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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

TRAVERSE THERAPY SERVICES,
PLLC,

Plaintiff,

v.

SADLER-BRIDGES WELLNESS
GROUP, PLLC, JAMES BOULDING-
BRIDGES, HALEY CAMPBELL,

Defendants.

CASE NO. C23-1239

ORDER DENYING PLAINTIFF’S
MOTION FOR SUMMARY
JUDGMENT

This matter comes before the Court on Plaintiff’s Motion for Partial Summary Judgment. (Dkt. No. 46.) Having reviewed the Motion, the Response (Dkt. No. 63), the Reply (Dkt. No. 73), and all other supporting material, the Court DENIES the Motion and sua sponte GRANTS Summary Judgment in favor of Defendants.

BACKGROUND

This case arises from the alleged theft of trade secrets by former employees of Plaintiff Traverse Therapy Services PLLC (“Traverse”). (Complaint (“Compl.”) ¶ 1.1.) Traverse offers

1 counseling and therapy in the mental health and interpersonal relationship fields. (Compl. ¶ 2.1.)
2 Traverse alleges former employees used Traverse’s customer list to solicit at least fifty (50)
3 clients and diverted them to Defendants’ competing business. (Compl. ¶ 1.1.) Defendant James
4 Boulding-Bridges (“Bridges”) previously worked for Traverse as a supervisory therapist until
5 April 2023. (Compl. ¶ 2.5.) He then left to co-found Defendant Sadler-Bridges Wellness Group
6 (“Sadler-Bridges”), with another former Traverse employee, Raquel Sadler. (Id.) Defendant
7 Haley Campbell (“Campbell”) worked as a therapist for Traverse until she resigned in July 2023
8 to go work for Sadler-Bridges. (Id. at ¶ 2.4.) It appears other therapists working for Traverse also
9 resigned and went to work at Sadler Bridges during this time period as well. (Id. at ¶ 4.13.)

10 When Campbell resigned, she sent an email to approximately fifty (50) clients to let them
11 know she would be leaving Traverse and going to work for another practice. (Compl. ¶ 4.13.)
12 Campbell offered to continue providing services for clients who wished to follow her, but noted
13 that she would assist any clients interested in finding a new therapist. (Id.) Her email included a
14 list of insurance providers her new practice would accept and provided a non-Traverse email
15 clients could use to contact her. (Id.)

16 Because Campbell is an associate therapist, she cannot bill insurance directly. (Compl. ¶
17 4.15.) Traverse alleges that in order for Campbell to know what insurance she would be
18 providing moving forward, “she would have necessarily conspired with Bridges and [Sadler-
19 Bridges] beforehand . . .” (Id.) Traverse alleges Campbell and other employees’ resignation from
20 Traverse was coordinated with Sadler-Bridges with the intent of soliciting clients from Traverse
21 to Sadler-Bridges. (Id. at ¶ 4.18.) Traverse filed this suit bringing claims under the Defend Trade
22 Secrets Act, 18 U.S.C. § 1832 et seq. (“DTSA”), and Washington’s Uniform Trade Secrets Act
23 (“UTSA”), as well as an Intentional Interference with Business Expectancy claim. (Compl. ¶¶
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1 5.1-5.18.) Traverse now brings a Motion for Partial Summary Judgment on its DTSA and UTSA
2 claims.

3 ANALYSIS

4 A. Summary Judgment Standard

5 Summary judgment is proper “if the pleadings, the discovery and disclosure materials on
6 file, and any affidavits show that there is no genuine issue as to any material fact and that the
7 movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c). In determining whether
8 an issue of fact exists, the Court must view all evidence in the light most favorable to the
9 nonmoving party and draw all reasonable inferences in that party’s favor. Anderson v. Liberty
10 Lobby, Inc., 477 U.S. 242, 248-50 (1986). A genuine issue of material fact exists where there is
11 sufficient evidence for a reasonable factfinder to find for the nonmoving party. Id. at 248. The
12 moving party bears the initial burden of showing there is no evidence which supports an element
13 essential to the nonmovant’s claim. Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). Once the
14 movant has met this burden, the nonmoving party then must show there is a genuine issue for
15 trial. Anderson, 477 U.S. at 250. If the nonmoving party fails to establish the existence of a
16 genuine issue of material fact, “the moving party is entitled to judgment as a matter of law.”
17 Celotex, 477 U.S. at 323-24.

18 B. DTSA and UTSA

19 Traverse alleges Defendants misappropriated trade secrets in violation of the DTSA and
20 the UTSA. Because Traverse fails to meet the threshold requirement of demonstrating the
21 existence of a protectable trade secret, it’s Motion for Summary Judgment fails.

22 The elements of a DTSA and UTSA claim are substantially similar. Compare 18 U.S.C. §
23 1839(5), with RCW 19.108.010(2). Under the DTSA, “[a]n owner of a trade secret that is

1 misappropriated may bring a civil action . . . if the trade secret is related to a product or service
2 used in, or intended for use in, interstate or foreign commerce.” 18 U.S.C. § 1836(b)(1). A
3 plaintiff asserting a DTSA or UTSA claim must establish (1) the existence of a protectable trade
4 secret, and (2) facts constituting misappropriate. NW Monitoring LLC v. Holander, 534 F. Supp.
5 3d 1329, 1336 (W.D. Wash. 2021). “A plaintiff seeking to establish a trade secrets claim under
6 the uniform act has the burden of proving that legally protectable secrets exist.” Boeing
7 v. Sierracin Corp., 108 Wn.2d38, 49-50. Before determining whether Defendants’ acts constituted
8 misappropriation, the Court must first assess whether there is a protectable trade secret.

9 Traverse asserts its patient identities and contact information is a protectable trade secret.
10 The Court disagrees. A trade secret is information that (1) derives independent economic value
11 from not being generally known to, and not being readily ascertainable by proper means; and (2)
12 is the subject of efforts that are reasonable under the circumstances to maintain secrecy.” RCW
13 19.108.010(4). “A key factor in determining whether information has ‘independent economic
14 value’ under the statute is the effort and expense that was expended in developing the
15 information.” McCallum v. Allstate Prop. & Cas. Ins. Co., 149 Wn.App. 412, 424 (2009). The
16 allegedly unique, innovative, or novel information must be described with specificity and,
17 therefore, “conclusory” declarations that fail to “provide concrete examples” are insufficient to
18 support the existence of a trade secret. Id. at 425-26. Compilations of customer information may
19 be a trade secret. Ed Nowogroski Ins., Inc. v. Rucker, 137 Wn.2d 427, 440 (1999). “[W]hether a
20 customer list is protected as a trade secret depends on three factual inquiries: (1) whether the list
21 is a compilation of information; (2) whether it is valuable because unknown to others; and (3)
22 whether the owner has made reasonable attempts to keep the information secret.” Id. at 442.

1 Traverse puts forth no evidence to suggest that its patient list constitutes a trade secret;
2 rather, Traverse conflates the mere existence of a patient list that it is legally required to keep
3 confidential per the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)
4 with a trade secret. HIPAA is a federal law that requires entities to protect and keep confidential
5 individually identifiable health information. See 42 U.S.C. § 1320d-2; 45 C.F.R. § 160.103.
6 Neither party disagrees the patient list is a compilation of information – namely contact
7 information – that was kept secret, and that it was done so pursuant to HIPAA. For example, in
8 its Reply brief, Traverse acknowledges “HIPAA is an alternative and independent basis for
9 secrecy of therapy client information . . .” (Reply at 7.) Additionally, the president of Traverse,
10 Catherine Southard’s own declaration explains that Defendants knew client identities and contact
11 information was secret because “HIPAA . . . mandates . . . that clients’ personal health
12 information be kept secure and secret.” (Declaration of Catherine Southard at ¶ 4 (Dkt. No. 75).)
13 Southard also acknowledges that all of Traverse’s computers are password protected and
14 physical files containing client information are kept locked in order to be “HIPAA-compliant.”
15 (Id. at ¶ 6.) The information was restricted, but the briefs and supporting materials demonstrate
16 this was pursuant to HIPAA, not to keep trade secret information confidential.

17 The Court also finds that Traverse fails to demonstrate the information is valuable
18 because it is kept secret or that Traverse underwent effort and expense in developing the
19 information. Traverse claims the patient list and contact information is valuable because it is
20 marketing information that competitors could use. Traverse argues that unlike other industries,
21 there is no public database of persons willing and able to purchase therapy services. (Motion at
22 5-6.) Traverse uses the example of a roofing contractor who sees a house with bad shingles to
23 distinguish itself from other services. (Id. at 6.) But this analogy is flawed as most industries
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1 cannot look at person and determine what their needs are, and most service providers do not
2 walk the street attempting to find potential clients. Nor does Traverse claim it actually used the
3 information to market services to its patients or that it undertook effort and expense to develop
4 the information. Rather, patients were passively marketed to by therapists, including by
5 Defendants, by placing their profile on Psychology Today, where individuals seeking services
6 could peruse and contact therapists. (Declaration of Haley Campbell at ¶ 3 (Dkt. No. 66).)
7 Though Traverse claims it paid for the Psychology Today profiles for its employees, this does
8 not aid its argument. (Southard Decl. at ¶ 2.) Paying for employees’ profiles on a website that is
9 utilized to direct potential patients to services demonstrates this is how Traverse marketed its
10 services. What it fails to do is demonstrate that the normal patient information Traverse received
11 as a result of this marketing, and through the natural course of collecting patient information, is a
12 trade secret. Just because Defendants used patient contact information to alert them that they
13 were moving practices and some patients followed their mental health provider to a new practice,
14 does not mean the information is a trade secret. Instead, the undisputed facts suggest that the
15 patient information was compiled through Traverse’s normal course of business. The Court finds
16 Traverse fails to demonstrate the patient information is in any way innovative or contains such
17 unique information that competitors would want the information in order to enjoy a competitive
18 advantage.

19 Traverse argues this case is similar to Trost v. Aesthetic Litetouch, Inc, P.S., 151
20 Wn.App. 1002 (2009) (unpublished). In Trost, a registered nurse (“RN”) at a high-end cosmetic
21 medical practice left her employer to go work at a competing cosmetical medical practice and
22 took with her a list of patient contact information and treatment histories. 151 Wn.App. at *1.
23 The RN used the patient lists to solicit business from individuals who had previously received
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1 treatment from her previous employer. Id. Prior to leaving, her employer forbid her from taking
2 any patient records or copying down any patient information. Id. The Washington Court of
3 Appeals upheld the trial court’s granting of summary judgment in favor of the employer on its
4 trade secrets claim reasoning that there was no dispute of fact that the patient list was valuable
5 because even the RN acknowledged it allowed her new employer to solicit business from
6 individuals they knew were likely to get treatment. Id. at *4.

7 The facts in Trost are distinguishable from those here for three reasons. First, unlike in
8 Trost, there is no agreement that Traverse’s patient list has economic value. And Traverse’s
9 assertions that it does is belied by its lack of evidence and its tacit acknowledgement it advertised
10 through its providers’ Psychology Today profiles. Second, the services at issue are also different.
11 In Trost, the competing services were cosmetic procedures – an industry in which different
12 procedures and treatments are available, are sought by clients at different intervals, and which
13 companies can direct advertisements to by offering discounts or recommending new procedures
14 based on what patients have had in the past. In contrast, here, the services being provided are
15 ongoing mental health services more akin to a patient seeing a primary care doctor than a
16 dermatologist or plastic surgeon. Again Traverse puts forth no evidence to suggest it sent
17 mailings to its patients offering new services or discounts that could be utilized by a competitor.
18 And third, the most critical difference is that the RN acknowledged she worked under the
19 supervision of a physician and therefore had no professional responsibility to inform patients of
20 her new whereabouts. 151 Wn. App. at *1. Here, Defendants were the treating providers of the
21 patients who left Traverse. Defendants thus had a duty of care to inform their patients of their
22 departure from Traverse and to offer to continue providing services should the patients wish to
23 follow.

1 The clerk is ordered to provide copies of this order to all counsel.

2 Dated April 19, 2024.

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4 Marsha J. Pechman
5 United States Senior District Judge

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