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STATE OF MINNESOTA
IN COURT OF APPEALS
A17-0575

Donald Dean Oberfoell, individually and Do-Bid Holdings, LLC,
d/b/a Do-Bid Online Auctions,
Appellants,

vs.

Bartley Nathaniel Kyte, a/k/a Bart Kyte, individually and
d/b/a 2 Rivers Auctions, LLC, and d/b/a 2riversauctions.com,
Respondents.

Filed January 22, 2018
Affirmed
Smith, Tracy M., Judge

St. Louis County District Court
File No. 69VI-CV-15-156

Bryan M. Lindsay, The Trenti Law Firm, Virginia, Minnesota (for appellants)

R. Thomas Torgerson, Hanft Fride, Duluth, Minnesota (for respondents)

Considered and decided by Hooten, Presiding Judge; Smith, Tracy M., Judge; and Smith, John, Judge.[*]

[*] Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

U N P U B L I S H E D   O P I N I O N

SMITH, TRACY M., Judge

Respondent Bartley Kyte worked for appellant Donald Oberfoell's online-auction business until Kyte left to start his own online-auction business. Appellants (Oberfoell and his business Do-Bid Holdings, LLC) asserted a number of claims against respondents (Kyte and his business 2 Rivers Auctions, LLC), including breach of contract not to compete, violation of the Minnesota Uniform Trade Secrets Act (MUTSA), and conversion. Following a bench trial, the district court ruled in favor of respondents and dismissed all claims with prejudice. Because we conclude that the district court properly determined that the noncompete agreement was unenforceable, that appellants did not establish a trade-secret violation, and that appellants' conversion claim was precluded by their statutory trade-secrets claim, we affirm.

FACTS

Oberfoell is the owner and operator of Oberfoell Auctioneers, which has operated live auctions in northern Minnesota since the 1980s. Oberfoell and his wife own Do-Bid Holdings LLC, which does business as Do-Bid Auctions and provides facilities to Oberfoell's other properties.

Kyte began working for Oberfoell in early 2009, with no contract in place, when Oberfoell Auctioneers had just begun to operate an online-auction business through Do-Bid.com. Kyte initially performed tasks such as taking photographs and writing descriptions of auction items. As he continued to work for Oberfoell, Kyte was included in more business activities and eventually took over the computer work for Oberfoell's online-auction business.

In late December 2009, at Oberfoell's request, Kyte signed an "Association Agreement" containing a noncompete clause. In relevant part, the agreement read:

> Associate further covenants and promises that, if for any reason, the relationship of auction/real estate sales broker and associate shall be terminated between the signatories, associate shall not, directly or indirectly, for a period of 5 years from the date of discontinuance of the relation, engage in the activity of general auction and real estate sales, as either broker, sales person, independent contractor or employee, within an area extending 150 miles from Mt. Iron, Minnesota.

In 2012, Oberfoell hired Charles Crep to create a number of process manuals and documents for the operation of Oberfoell Auctioneers and its affiliates, including an Excel spreadsheet for auction listings that was scripted to automatically populate certain fields. A nearly identical spreadsheet was later found on Kyte's computer after he left Oberfoell Auctions and started his own online auction business.

In the late summer of 2014, Kyte informed Oberfoell that he would be leaving his employment after the scheduled fall auctions were finished. In October, Kyte stopped working for Oberfoell.

In early 2015, Kyte began conducting online auctions through his new business, 2 Rivers Auctions. In late March, two of Oberfoell's employees left Oberfoell's employment and began working for Kyte at 2 Rivers.

Appellants sued respondents, alleging breach of contract, breach of duty of loyalty, tortious interference with business relations, conversion, and violation of MUTSA. After a bench trial, the district court determined that the noncompete agreement was unenforceable and dismissed all of appellants' claims with prejudice. Appellants challenge the district court's dismissal of their breach-of-contract, conversion, and MUTSA claims.[1]

D E C I S I O N

I. The district court did not err in determining that the noncompete clause in the association agreement was unenforceable.

Noncompete covenants are to be "carefully scrutinized by courts" and are "traditionally disfavored as restraints on an individual's ability to make a living." *Klick v. Crosstown State Bank of Ham Lake, Inc.*, 372 N.W.2d 85, 87 (Minn. App. 1985). "Because restrictive covenants are agreements in restraint of trade, they are enforced only to the extent reasonably necessary to protect a legitimate business interest." *Webb Publ'g Co. v. Fosshage*, 426 N.W.2d 445, 450 (Minn. App. 1988). It is not within the scope of this court's review "to make the essentially factual finding of whether the [restrictive] covenant was reasonable." *Klick*, 372 N.W.2d at 87-88. As such, this court will not set aside a district court's determinations regarding whether a restrictive covenant is reasonable unless those findings are clearly erroneous. *Id.* at 88.

[1] In their brief on appeal, appellants include the tortious-interference-with-contract claim in the list of legal issues but do not address it further. Because appellants failed to brief this issue they have waived it. *See Melina v. Chaplin*, 327 N.W.2d 19, 20 (Minn. 1982) (concluding issues not briefed on appeal are waived); *State v. Modern Recycling, Inc.*, 558 N.W.2d 770, 772 (Minn. App. 1997) ("An assignment of error based on mere assertion and not supported by any argument or authorities in appellant's brief is waived and will not be considered on appeal unless prejudicial error is obvious on mere inspection.") (quotation omitted).

A. The district court properly found no legitimate, protectable interest.

"[R]estrictive covenants are enforced to the extent reasonably necessary to protect legitimate business interests. Legitimate interests that may be protected include the company's goodwill, trade secrets, and confidential information." *Medtronic, Inc. v. Advanced Bionics Corp.*, 630 N.W.2d 438, 456 (Minn. App. 2001). The district court found that appellants "failed to demonstrate a legitimate business purpose for which the non-compete agreement is necessary to protect." Appellants argue that the noncompete agreement was necessary to safeguard Oberfoell's goodwill, as well as his trade secrets and confidential information, and therefore was reasonably protecting a legitimate business interest.

1. Goodwill

Appellants contend that Oberfoell had a legitimate business interest based on Kyte's increasing involvement with clients throughout his employment "to the point that [Kyte] was operating the business and effectively became the face of [Oberfoell's] operations." Appellants' argue that, "[t]hrough his increasing role in [the] business, [Kyte] was in [a] position to acquire a close personal hold upon many of [Oberfoell's clients] and in consequence a substantial portion of [Oberfoell's goodwill]."

To support their argument, appellants cite to cases that stand for the proposition that a purchase of a business can incorporate the purchase of customer goodwill, which can be protected by a reasonable noncompete agreement with the seller. *See, e.g.*, *Bess v. Bothman*, 257 N.W.2d 791, 794 (Minn. 1977) ("A party may purchase the goodwill of a business and, to protect his investment, require the seller not to compete with the business sold. But such a restraint of trade is valid only if it is reasonable, and a restraint that provides more protection to the purchaser than is necessary to secure the goodwill he purchased is unreasonable and therefore illegal.”). Appellants also point to cases where an employee had a “route” that made the employee the customers’ exclusive contact with the employer’s business, *see Menter Co. v. Brock*, 147 Minn. 407, 410-11, 180 N.W. 553, 555 (1920) (discussing milk and laundry route cases), or where a professional employee built up a client base with the employer’s patients, *see Granger v. Craven*, 159 Minn. 296, 300, 199 N.W. 10, 12 (1924) (involving a medical practice). Appellants suggest that, similar to these cases, Kyte carried his employer’s goodwill because he frequently interacted with customers to the point that they associated him with Oberfoell’s business and this association created a legitimate business interest that was properly protected by a noncompete agreement.

The record supports the district court’s finding of no legitimate business interest based on customer relationships. The record indicates that Kyte’s responsibilities at Oberfoell Auctions grew throughout his employment and that, although his employment began with relatively basic tasks, such as photographing auction items and writing descriptions, he eventually ran the online auction website. But appellants never identified any of Oberfoell’s customers—most notably the customers Kyte allegedly had regular contact with—or submitted the company’s buyer or seller list into evidence. Significantly, appellants not only introduced no evidence of its customer lists, they also produced no evidence of any improper use of those lists. In the cases appellants rely on, there was more than just, as appellants assert, a “strong possibility” that customers would follow a former employee; a significant number of customers were actually shown to have done just that. *See Saliterman v. Finney*, 361 N.W.2d 175, 176 (Minn. App. 1985) (enforcing noncompete agreement where former employee violated a restrictive covenant by establishing a competing dental practice within three miles of former employer's office and actively soliciting prior employer's patients using confidential patient lists); *Granger*, 159 Minn. at 297, 199 N.W. at 11 (enforcing noncompete agreement against physician's assistant after assistant actively advertised new medical practice in the local newspaper).

Furthermore, appellants did not establish that Kyte was even in a position to carry Oberfoell's goodwill based on his contact with customers during his employment with Oberfoell. Kyte testified that he worked more closely than Oberfoell did with "some" sellers and would work with these sellers on "multiple occasions." And at the height of his work, Kyte managed the online website. Yet there is no evidence in the record that Kyte was the "face" of the online auction company or customers' exclusive contact with Oberfoell's business. Nor is there any evidence suggesting that customers who had worked with Kyte were hesitant to continue business with Oberfoell after Kyte's departure, let alone that any customer actually followed Kyte to his new business at 2 Rivers Auctions.

Based on the lack of evidence regarding Oberfoell's customer loyalty, or even who exactly Oberfoell's customers were, we conclude that the district court did not clearly err in finding that appellants failed to establish the existence of a protectable goodwill interest.

2. Trade Secrets and Confidential Information

Appellants also argue that Oberfoell's client list, as well as his "business records, proprietary information and affiliate training and process manuals" warranted protection by a noncompete agreement, presumably because they qualified as either trade secrets or confidential information. *See Medtronic*, 630 N.W.2d at 456. Appellants identify two types of information that they argue qualify as protectable under a noncompete agreement: (1) the bidder and seller lists (collectively "client list") and (2) the processes and materials prepared by Crep. We address each in turn.

Client List

Customer lists that are generally available are not considered trade secrets. *See, e.g.*, *Widmark v. Northrup King Co.*, 530 N.W.2d 588, 592 (Minn. App. 1995) (identity of seed dealer's customers was not trade secret under MUTSA, when customers' identities could be ascertained by seller from purchase orders placed by dealer, which included customer's name and address), *review denied* (Minn. Jun. 14, 1995)

These customer lists do not qualify because all the elements of a trade secret are not met. Here, either the information was readily ascertainably by others, or Oberfoell failed to take reasonable efforts to maintain its secrecy, or both. Oberfoell testified that information on his clients, including clients' full name, was available in formats regularly accessed by employees and independent contractors. Although only Kyte and Oberfoell had master passwords allowing them to download the complete customer list from a work computer, bidder-list information was available on the invoices that employees and other company affiliates used regularly. Crep also had access to the bidder list while providing services to Oberfoell. Similarly, sellers' names and contact information were listed in the sales contracts that were written by salespeople and receptionists. Copies of the seller list were also available on the front desk computers, which were accessible without passwords, and all salespeople had access to this list upon request. Hard copies of the seller list were available in the reception areas of Oberfoell's offices, areas to which the public had access. Moreover, Oberfoell never gave his employees or independent contractors—including Crep—a confidentiality policy. Based on the number of people who had access to Oberfoell's client information without passwords or a confidentiality agreement, the record supports the district court's implicit finding that appellants' client list was not confidential or a trade secret.

In addition, appellants argue that "[Kyte's] *ability* to misappropriate the client list and compete against [Oberfoell] warranted protecting the information through the use of a covenant not to compete . . . ." (Emphasis added.) Yet, in seeking to enforce the agreement, appellants again point solely to cases in which courts have enforced noncompete agreements against former employees who not only had the ability to misappropriate clients but actually did so by copying their employer's list and soliciting former clients. *See Equip. Advertiser, Inc. v. Harris*, 271 Minn. 451, 136 N.W.2d 302 (1965); *Thermorama, Inc. v. Buckwold*, 267, Minn. 551, 125 N.W.2d 844 (1964). As previously discussed, in this case there is no evidence in the record that Kyte solicited any of Oberfoell's clients or copied his bidder or seller lists. In fact, Oberfoell hired a forensic expert who found no such lists on Kyte's computer.

Materials created by Crep

Appellants also argue that "processes, procedures and systems" developed by Crep for Oberfoell's auction business were protectable interests, again presumably because they were confidential or trade secrets. At trial, Oberfoell presented evidence regarding a variety of documents and spreadsheets commissioned by Oberfoell to assist "in updating, streamlining, and improving his company systems."

Appellants argue that the district court applied an improper standard to determine whether a protectable interest was present by requiring appellants to demonstrate "something in the nature of a trade secret or a heightened level of protection" rather than looking at whether Oberfoell used "reasonable effort[s]" to protect the information. It is true that merely confidential information, not just trade secrets, may be a protected interest. *See Medtronic*, 630 N.W.2d at 456. Yet here, no document created by Crep was ever marked as confidential, nor does the record indicate that Crep's employment agreement addressed, let alone defined, confidential information. The district court did not state that it was applying only a trade-secret analysis when it considered whether appellant had established a protectable interest.

Moreover, even under appellant's suggested "reasonable effort[s]" standard, the record supports the district court's finding of no protectable interest. The training manuals, processes, and documents that Crep created were distributed to Oberfoell's employees and affiliates. While Oberfoell initially asked Crep to sign a confidentiality agreement, Crep refused and never signed one. Throughout his work for Oberfoell, Crep was not directed to mark any of the documents he prepared as confidential or trade secret, nor did he do so. We conclude that it was not a clear error to find no protectable interest under these facts.

B. The district court did not clearly err in finding the noncompete agreement unreasonable.

The district court invalidated the noncompete agreement based not only on lack of a protectable interest but also on the scope of the agreement. When examining the reasonableness of a restrictive covenant, the district court should consider "the nature and character of the employment, the nature and extent of the business, the time for which the restriction is imposed, the territorial extent of the covenant, and other pertinent conditions." *Dynamic Air, Inc. v. Bloch*, 502 N.W.2d 796, 799 (Minn. App. 1993).

In this case, the noncompete agreement prohibited Kyte from working in the auction business within 150 miles of where Oberfoell Auctioneers was located, for five years after his association with Oberfoell ended. The district court found both the geographic restriction and duration of the agreement unreasonable.

Geographic restriction

Appellant argues that the 150-mile restriction was reasonable and supported by Oberfoell's testimony that this geographic area was necessary for him to maintain his customer base. At trial, Oberfoell stated that the majority of his bidders and sellers resided in the geographic area specified in the noncompete agreement. Oberfoell explained that this 150-mile radius was the "farm area" he had cultivated and that he continued to require this geographic area to support his auction business. Oberfoell testified that such a large farm area was required to support his auction company in the Iron Range because there were fewer people living there, as compared to the Twin Cities.

As respondents point out, Oberfoell did not submit evidence that Kyte interacted with customers in the geographic radius specified by the noncompete agreement during his employment with Oberfoell. The only evidence justifying this geographic area was Oberfoell's own testimony that most of his customers lived within this 150-mile radius. No customer lists were submitted into evidence with the actual addresses of bidders or sellers. Moreover, as the district court noted, "the 150 mile restriction is arbitrary in the context of an online auction business." Based on the record, it was not clearly erroneous for the district court to find that Oberfoell failed to establish that this geographic restriction was necessary. Therefore, the district court did not clearly err in finding the geographic scope of the noncompete agreement unreasonable.

Duration

Appellants argue the five-year time restriction was necessary because 35% to 40% of Oberfoell's clients would typically return or refer new clients back to him within a five-year cycle. Respondents argue that "[Oberfoell's] evidence, even if believed, does not address the relevant factors necessary to establish an enforceable non-compete [agreement]."

When assessing the duration of a restrictive covenant, courts consider two factors: "(1) the length [of time] necessary to obliterate the identification between employer and employee in the minds of the employer's customers, and (2) the length of time necessary for an employee's replacement to obtain licenses and learn the fundamentals of the business." *Dean Van Horn Consulting Assocs. v. Wold*, 395 N.W.2d 405, 408-09 (Minn. App. 1986). Applying this analysis, the district court found that the five-year restriction was unreasonable because, "based on the nature of the work, it would not take a significant period of time to train a replacement and [Oberfoell's] customers could become accustomed to [respondent] Kyte's replacement quickly."

The district court's reasoning is supported by the record. Oberfoell never hired a replacement for Kyte or trained an existing employee to perform Kyte's job after his departure. Oberfoell simply delegated Kyte's previous work to other employees. Likewise, while Oberfoell may have mentored Kyte and taught him about the auction business, Kyte was able to begin running the online website within a few months of commencing employment, and there is no evidence that Kyte received extensive training to learn to do computer work for Oberfoell's business. *See Klick*, 372 N.W.2d at 89 (affirming unenforceability of noncompete agreement where testimony suggested that "appellant's motivation for the restrictive covenant was not to protect its legitimate interests in preventing unfair competition, but to protect its 'investment' in respondent by forcing him to remain with the [employer] for a long time").

Appellants also did not establish that a five-year restriction was necessary to allow customers to stop associating Kyte with Oberfoell's business. Kyte's departure was announced for several weeks on Oberfoell Auctioneer's website. As respondents point out, "Oberfoell did not produce any evidence showing that anyone contacted Oberfoell after Kyte's departure seeking to deal with Kyte, or that if they did, [that they] refused to deal with Oberfoell because Kyte was no longer available."

Appellants cite *Davies & Davies Agency, Inc. v. Davies*, 298 N.W.2d 127 (Minn. 1980), as analogous to this case. *Davies* involved a five-year, 50-mile-radius noncompete agreement between an insurance company and its former employees. *Id.* at 129. In that case, however, the Minnesota Supreme Court affirmed the district court's determination that the five-year restriction was unreasonable and unenforceable and that the temporal restriction should be reduced to one year. *Id.* at 131-32. Thus, even in *Davies*, the five-year duration was found to be unreasonable. Based on the record here, we conclude the district court's finding that the five-year restriction was unreasonable is not clearly erroneous.

Blue Penciling

In the alternative, appellants request that, should the district court's finding that the noncompete agreement was unreasonable in scope be affirmed, this court should remand the case to the district court to "blue pencil" the covenant and enforce it as revised. Under the blue-pencil doctrine, if the district court finds that a restrictive covenant is unreasonable as written, it may modify the covenant "to render it reasonable and enforceable." *Dynamic Air*, 502 N.W.2d at 800; *see also Davies*, 298 N.W.2d at 131-32 (approving district court's modification of five-year restriction to one year). This court reviews the district court's decision to blue pencil a restrictive covenant for an abuse of discretion, and the same abuse of discretion standard is applied when reviewing a district court's decision not to blue pencil a restrictive covenant. *Klick*, 372 N.W.2d at 88-89.

"While it is certainly within the power of the trial court to modify [a noncompete agreement], no cases say that a court must do so." *Id.* at 88. As discussed above, the record supports the district court's findings regarding the unreasonableness of scope of the noncompete agreement. The district court did not abuse its discretion in declining to blue pencil the agreement.

II. The district court did not err in finding that appellants' claimed business information did not qualify as a trade secret.

Appellants challenge the dismissal of their claim under MUTSA, Minn. Stat. §§ 325C.01-.08 (2016), arguing that the district court erred in determining that Oberfoell's business processes, forms, and client list do not constitute a trade secret. To prevail on a MUTSA claim, a plaintiff must show both the existence and misappropriation of a trade secret. *Electro-Craft Corp. v. Controlled Motion, Inc.*, 332 N.W.2d 890, 897 (Minn. 1983). MUTSA defines a trade secret as information that (1) is not generally known or readily ascertainable by others, (2) derives independent economic value from secrecy, and (3) is the subject of efforts that are reasonable under the circumstances to maintain secrecy. Minn. Stat. § 325C.01, subd. 5(i), (ii); *see also Electro-Craft*, 332 N.W.2d at 899-901 (applying statutory test). If an employee acquires a trade secret without express notice that it is a trade secret, then the employee must know or have reason to know that the owner expects secrecy. Minn. Stat. § 325C.01, subd. 5.

The district court found that Oberfoell's business information "is not overly complex, is generally known and is readily ascertainable," and that "[appellants] failed to demonstrate that they put forth reasonable efforts to maintain the secrecy of the claimed trade secrets." A district court's findings on whether information is generally known or readily ascertainable by others, and on whether information is the subject of efforts that are reasonable under the circumstances to maintain secrecy, are findings of fact that we review for clear error. *Electro-Craft*, 332 N.W.2d at 899, 901-02.

Crep's materials

Appellants argue that "processes developed by Charlie Crep in 2012 which were employed in [Oberfoell's] business operations are trade secrets." Appellants assert that this information was protected by passwords and implicitly argue that this password protection made the information not generally available and constituted a reasonable effort to maintain secrecy.

Although appellants offer no authority stating that a password alone is enough to maintain the secrecy of a business's trade secret, "[s]ecrecy need not be total; depending on the circumstances, only partial or qualified secrecy will do," and we must determine if appellant took *reasonable* efforts to maintain secrecy. *Jostens, Inc. v. Nat'l Comput. Syss., Inc.*, 318 N.W.2d 691, 700 (Minn. 1982) (citing *Com-Share, Inc. v. Comput. Complex, Inc.*, 338 F. Supp. 1229, 1234-35 (E.D. Mich. 1971) (finding that computer software was protected because plaintiff marked each page as confidential and built passwords into the system to prevent unauthorized access)). In *Electro-Craft*, the Minnesota Supreme Court held that the existence of trade-secret protection depends upon a "continuing course of conduct by the employer" that creates a "confidential relationship." 332 N.W.2d at 901. "This relationship, in turn, creates a reciprocal duty in the employee to treat the information as confidential insofar as the employer has so treated it." *Id.*

Here, the record does not establish this confidential relationship. No testimony was introduced suggesting that Crep's processes and documents were password protected, and

Crep testified that his process manuals were distributed to Oberfoell's affiliates. None of Crep's materials were marked as trade secrets or confidential. The district court did not clearly err in finding that this information was generally known and readily ascertainable and that the secrecy was not reasonably maintained.

Client list

Customer identity and location are generally not considered to be trade secrets. *See, e.g.*, *Widmark*, 530 N.W.2d at 592 (affirming district court's finding of no trade secrets when identities of customers were "readily ascertainable" from purchase orders and plaintiff presented no specific evidence of reasonable efforts to keep identities of customers secret), *review denied* (Minn. Jun. 14, 1995). Here, the same customer information that was on the allegedly confidential client list was also regularly included on invoices and sales contracts. Numerous employees and independent contractors, none of whom were subject to a confidentiality agreement, had access to this information and worked with it on a regular basis. While the master bidder list was password protected, the seller list was not. In addition, neither the bidder list nor the seller list was marked as confidential.

Appellants argue that, nevertheless, Oberfoell "set the expectation within his business that disclosure of company information was not permissible." Yet, neither the record nor appellants' brief explains how Oberfoell communicated this expectation at large to his employees, independent contractors, or affiliates. The transcript pages that appellants cite in support refer only to an exchange between Kyte and Oberfoell in 2012 in which Oberfoell reprimanded Kyte for sharing passwords with a third party and informed Kyte that the bidder list was of "considerable value." There is no evidence of any general business policy or conversations between Oberfoell and other workers who had regular access to company information.

Based on the record, the district court did not clearly err in finding that the materials created by Crep, as well as Oberfoell's client list, were generally known and readily ascertainable by others and not reasonably protected by Oberfoell. Therefore, we conclude that the district court did not err in concluding that appellants failed to establish the existence of a trade secret and in dismissing their claim under MUTSA.

III. The district court properly concluded that appellants' conversion claim was displaced by its trade secrets claim.

Appellants argue that the district court erred in dismissing their conversion claim as displaced by MUTSA. Statutory interpretation presents a question of law, which we review de novo. *Halvorson v. Cty. of Anoka*, 780 N.W.2d 385, 389 (Minn. App. 2010).

Minn. Stat. § 325C.07 establishes when a common-law claim is displaced by a statutory misappropriation-of-trade-secrets claim:

> (a) Except as provided in paragraph (b), sections 325C.01 to 325C.07 displace conflicting tort, restitutionary, and other law of this state providing civil remedies for misappropriation of a trade secret.
>
> (b) Sections 325C.01 to 325C.07 do not affect: (1) contractual remedies, whether or not based upon misappropriation of a trade secret; (2) other civil remedies that are not based upon misappropriation of a trade secret; or (3) criminal remedies, whether or not based upon misappropriation of a trade secret.

The district court determined that appellants' conversion claim was displaced because it was based on the same documents, information, and processes alleged to be trade secrets under MUTSA. Appellants concede they brought a conversion claim as an alternative claim "in the event that the information did not qualify as a trade secret." Appellants cite no case in support of their assertion that the district court erred in determining that their common-law claim was statutorily displaced.

Two federal district court decisions are persuasive in support of the conclusion that appellants' conversion claim was statutorily displaced. In *Superior Edge, Inc. v. Monsanto Co.*, a Minnesota federal district court granted a motion to dismiss a conversion claim when "there [was] no information that [plaintiff] allege[d] was converted that it [did] not also allege [to be] a trade secret." 964 F. Supp. 2d 1017, 1039-40 (D. Minn. 2013). Similarly, in *SL Montevideo Tech., Inc. v. Eaton Aerospace*, *LLC*, the federal district court denied a rule 12 motion to dismiss a claim under MUTSA but granted the motion to dismiss common-law conversion and tortious-interference claims because the common-law claims alleged nothing more than misappropriation of trade secrets. 292 F. Supp. 2d 1175, 1179-80 (D. Minn. 2003).

As in *Monsanto* and *SL Montevideo*, appellants identify no allegedly converted information that differs from the information claimed to be a trade secret. Therefore, we conclude that the district court properly dismissed appellants' conversion claim.

Affirmed.