Procedure 65(c), a district court may grant a preliminary
5 injunction "only if the movant gives security in an amount that the court considers proper
6 to pay the costs and damages sustained by any party found to have been wrongfully
7 enjoined or restrained." District courts retain discretion "as to the amount of security
8 required, if any." *Johnson v. Couturier*, 572 F.3d 1067, 1086 (9th Cir. 2009) (internal
9 quotation marks and citations omitted) (emphasis in the original).

10 Here, the Court finds there is not sufficient evidence that Defendants will incur any
11 injury because of the injunction. The Court therefore does not require Plaintiffs to post a
12 bond. See *Diaz v. Brewer*, 656 F.3d 1008, 1015 (9th Cir. 2011) (finding no clear error
13 where district court properly invoked discretion not to have plaintiffs post bond).

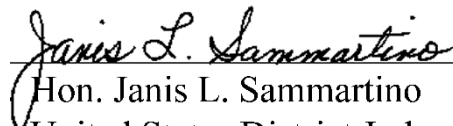
14 **CONCLUSION**

15 For the reasons above, the Court **GRANTS** Plaintiffs' Motion for a preliminary
16 injunction against Defendants (ECF No. 13).

17 **IT IS ORDERED** that, pending further order of the Court, Defendants are
18 **ENJOINED** from divulging, using, disclosing, or making available to any third person or
19 entity Plaintiffs' trade secrets or using Plaintiffs' trade secrets for the purpose of directly
20 or indirectly competing with Plaintiffs. Defendants are further prohibited from soliciting
21 any business from customers identified by Plaintiffs' trade secrets. Defendants may
22 continue any business relationships with customers identified in Plaintiffs' trade secrets
23 that were in existence before November 9, 2018; however, Defendants may not use
24 Plaintiffs' trade secrets to enhance these pre-existing business relationships in any way.

25 **IT IS SO ORDERED.**

26 Dated: May 13, 2019

27 
28 Hon. Janis L. Sammartino
United States District Judge