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**IS THERE AN EMPIRICAL BASIS FOR PREDICTIONS OF  
INEVITABLE DISCLOSURE?**

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*Abstract*

*The concept of inevitable disclosure in trade secret law — that an employee should be blocked from taking a new job because it must be presumed that he or she cannot help but to engage in future wrongdoing — resembles a sociological hypothesis. It sounds like a concept that would result from empirical studies reflecting a methodology that takes account of many factors.*

*But that is not so. A review of more than 200 nationwide cases tells us that the hypothetical construct of inevitable disclosure is instead a very successful example of legal storytelling—a legal fiction that has all too often substituted for rigorous analysis.*

*Although the debate about inevitable disclosure among legal scholars, courts, and practitioners is widespread, this is the first Article to ask whether that hypothetical construct has an empirical basis. Using a data-set of nationwide case law stretching back over one hundred years, with an emphasis on recent decisions, this Article concludes that a significant minority of courts considering requests for inevitable disclosure injunctions do so using a purely abstract, unverifiable construct. Some courts even reject evidence of good faith conduct in favor of that construct.*

*Beyond adopting the unverifiable construct of inevitable disclosure, courts usually fail to consider important empirical questions that would call the construct into question. These questions include whether the intervention of counsel affects the prediction of certain future wrongdoing and whether the former employer itself has managed to hire from competitors without its employees engaging in uncontrollable wrongdoing. That lack of sustained analysis is out of step with the attention to methodology often seen in another important aspect of trade secret litigation — financial predictions by expert witnesses.*

*This Article does not propose yet another multi-factor balancing test as a solution to the problem of the inevitable disclosure injunction. This Article instead argues that there is a serious methodological shortcoming in the way some courts evaluate requests by trade secret plaintiffs to stop employees from starting a new job. Namely, that inevitable disclosure is not the product of empirical analysis about the way employees' minds operate, but is instead merely legal storytelling, heavily biasing disputes against employees whom have changed jobs. Inevitable disclosure should be eliminated from trade secret jurisprudence in favor of case-specific, fact-based analyses.*

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## I. INTRODUCTION

The so-called “inevitable disclosure” theory of trade secret law is an odd creature. For example, imagine a former employer suing a departing employee who has taken a new, similar job with a competitor. The employer contends that the employee will automatically and ineluctably misappropriate trade secrets even if he or she does not intend to do so. In some courts, as we shall see, that bare hypothesis is all it takes for a court to fire the employee through a job-blocking injunction.<sup>1</sup>

There has been plenty of commentary about inevitable disclosure for two decades now.<sup>2</sup> Some of it is practical, offering balancing tests or factors for courts to consider.<sup>3</sup> Some of it asks the bigger questions—whether blocking employee job choices in this dramatic manner impedes regional economic growth or unduly harms the interests of individual employees.<sup>4</sup> But the basic methodological question has escaped scrutiny: is there an empirical basis for the proposition that a person who changes jobs and joins a competitor ineluctably misappropriates trade secrets at the new job? Or is inevitable disclosure instead a highly successful example of legal storytelling, so appealing that it substitutes for analysis grounded in fact?

To answer that question, this Article considers more than 200 cases addressing some form of inevitable disclosure, across a century of case law. The issue is whether courts issuing inevitable disclosure injunctions stop to examine empirical evidence at all, and to what degree – or rest instead on a hypothetical construct. To be sure, the majority of courts entertaining such arguments do not rely entirely on strict, or purely hypothetical, reasoning.<sup>5</sup> They instead consider at least some of the facts before them.<sup>6</sup> But a troubling minority position, one that has cropped up in different jurisdictions over the decades, simply

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<sup>1</sup> See *infra* Part II.

<sup>2</sup> See e.g., Sonya P. Passi, *Compensated Injunctions: A More Equitable Solution to the Problem of Inevitable Disclosure*, 27 BERKELEY TECH. L.J. 927 (2012); Eleanore R. Godfrey, *Inevitable Disclosure of Trade Secrets: Employee Mobility v. Employer’s Rights*, 3 J. HIGH TECH. L. 161 (2004); John H. Matheson, *Employee Beware: The Irreparable Damage of the Inevitable Disclosure Doctrine*, 10 LOY. CONSUMER L. REV. 145 (1998).

<sup>3</sup> See e.g., Elizabeth A. Rowe, *When Trade Secrets Become Shackles: Fairness and the Inevitable Disclosure Doctrine*, 7 TUL. J. TECH. & INTELL. PROP. 169, 218–19 (2005).

<sup>4</sup> See Matheson, *supra* note 2, at 146; Margo E.K. Reder & Christine Neylon O’Brien, *Managing the Risk of Trade Secret Loss Due to Job Mobility in an Innovation Economy with the Theory of Inevitable Disclosure*, 12 J. HIGH TECH. L. 376, 440–44 (2012).

<sup>5</sup> See *infra* Section IV.E.

<sup>6</sup> See *infra* Section IV.E.

assumes that an employee who changes jobs and joins a competitor will steal trade secrets.<sup>7</sup> This results in the court blocking the employee's new job on that raw hypothesis alone.<sup>8</sup> We will call this position "Pure Inevitable Disclosure."

The absence of reasoning in these cases, and the use of an unverifiable hypothetical construct instead of fact analysis, is deeply troubling. It is out of step with the norms in other aspects of trade secret litigation for accepting or rejecting quasi-scientific reasoning, such as opinion testimony by damages experts.<sup>9</sup>

Congress' directive in the Defend Trade Secrets Act of 2016—which forbids courts that are applying federal trade secret law from issuing employment-blocking injunctions—is a welcome sign that the age of Pure Inevitable Disclosure may be ending.<sup>10</sup> Stronger protections for employee mobility, at least in trade secret law, now have a concrete basis. This Article proposes that scholars, courts, and litigants hasten the elimination of Pure Inevitable Disclosure by raising foundational questions about its (lack of) methodology.

## II. THE SEDUCTIVE HYPOTHESIS OF THE UNCONTROLLABLE URGE

We are all familiar with seductive philosophical conundrums that may or may not reflect empirical reality. Think of Zeno's Paradox of the flight of an arrow: There is no such thing as motion because at any discrete moment, the arrow in flight is stationary.<sup>11</sup> As the ancient objection noted, the flow of time is not stationary.<sup>12</sup>

Something similar can exist in the law, where beguiling or entertaining storytelling can sometimes substitute for empirical analysis. In trade secret law, perhaps the most famous example, and certainly the most controversial, is the theory of so-called "inevitable disclosure."<sup>13</sup> The theory holds that no employee can change jobs and join a competitor, even with the best of intentions, without divulging

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<sup>7</sup> See *infra* Section III.B. Table 1.

<sup>8</sup> See *infra* Section III.B. Table 1.

<sup>9</sup> See *infra* Part V.

<sup>10</sup> Defend Trade Secrets Act of 2016, 18 U.S.C. § 1836(b)(3) (2012) ("In a civil action brought under this subsection with respect to the misappropriation of a trade secret a court may grant an injunction . . . provided the order does not prevent a person from entering into an employment relationship . . .").

<sup>11</sup> See ARISTOTLE, SIMPLICIUS ON ARISTOTLE'S PHYSICS 6, 112–13 (David Konstan trans., Cornell Univ. Press 1989).

<sup>12</sup> See *id.*

<sup>13</sup> See Tracy Bateman Farrell, Annotation, *Applicability of the Inevitable Disclosure Doctrine Barring Employment of Competitor's Former Employee*, 36 A.L.R. 6th 537, 537 (2008).

the former employer's trade secrets.<sup>14</sup>

The concept is striking. People change jobs, and use similar skills at each successive job, all the time. Companies recruit from competitors, all the time. One would think that such a strongly-stated hypothesis would cause courts to express doubts about its real-world empirical basis, or lack thereof.

But that rarely happens. At least judging by judicial decisions, casual acceptance is more common than stark methodological doubt.<sup>15</sup> In the words of one court, "even assuming the best of intentions . . . it is difficult to conceive how all the information stored in [the employee's] memory can be set aside as he applies himself in a competitor business."<sup>16</sup> Or, "[e]ven when he operates in the best of good faith, the former employee working in a similar capacity can hardly prevent his knowledge of his former employer's confidential methods from showing up in his work."<sup>17</sup> Or, taking the concept even further, a Utah court once reasoned that two defendants would engage in wrongdoing by inevitably *not* using certain information at the new job:

At least as to negative knowledge, it is inevitable that [the employees] will not use any of the negative knowledge which they learned while at [the former employer] and that negative knowledge gives them a considerable head start or competitive advantage as they develop competing products for the market. They should not be allowed this profit at the expense of their contractual and fiduciary obligations not to use knowledge gained while at [the former employer].<sup>18</sup>

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<sup>14</sup> *See id.*

<sup>15</sup> *See e.g., Harlan Lab., Inc. v. Campbell*, 900 F. Supp. 2d 99, 108–99 (D. Mass. 2012).

<sup>16</sup> *Id.* (alteration in original) (granting preliminary injunction to enforce non-competition agreement). Employee had accessed employer's computer under suspicious circumstances and "discarded the flash drive with the confidential information, despite the fact that he had previously been given a preservation order." *Id.* The court stated: "Even assuming the best of intentions on [employee's] part, it is difficult to conceive how all the information stored in [employee's] memory can be set aside as he applies himself in a competitor business." *Id.* (alteration in original). The court found "the potential for inevitable disclosure of information in these similar roles." *Id.*

<sup>17</sup> *See Williams v. Compressor Eng'g Corp.*, 704 S.W.2d 469, 471–72 (Tex. App. 1986) (affirming permanent injunction to enforce non-competition agreement; despite no evidence of misconduct, court adopted inevitable disclosure-like logic).

<sup>18</sup> *See Novell, Inc. v. Timpanogos Research Grp., Inc.*, 46 U.S.P.Q.2d 1197, 1216–17 (D. Utah 1998) (alteration in original). Although this case featured

One might hope this sort of judicial reasoning is the fruit of some scientific analysis conducted at some point, back when courts first began to hear requests for injunctive relief premised on predictions of future misappropriation. Maybe someone undertook to study whether humans were unable to avoid using granular, identified items of data, even if they sought to avoid doing so. Maybe someone used peer-reviewable metrics in a discipline like psychology, and tested employees' brains under conditions of stress or temptation.

But so far as one can tell from reading hundreds of court rulings over the decades, that is not the case. There does not appear to be an origin case, in the early mass-industrial period, where someone reviewed the science and concluded that mobile employees cannot help but to steal.<sup>19</sup> To the contrary, it looks as if only one court in American history has considered whether there is “a scientific methodology to predict the likelihood of trade secret misuse.”<sup>20</sup> That was a court in California, a state which strictly prohibits inevitable disclosure.<sup>21</sup> During that trial, the plaintiffs’ “experts admitted there was no valid scientific methodology to predict trade secret misuse,” thus, contributing to the former employer’s defeat.<sup>22</sup> But none of the jurisdictions that permit inevitable disclosure appear to have asked this

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especially bad conduct by the employees at issue (thus making the treatment of inevitable disclosure entirely unnecessary), other courts have also issued inevitable disclosure injunctions premised on the notion that the employee might *not* do something at the new job. *See e.g.*, *REG Seneca, LLC v. Harden*, 938 F. Supp. 2d 852, 860–61 (S.D. Iowa 2013) (granting injunction in part to enforce non-competition covenant; asserting that because employee was exposed to trial and error mistakes at his prior job, “[t]o allow Harden’s new employer to essentially skip much of the expensive, time-intensive research process REG has already engaged in would be an irreparable harm”); *LSI Logic Corp. v. Broadcom Corp.*, No. 05 CV 841, 2005 Colo. Dist. LEXIS 39, at \*9–11 (D. Colo. Aug. 1, 2005) (issuing injunction that did not bar employment overall but required new employer not to assign individuals to specific projects; court used inevitable disclosure-like logic to find that employees would, among other things, avoid “pursuing blind alleys and the like”); *Avery Dennison Corp. v. Finkle*, No. CV010757706, 2002 Conn. Super. LEXIS 329, at \*12–13 (Conn. Super. Ct. Feb. 1, 2002) (issuing employment-blocking temporary injunction to enforce non-competition agreement; “[h]owever well intentioned the defendants may be, it seems virtually impossible for [plaintiff’s] trade secret information, particularly as to ‘dead ends,’ to not affect the employment relationship of [employee]” (alteration in original)).

<sup>19</sup> *See infra* note 28 and accompanying text.

<sup>20</sup> *See FLIR Sys., Inc. v. Parish*, 174 Cal. App. 4th 1270, 1281, 95 Cal. Rptr. 3d 307, 319 (Cal. Ct. App. 2009) (affirming bench trial verdict for defendants and award of bad faith sanctions). Full disclosure: the author here represented the defendants in this case and argued the “scientific methodology” question. That was the inspiration for this Article.

<sup>21</sup> *See id.*

<sup>22</sup> *Id.*

seemingly fundamental question.<sup>23</sup> Thus, in any event, the answer to whether courts rely on scientific analysis appears to be “no.”

Although a prediction of future wrongdoing is inherent in every request for an employment-blocking injunction, courts all too often address the “inevitability” issue with only an “I know it when I see it”<sup>24</sup> style of analysis. Questions that seemingly should always be asked, such as whether the plaintiff has managed to hire from competitors without experiencing widespread employee theft, seem to rarely be posed. This absence of rigorous scrutiny differs from the standards required for predictions about the future in other aspects of trade secret litigation, such as estimates of future revenues by expert witnesses.<sup>25</sup>

Asking whether this practice should continue is illuminating because we find a bias on behalf of the former employer and against departing employees deeply embedded in the structure of how trade secret litigations are adjudicated.<sup>26</sup> Correcting that bias means that practitioners and courts should treat requests to stop a departing employee from taking a new job based on a hypothesis of unavoidable future wrongdoing as an unacceptable starting point. This Article proposes that such requests be contrasted with the more rigorous rules used to block expert testimony that does not meet normal standards for science-based testimony.<sup>27</sup>

Exposing this lack of empirical foundation would be salutary because it would mean that courts could more readily debunk Pure Inevitable Disclosure as a crude, judicially-created non-competition covenant. In summary, this Article proposes the following:

- Every request for an inevitable disclosure injunction is a strong prediction, if not an outright guarantee, of future wrongdoing;
- The validity of predictions about future wrongdoing in

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<sup>23</sup> This conclusion is reached based on a reading all of the cases cited in this Article. Apart from FLIR Systems, none asked whether any science-based methodology could support predictions of future misappropriation.

<sup>24</sup> See *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (Stewart, J., concurring) (quoting Justice Potter Stewart’s famous standard for assessing whether material accused of being pornographic is obscene as “I know it when I see it”).

<sup>25</sup> See generally *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 590–95 (1993) (establishing a stringent standard of admissibility for scientific evidence in federal cases to ensure scientific opinions are grounded in a reliable methodology). See also *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 138 (1999) (applying the Daubert standard to non-scientific opinions); *Garcia v. Columbia Med. Ctr.*, 996 F. Supp. 617, 621 (E.D. Tex. 1998) (holding that the Daubert standard should be applied to economic experts).

<sup>26</sup> See Suellen Lowry, Note, *Inevitable Disclosure Trade Secret Disputes: Dissolutions of Concurrent Property Interests*, 40 STAN. L. REV. 519, 528 (1988).

<sup>27</sup> See *infra* Section V.



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trade secret litigation should be questioned, especially when an individual's new job is at stake;

- The concept of inevitable disclosure is not the product of empirical study or scientific analysis, and instead rests on a litigation-created hypothetical construct;
- Inevitable disclosure thus should be viewed as a very successful form of legal storytelling which was created before courts began requiring rigorous criteria for assessing predictions about the future in other litigation contexts;
- A review of some 200 cases shows that most courts assessing inevitable disclosure, or related theories consider at least some empirical evidence, albeit with significant omissions;
- But a persistent and significant minority of courts do not consider empirical evidence at all – some even reject its relevance – and instead issue injunctive relief based on the artificial construct that employees who change jobs will ineluctably steal trade secrets;
- As a sign that this storytelling creates a powerful normative default, courts too often fail to ask seemingly obvious questions that could undercut the hypothesis of automatic disclosure, and almost uniformly fail to consider that the intervention of lawyers representing the defendant in the existing lawsuit can influence predictions of future events;
- The use of the inevitable disclosure construct is poor legal reasoning, out of step with evidentiary norms, and should be rejected when employers seek to stop employees from changing jobs;
- The use of the inevitable disclosure construct is inconsistent with another aspect of trade secret litigation, predictions by expert witnesses of future economic loss, where courts require that scientifically accepted methodologies be employed;
- Raising methodological challenges to the pursuit of inevitable disclosure can be an effective practical complement to policy-based critiques of inevitable disclosure.

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This Article assumes that readers are already familiar with the scholarly commentary on inevitable disclosure and non-competition covenants, the differences among the states in inevitable disclosure's acceptance and application, and the major court decisions on the subject. We are not here to rehash the basics. The goal is to stimulate debate about how best to bring some of the insights and criticisms seen in recent scholarly commentary into everyday practice. Courts' frequent rejection of inevitable disclosure injunctions suggests that many judges would be pleased with a more rigorous, better-articulated mode of analysis. Motion practice designed to highlight the absence of a reliable methodology to make predictions about future trade secret misappropriation is one means to do so.

### III. INEVITABLE DISCLOSURE: PARSING DECADES OF CASE LAW

Many states recognize some form of the inevitable disclosure theory<sup>28</sup>: a newly-hired employee can be enjoined from starting his or her new job because the former employer claims that it would be impossible for the employee to avoid disclosing the former employer's purported trade secrets in the future. The result can be harsh – a court-ordered injunction or threat of a lawsuit often means that the new employer must terminate a new hire. This leaves the employee to have to seek new employment, and the employer to seek a new employee.

Employer requests to block a departing employee from taking a new job or role based on fears of future trade secret misappropriation date at least to the early twentieth century.<sup>29</sup> While the Seventh Circuit's

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<sup>28</sup> See e.g., *Bendinger v. Marshaltown Trowell Co.*, 994 S.W.2d 468, 474 (Ark. 1999) (noting that Arkansas has adopted the “inevitable-disclosure rule”); *Novell Inc. v. Timpanogos Research Grp., Inc.*, 46 U.P.Q.2d 1197, 1197 (D. Utah 1998) (adopting the “inevitable disclosure” doctrine); *American Hoechst Corp. v. Nuodex, Inc.*, 11 Del. J. Corp. L. 187, 191 (recognizing inevitable disclosure doctrine in Delaware).

<sup>29</sup> In Catherine L. Fisk, *Working Knowledge: Trade Secrets, Restrictive Covenants in Employment, and the Rise of Corporate Intellectual Property, 1800-1920*, 52 HASTINGS L.J. 441, 507 (2001), Catherine Fisk traced the origins of trade secret-based, inevitable disclosure injunctions to early decisions such as *O. & W. Thum Co. v. Tloczynski*, 72 N.W. 140 (Mich. 1897). Having reviewed cases from the 1800s for this and previous articles, I am not certain there is a specific origin point that can be identified. *O. & W. Thum Co.* is not squarely about inevitability of disclosure, but whether there can be injunctive relief if an employee “attempts” to use a trade secret at a new job. *Id.* The injunction issued by the lower court seems to have prohibited misuse of trade secrets, and it does not appear to have blocked employment at the new job. *Id.* The ruling seems more akin to addressing actual misappropriation, or the sort of “threatened misappropriation” based on actual misconduct envisioned by courts today that do not accept pure inevitable disclosure, rather than an unvarnished belief that any employee changing jobs in a competitive environment will steal. In any event, the first case I cite in my data-set granting

*PepsiCo* ruling in 1995 is often seen as invigorating fears of the theory,<sup>30</sup> decisions imposing injunctions based on speculation about future wrongdoing were issued in several states long before then.<sup>31</sup> While the term “inevitable disclosure” is of fairly recent vintage (of the hundreds of search-term hits in the LEXIS database through May 2017, the earliest appears to be from 1986) the concept pre-dates the use of this now-ubiquitous nomenclature.<sup>32</sup>

However, change may be coming. The Defend Trade Secrets Act of 2016 (DTSA), which for the first time provides litigants with a federal civil cause of action for trade secret misappropriation, contains language which should at least curtail the use of the inevitable disclosure construct to support employment-blocking injunctions.<sup>33</sup> Specifically, the statute prohibits courts from issuing injunctions that “prevent a person from entering into an employment relationship,” and requires that “conditions placed on such employment shall be based on evidence of threatened misappropriation and not merely on the information the person knows . . . .”<sup>34</sup> While the DTSA offers promise,

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injunctive relief is from 1919. Choosing a starting point does not affect the analysis of that data-set, as the same types of decisions recur over the decades.

<sup>30</sup> See *PepsiCo, Inc. v. Redmond*, 54 F.3d 1262, 1269–71 (7th Cir. 1995).

<sup>31</sup> See, e.g., *E.I. Dupont De Nemours & Co. v. Am. Potash & Chem. Corp.*, 200 A.2d 428, 431 (Del. Ch. 1964) (issuing an inevitable disclosure-style injunction); see also *Grace v. Orkin Exterminating Co.*, 255 S.W.2d 279, 289 (Tex. Civ. App. 1953) (using inevitable disclosure-like language and enforcing noncompetes even where most of plaintiff’s alleged customer-related trade secrets were not secret, because of risk that former employee would disclose “business secrets”; stating that “[n]ecessarily this information would be used by the defendant in the conduct of his own business and only by enforcing specifically [the noncompete and nondisclosure agreements] can the wrongful use of this information by the defendant be prevented” (alteration in original)); *Eastman Kodak Co. v. Powers Film Products, Inc.*, 179 N.Y.S. 325, 330 (N.Y. App. Div. 1919) (ruling with inevitable disclosure-like reasoning).

<sup>32</sup> This can lead to confusion. In 2002, a California appellate court believed itself to be the first to address inevitable disclosure in that state, but the California Supreme Court had addressed (and rejected) the concept without that label in the 1940s. See *Whyte v. Schlage Lock Co.*, 101 Cal. App. 4th 1443, 1446, 125 Cal. Rptr. 2d 277, 281 (Cal. Ct. App. 2002) (“No published California decision has accepted or rejected the inevitable disclosure doctrine.”); but cf. *Cont’l Car-Na-Var Corp. v. Moseley*, 148 P.2d 9, 14 (Cal. 1944) (reversing injunction based on former employer’s speculation as to future misappropriation as a matter of law, without using the phrase “inevitable disclosure”).

<sup>33</sup> See 18 U.S.C. §§ 1836(b)(1), (b)(3)(A) (2012).

<sup>34</sup> See 18 U.S.C. § 1836(b)(3)(A)(i)(I)–(II); see generally *Fres-co Sys. USA, Inc. v. Hawkins*, 690 Fed. App’x 72, 76 (3d Cir. 2017) (showing that it is not yet clear whether the courts will hew closely to this legislative instruction). This recent Third Circuit slip ruling suggests that we cannot be confident. *Id.* The Third Circuit affirmed a limited injunction against customer solicitation and use of trade secrets

it does not displace state trade secret law or state law on non-competition covenants.<sup>35</sup> Thus, it remains to be seen whether courts faced with claims under the DTSA as well as state law will be influenced in the long run by this prescription.

As to state trade secret law, little or no rigorous criteria exist to test a former employer's prediction that a departing employee will ineluctably misappropriate trade secrets at a new job.<sup>36</sup> Courts do not require expert witness submissions that tie the prediction of future wrongdoing to any recognized scientific methodology by which one might gauge the reliability of such predictions.<sup>37</sup> Some states have multi-element tests, but they are simplistic and accept as normative the premise that inevitable disclosure is a valid concept.<sup>38</sup> Litigants submit affidavits, often without live testimony.<sup>39</sup> This leaves courts with wide discretion. Few courts require that the former employer precisely identify specific trade secret claims during requests for injunctive relief, much less test them against information available in the public

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where the former employer brought claims under the DTSA, the Pennsylvania UTSA, and a non-competition covenant. *Id.* Despite the new employer's evidence that it had instructed the employee not to "use or disclose" confidential information and the employee's affidavit to the same effect, the court affirmed a finding of irreparable harm based on "the substantial overlap" between the new and old jobs, which "would likely" lead to use of confidential information. *Id.* This logic seems to fly directly against the DTSA's instruction that injunctions should not be premised on what an employee knows, but rather evidence of threatened misappropriation. *See id.* The muddled ruling cites both state and federal trade secret statutes but does not discuss which is the source of the reasoning used to affirm the injunction. *See id.* There's little doubt that practitioners who represent former employers will fight to press for inevitable disclosure in some form or fashion under the DTSA. *See generally* Robert Douda Jr. & Terry Smith, *Using the Inevitable Disclosure Doctrine in DTSA Cases*, LAW360 (July 14, 2017, 11:50 AM), <https://www.law360.com/articles/944045/using-the-inevitable-disclosure-doctrine-in-dtsa-cases> (offering practitioners' "Lessons for Employers" without mentioning the DTSA's restrictions on inevitable disclosure).

<sup>35</sup> *See, e.g., Fres-co Sys. USA, Inc.*, 690 Fed. App'x at 76 (referring to both DTSA, the Pennsylvania UTSA, and a non-competition covenant).

<sup>36</sup> *See id.*

<sup>37</sup> *See* FED. R. EVID. 702.

<sup>38</sup> *See, e.g., Molon Motor & Coil Corp. v. Nidec Motor Corp.*, 2017 U.S. Dist. LEXIS 71700, at \*13–18 (N.D. Ill. May 11, 2017) (noting a three-factor test for inevitable disclosure under Illinois law: "(1) [T]he level of competition between the former employer and the new employer; (2) whether the employee's position with the new employer is comparable to the position he held with the former employer; and (3) the actions the new employer has taken to prevent the former employer from using or disclosing trade secrets of the former employer").

<sup>39</sup> *See, e.g., Fres-Co Sys. USA, Inc.*, 690 Fed. App'x. at 80; *see also* Arrowpoint Capital Corp. v. Arrowpoint Asset Mgmt., 793 F.3d 313, 324 (3d Cir. 2015).

*continued . . .*

domain.<sup>40</sup> The preference for a hypothetical construct over empirical evidence can give the plaintiff a head-start when requests for injunctive relief are adjudicated.

Probably because the loss of one's job is so dramatic, inevitable disclosure is perhaps the single most controversial aspect of trade secret law. Scholars and practitioners have written innumerable articles on the subject.<sup>41</sup> The economic critique of inevitable disclosure, often coupled with a critique of the employee non-competition covenant, is well known. That economic critique holds that a region is better situated to attract technology companies and other growth enterprises if draconian restrictions on competitive activities are not available as litigation options.<sup>42</sup> Scholarly criticism of inevitable disclosure, since the 1990s, as an impediment to employee mobility and regional economic development, has become more sophisticated.<sup>43</sup>

Despite this criticism, few have asked a foundational question: Because inevitable disclosure is a prediction about future events, and perhaps something more akin to a *guarantee* about future events, do such predictions come true in individual cases? Further, should courts do more to critically assess whether this hypothetical construct has an empirical basis? Even courts that have rejected requests for injunctive relief do not pose such questions.<sup>44</sup>

This silence is striking. Courts in other contexts ask rigorous questions when litigants make predictions about future events.<sup>45</sup> When, as addressed later in this Article, plaintiffs in trade secret cases seek

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<sup>40</sup> See *Fres-Co Sys. USA, Inc.*, 690 Fed. App'x. at 75; see also Kris J. Kostolansky & Frances Stadt, *The Defend Trade Secrets Act of 2016: Reconciling Inevitable Disclosure*, 45 NOV. COLO. L. 37, 38 (2016).

<sup>41</sup> See generally Kostolansky & Stadt, *supra* note 40, at 38 (discussing the inevitable disclosure doctrine and explaining why it is a "controversial trade secret topic"); see also Elizabeth A. Rowe, *supra* note 3, at 183.

<sup>42</sup> See generally I.P.L. Png & Sampsa Samila, *Trade Secrets Law and Mobility: Evidence from 'Inevitable Disclosure'* (Feb. 14, 2015), <https://ssrn.com/abstract=1986775> (discussing the doctrine of inevitable disclosure and its impact on mobility).

<sup>43</sup> One recent example posits that employee mobility of "technical workers" is higher by a statistically significant percentage in jurisdictions where courts have issued rulings hostile to inevitable disclosure. See *id.* For a succinct summary of the positions advanced in this growing area of academic study, see Orly Lobel & James Besson, *Stop Trying to Control How Ex-Employees Use Their Knowledge*, HARV. BUS. REV. (Oct. 9, 2014), <https://hbr.org/2014/10/stop-trying-to-control-how-ex-employees-use-their-knowledge>.

<sup>44</sup> See, e.g., *FLIR Sys., Inc. v. Parish*, 174 Cal. App. 4th 1270, 1282–83, 95 Cal. Rptr. 3d 307, 319 (Cal. Ct. App. 2009).

<sup>45</sup> See e.g., *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 589 (1993) ("[U]nder the Rules the trial judge must ensure that any and all scientific testimony or evidence admitted is not only relevant, but reliable.").

damages for future economic loss, courts expect that an expert witness will submit a report that meets federal *Daubert* standards for reliability.<sup>46</sup> Among other things, such expert testimony employs a discount rate as a means to factor the uncertain variables that could affect future-facing economic damages.<sup>47</sup> Many courts have rejected expert opinions that do not meet rigorous standards, and in this area of trade secret law, methodological standards are reasonably high.<sup>48</sup>

That an unverifiable hypothetical construct has persisted over the decades, even while standards have become more rigorous elsewhere in trade secret law, is not the product of conscious deliberation. Courts and practitioners, buried in everyday minutiae, do not stop to consider how requests for inevitable disclosure injunctions are structured differently than other litigation-based predictions. Because requests for such injunctive relief were long handled on an ad-hoc basis without intensive analysis, the habit has continued to the present.

#### A. The Data-Set: Case Law from 1914-2017

To test the degree to which courts accept a hypothetical construct of inevitable disclosure, wherein not much attention is given to case-specific evidence, in order to issue employment-blocking injunctions, this Article parsed more than 200 cases involving claims for trade secret misappropriation and/or breach of a non-competition covenant.<sup>49</sup> Those cases are found in state and federal courts around the country and span many decades – from 1914–2017.<sup>50</sup>

Using the LEXIS database, a search across nationwide courts using

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<sup>46</sup> See *id.* at 591.

<sup>47</sup> See, e.g., *In re Vanderveer Estates Holding, LLC*, 293 B.R. 560, 563 (Bankr. E.D.N.Y. 2003).

<sup>48</sup> See, e.g., *Southwestern Energy Prod. Co. v. Berry-Helfand*, 491 S.W.3d 699, 720 (Tex. 2016).

<sup>49</sup> I consider the law of non-competition covenants to be a primitive form of trade secret law, and one that frequently relies on notions of trade secret protection to justify restraints. See Charles Tait Graves, *Analyzing the Non-Competition Covenant as a Category of Intellectual Property Regulation*, 3 HASTINGS SCI. & TECH. L.J. 69 (2011). So, it is not surprising to find that courts sometimes consider inevitable disclosure when employers seek enforcement of non-competition covenants. See also Viva R. Moffat, *The Wrong Tool for the Job: The IP Problem with Noncompetition Agreements*, 42 WM. & MARY L. REV. 873, 899–920 (2010) (critiquing, in an excellent manner, non-competition covenants serving as a rough form of “IP Tool”). For a study on the widespread use of such restrictive covenants, see Norman D. Bishara, Kenneth J. Martin, and Randall S. Thomas, *An Empirical Analysis of Noncompetition Clauses and Other Restrictive Postemployment Covenants*, 68 VAND. L. REV. 1 (2015).

<sup>50</sup> See *infra* Appendix A–F.

the phrase “inevitable disclosure” as of May 2017 generated more than 400 hits. Additionally, other cases were added addressing the same concept without using the term “inevitable disclosure” based on prior research and cited in commentary by others. To be clear, cases featuring requests for injunctive relief based only on *actual* misappropriation are not part of this Article. Such cases outnumber those focusing instead on inevitable or threatened misappropriation.<sup>51</sup> After eliminating cases using the phrase “inevitable disclosure” in other contexts (generally criminal law), requests for injunctive relief were separated from other contexts, such as motions to dismiss<sup>52</sup> and motions for summary judgment.<sup>53</sup> Further, the data separates cases from jurisdictions that do not permit inevitable disclosure injunctions as a matter of law,<sup>54</sup> and cases in unusual contexts not pertinent to the precise question addressed in this Article.<sup>55</sup> No distinction is made between published and unpublished cases, or appellate or trial court rulings. Whether a case is precedential is not important in a study about how real-world courts think when considering requests for inevitable disclosure injunctions.

To be clear, no data-set can be complete. Legal databases such as LEXIS and Westlaw do not purport to be a comprehensive snapshot of all case law over the past century or more. Cases from state trial courts, where no appeal was pursued, are probably substantially underrepresented. Cases that did not use the phrase “inevitable disclosure,” especially in the years when state courts used a wide variety of labels for what we now call trade secret cases, were likely missed. Moreover, in trade secret cases the material is often filed in court under seal, and some rulings may be unavailable to the public for that reason as well.<sup>56</sup> And where courts issue injunctions, their terms and scope can

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<sup>51</sup> Unlike inevitable disclosure, the UTSA and the DTSA include “threatened” misappropriation as a basis for injunctive relief in the statutory text. *E.g.*, 18 U.S.C. § 1836(b)(3)(A)(i) (2012); CAL. CIV. CODE § 3426.2 (West 2017). In California, which forbids inevitable disclosure, “threatened misappropriation” is defined narrowly as “threat by a defendant to misuse trade secrets, manifested by words or conduct, where the evidence indicates imminent misuse.” *See FLIR Sys., Inc. v. Parish*, 174 Cal. App. 4th 1270, 1279, 95 Cal. Rptr. 3d 307, 316 (Cal. Ct. App. 2009).

<sup>52</sup> *See infra* Appendix A, Table 2.

<sup>53</sup> *See infra* Appendix A, Table 3.

<sup>54</sup> *See infra* Appendix A, Table 4.

<sup>55</sup> *See infra* Appendix A, Table 5.

<sup>56</sup> It is important to be humble about empirical data-sets where the data is necessarily incomplete. A recent article chastises law review authors for imprecision in “making positive claims about the state of legal doctrine,” and advocates that researchers be transparent about the questions being posed, the data used to support statements, and the “weighting” and manner of analysis used to review that data. *See William Baude, Adam S. Chilton, & Anup Malani, Making Doctrinal Work*

differ.

Using cases which entertained requests for injunctive relief, this Article distinguishes cases that considered empirical evidence from those that appeared to endorse an evidence-free hypothetical construct of inevitable disclosure. That line is not always easily drawn. Courts do not always provide a clear map of their reasoning, and rulings can rest on both factual and abstract hypothetical grounds.<sup>57</sup> Older decisions, in particular, can be difficult to parse. Additionally, another author might chart the same cases differently.

This Article also seeks to separate cases which involved a non-competition covenant from those that did not, as well as cases that considered evidence from the employee or his or her new employer in assessing the likelihood of future misappropriation. And because actual misconduct by a mobile employee is especially significant when asking whether courts consider empirical evidence (especially when taking or downloading documents from the prior job), such cases are separated from those that issued injunctions despite the absence of such misconduct. Despite these limitations and the difficulty of forcing cases into neat categories, there are reasonably clear modes of analysis in the available case law.

## **B. Summary of Findings from the Data-Set**

Overall, the case law demonstrates that most courts do consider at least some evidence before them,<sup>58</sup> albeit with important omissions

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*More Rigorous: Lessons from Systematic Reviews*, 84. U. CHI. L. REV. 37, 38 (2017). This is salutary advice. It is especially important for practitioner-written commentary, which often is anything but systematic and comprehensive. Such commentary is often written and published entirely for business marketing purposes. The world of everyday law practice is profoundly non-intellectual.

<sup>57</sup> For a case that relied on both factual analysis of employee misconduct and a generic application of Pure Inevitable Disclosure, see *Harlan Lab., Inc. v. Campbell*, 900 F. Supp. 2d 99, 108–09 (D. Mass. 2012). The court enforced a non-competition agreement where employee accessed employer’s computer under suspicious circumstances and “discarded the flash drive with the confidential information, despite the fact he had previously been given a preservation order.” *Id.* The court also asserted that “[e]ven assuming the best of intentions on [employee’s] part, it is difficult to conceive how all the information stored in [employee’s] memory can be set aside as he applies himself in a competitor business.” and found “the potential for inevitable disclosure of information in these similar roles.” *Id.* (alteration in original).

<sup>58</sup> See, e.g., *Triumph Packaging Grp. v. Ward*, 834 F. Supp. 2d 796, 809 (N.D. Ill. 2011) (“Courts consider the following factors in determining whether disclosure of trade secrets is inevitable: ‘(1) the level of competition between the former employer and the new employer; (2) whether the employee’s position with the new employer is comparable to the position he held with the former employer; and (3) the

*continued . . .*



discussed below. Even when they claim to practice inevitable disclosure or its cousin “threatened misappropriation,” most courts at least review some degree of evidence about the employee’s conduct, such as the employer’s conduct, and perhaps other real-world factors as well.<sup>59</sup>

But a significant minority of courts treat inevitable disclosure injunction requests as a sort of hypothetical thought-experiment.<sup>60</sup> These courts predict future wrongdoing without considering evidence, or conduct their analysis unmoored from the evidence.<sup>61</sup> The courts ignore real-world factors that cut against that presumption, sometimes explicitly rejecting such evidence as not meaningful.<sup>62</sup> They do not ask whether the hypothetical is, in fact, supported by empirical evidence.<sup>63</sup> That class of judicial decision-making, Pure Inevitable Disclosure, is the basis of a number of court rulings.<sup>64</sup> It can also be articulated in rulings even where courts do consider facts to buttress a judge’s conclusions. This chart organizes these findings:

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actions that the new employer has taken to prevent the former employee from using or disclosing trade secrets of the former employer.” (citation omitted)).

<sup>59</sup> See, e.g., *id.*

<sup>60</sup> See, e.g., *Panera, LLC v. Nettles*, No. 4:16-cv-1181-JAR, LLC, 2016 U.S. Dist. LEXIS 101473, at \*11–12 (E.D. Mo. Aug. 3, 2016) (granting preliminary injunction barring employment by indicating that the rationale underlying inevitable disclosure is helpful to understand why the employee would almost certainly draw upon trade secret information, learned at former employer, in his new role); *Aspect Software, Inc. v. Barnett*, 787 F. Supp. 2d 118, 124–27 (D. Mass. 2011) (finding that despite extensive evidence of good faith by employee and new employer, there is strong language in favor of inevitable disclosure from other persuasive jurisdictions); *MeadWestvaco Corp. v. Bates*, 91 Va. Cir. 509, 520 (Va. Cir. Ct. 2013) (finding that despite no evidence of misappropriation or threat of such, employee “will necessarily have to” rely upon information misappropriated from his former employer in his new employment).

<sup>61</sup> See, e.g., *Nettles*, 2016 U.S. Dist. LEXIS 101473, at \*11–12; *Barnett*, 787 F. Supp. 2d at 124–27; *Bates*, 91 Va. Cir. at 520. Because these decisions crop up at different times and in different places, I am hesitant to suggest trends. Two commentators argued that courts since the *PepsiCo* case, in 1995, have undertaken a “judicial assault” on inevitable disclosure because some courts have aimed for a more fact-based approach. See Michael J. Garrison & John T. Weldt, *The Evolving Law of Employee Noncompete Agreements: Recent Trends and an Alternate Policy Approach*, 45 AM. BUS. L.J. 107, 157–64 (2008). As much as I would welcome such an assault, I think the case law has been more varied.

<sup>62</sup> See, e.g., *Nettles*, 2016 U.S. Dist. LEXIS 101473, at \*11–12; *Barnett*, 787 F. Supp. 2d at 124–27; *Bates*, 91 Va. Cir. at 520.

<sup>63</sup> See cases cited *supra* note 60.

<sup>64</sup> See *infra* Appendix B.

*Table 1: Observed Pure Inevitable Disclosure Rulings Frequency*

Type of Ruling	Employment-Blocking or Limiting Order, or Remanded for Same	Valid Non-Competition Covenant or Non-Solicitation Covenant	Significant Misconduct by Employee Alleged (Downloading, etc.)	Weighed Employee/New Employer's Good Faith Evidence as Significant	Asks if Valid Prediction Methodology Exists
Uses Pure Inevitable Disclosure as hypothetical construct with little or no fact analysis; grants or remands for injunction in whole or in part (36) <sup>65</sup>	28	21	0	0	0
Considers evidence as significant part of ruling – grants or remands for injunction in whole or part (49) <sup>66</sup>	29	20	41	1	0
Denies injunctive relief (60) <sup>67</sup>	0	16	7	11	0

In the discussion that follows, this Article will tease apart these rulings to highlight the factors some courts consider, identify common omissions, and show how all too many courts simply accept Pure Inevitable Disclosure as a valid construct, even to the point of refusing

<sup>65</sup> See *infra* Appendix B, Table 6–7.

<sup>66</sup> See *infra* Appendix B, Table 8.

<sup>67</sup> See *infra* Appendix B, Table 9.

to consider evidence that would undermine the construct. This Article hopes to show that these decisions are intellectually indefensible.

#### IV. HOW “INEVITABLE DISCLOSURE” REQUESTS UNFOLD IN COURT

##### A. How Courts Decide Requests to Enjoin Mobile Employees

The commentary about “inevitable disclosure,” especially since 1995, is extensive.<sup>68</sup> But little of it examines how requests for such injunctive relief operate in the courts – in particular, whether and to what degree courts consider empirical evidence when speculating whether future wrongdoing is unavoidable.<sup>69</sup>

Based on a review of the data-set and personal experience, four elements help frame the analysis. First, the plaintiff – the former

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<sup>68</sup> I have collected some of the scholarly and practitioner literature as it stood in 2011, as well as that on the related subject of non-competition covenants. See Charles Tait Graves, *Analyzing the Non-Competition Covenant as a Category of Intellectual Property Regulation*, 3 HASTINGS SCI. & TECH. L.J. 69 (2011); see also Charles Tait Graves & James A. Diboise, *Do Strict Trade Secret and Non-Competition Laws Obstruct Innovation?*, 1 OHIO ST. ENTREPRENEURIAL BUS. L.J. 323 (2006). A large number of student commentaries collect relevant case law, see Shannon Aaron, Note, *Using the History of Noncompetition Agreements to Guide the Future of the Inevitable Disclosure Doctrine*, 17 LEWIS & CLARK L. REV. 1191 (2013); see also Eleanore R. Godfrey, *Inevitable Disclosure of Trade Secrets: Employee Mobility v. Employer’s Rights*, 3 J. HIGH TECH. L. 161 (2004) (analyzing case law, especially after 1995); see also Joseph F. Phillips, *Inevitable Disclosure Through an Internet Lens: Is the Doctrine’s Demise Truly Inevitable?*, 45 WM. & MARY L. REV. 395 (2003). A practitioner summary, albeit a decade old, provides a good state-by-state summary. RANDALL E. KAHNKE ET AL., FAEGRE & BENSON LLP, *DOCTRINE OF INEVITABLE DISCLOSURE* (Sept. 2008), <https://www.faegrebd.com/webfiles/Inevitable%20Disclosure.pdf>. While most of the commentary has been introductory, a few papers go further into nuanced analysis. See Norman D. Bishara & Michelle Westermann-Behaylo, *The Law and Ethics of Restrictions on an Employee’s Post-Employment Mobility*, 49 AM. BUS. L.J. 1, 16–17 (2012) (critiquing inevitable disclosure from Lockean, utilitarian, and Rawlsian perspectives); see also Rowe, *supra* note 3, at 167 (operating as the single most thorough analysis of the differences between inevitable disclosure and threatened misappropriation).

<sup>69</sup> Perhaps the most thoughtful litigation-focused analysis is by Elizabeth Rowe, who advocates that courts adopt a multi-factor approach that would include examining empirical factors such as “dishonesty or bad faith” by the employee, with attention to whether the alleged dishonesty was merely a failure to disclose the company the employee planned to join. See Rowe, *supra* note 3, at 214–19. A student note from 2012 takes a similar approach with a useful summary of how the theory has fared from state to state. See Ryan M. Wiesner, Comment, *A State-by-State Analysis of Inevitable Disclosure: A Need for Uniformity and a Workable Standard*, 16 MARQ. INTELL. PROP. L. REV. 211 (2012); see also Brandy L. Treadway, Comment, *An Overview of Individual States’ Application of Inevitable Disclosure: Concrete Doctrine or Equitable Tool?*, 55 SMU L. REV. 621 (2002).

employer – generally does not submit expert opinion which grounds the prediction of ineluctable misconduct on a methodology designed to address variable factors that might affect the prediction. There is never, or virtually never, any formal modeling of possible future events discounted by specific variables.

Second, the mobile employee generally does not provide live testimony. Courts thus rarely see the employee who stands accused of future wrongdoing, and thus rarely have a means to directly assess the employee's state of mind, credibility, personal history, and the like.

Third, the litigants generally support their arguments through conclusory affidavits. For the former employer, this means affidavits from company executives – usually ghost-written by attorneys – which seek to create a sense of urgency and danger by asserting that the company owns many trade secrets, that the departing employee was exposed to trade secrets, and that it would be impossible for the employee to avoid misusing those trade secrets. Affidavits from company executives or other witnesses do not set forth a methodology for the prediction, and tend to instead limit themselves to statements about how the disclosure of confidential information would harm the company's interests.

If the employee has downloaded files or sent company materials to a personal email account, the former employer will often submit an affidavit from a forensic search consultant setting forth the search results. For the defense, the employee (and sometimes the new employer) submit declarations which generally are also written by attorneys and equally conclusory.

Fourth, and most important, the judge makes his or her decision to grant or deny injunctive relief without citation to rigorous criteria to determine whether the prediction of future wrongdoing is truly inevitable. In many cases, it is not clear from the text of the opinion that the court considered anything apart from the affidavits submitted by the parties.<sup>70</sup> In some cases, courts describe no formal test at all, and appear

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<sup>70</sup> Although many courts and commentators consider whether a non-competition covenant exists as a factor in favor of "inevitable disclosure," this hardly seems to answer the question whether the mobile employee will unavoidably misuse trade secrets. Consideration of this factor seems like a substitute for analysis, or a shortcut to a ruling, rather than a legitimate test. *See, e.g.,* Rowe, *supra* note 3, at 170 (adding additional factors: "This Article proposes a model that balances four factors: (1) the presence of a restrictive agreement (such as nondisclosure or noncompetition agreements); (2) the degree of competition between the former employer and the new employer, as well as the similarity of roles between the employee's former position and new position; (3) the extent of the employee's knowledge of, and familiarity with, the trade secrets in question; and (4) evidence of dishonesty or bad faith on the part of the employee.").

to make the decision on gut feel.<sup>71</sup>

Despite the gravity of such outcomes, it appears that sophisticated analysis is seldom if ever offered. Although a prediction of uncontrollable future wrongdoing is inherent in every request for “inevitable disclosure” relief, courts generally do not employ sophisticated tools to address a question that seemingly begs for more: is there really an empirical basis for the prediction that an employee who takes a similar job will automatically use or disclose the former employer’s trade secrets? If not, or at least if there is no methodology other than off-the-cuff guesswork, why do courts entertain, much less credit, that assumption in the first place? We might profit from analyzing questions that courts rarely consider, if at all.

## **B. Do Courts Ask Whether a Methodology to Test Inevitability Exists?**

### *1. The Questions Courts Don’t Ask About the Hypothetical Construct*

In examining how courts have entertained requests for inevitable disclosure-based injunctions, the questions that courts generally do not ask may be more significant than the evidence many courts do consider. One is whether there are any data, metrics, or methodological support for the hypothetical construct of inevitable disclosure.<sup>72</sup> Another is whether the former employer has hired from direct competitors and whether those that the former employer hired were able to comply with the trade secret laws.<sup>73</sup> A third is whether the presence of an attorney for the departing employee alters the hypothetical construct of a

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<sup>71</sup> See, e.g., *REG Seneca, LLC v. Harden*, 938 F. Supp. 2d 852, 860–61 (S.D. Iowa 2013) (granting injunction in part to enforce non-competition covenant, but also based on conclusory finding supporting plaintiff’s “inevitable disclosure” without much in the way of analysis); see also *Dexxon Dig. Storage, Inc. v. Haenszel*, 832 N.E.2d 62, 68–69 (Ohio Ct. App. 2005) (applying a mechanical theory without discussion of its merits or detailed analysis).

<sup>72</sup> See e.g., *FLIR Sys., Inc. v. Parish*, 174 Cal. App. 4th 1270, 1282, 95 Cal. Rptr. 3d 307, 319 (Cal. Ct. App. 2009) (affirming a trial court order which found that there was no valid scientific methodology to predict trade secret misuse).

<sup>73</sup> See *Treadway*, *supra* note 69, at 626–32 (demonstrating that courts that have clearly adopted the inevitable disclosure doctrine have excluded asking: (1) whether the former employer has itself hired from direct competitors, and whether those it hired were able to comply with the trade secret laws; and (2) whether the presence of an attorney for the departing employee alters the hypothetical construct of a competitive employee ineluctably bound to engage in wrongdoing as factors to grant or deny inevitable disclosure-based injunctions).

competitive employee ineluctably bound to engage in wrongdoing.<sup>74</sup>

There appears to have only been one decision where a court specifically considered whether the plaintiff had supplied a valid methodology for its prediction of inevitable future trade secret misappropriation by departing employees.<sup>75</sup> In that case, the plaintiff took the somewhat unusual step of having two expert witnesses offer an opinion that future trade secret misuse was unavoidable.<sup>76</sup> Both experts admitted during deposition and at trial that “there was no valid scientific methodology to predict trade secret misuse . . . .”<sup>77</sup> It should be noted, however, that the case took place in California, where “inevitable disclosure” is forbidden,<sup>78</sup> and the court’s skepticism may, therefore, have been much higher than it would have been elsewhere. The plaintiff not only lost its request at trial for an injunction, but was sanctioned more than one million dollars for pursuing a theory not recognized under California trade secret law.<sup>79</sup>

Based on the cases considered for this Article, only the court in *FLIR Systems* appears to have asked whether the hypothetical of inevitable disclosure is supported by appropriate methodology.<sup>80</sup> Even courts that deny injunctive relief have not done so.<sup>81</sup>

This is surprising. The hypothetical of inevitable disclosure is an extreme one. Inevitability is distinct from a possibility, or even a probability. It bears emphasizing that the inevitable disclosure concept is often presented in court as a near-guarantee that wrongdoing will occur. A stereotype of sorts is that employees are unable to choose to not use particular items of information in a given workplace scenario, and instead face an uncontrollable compulsion to use such information.

The hypothetical construct is seemingly contradicted by widespread job-hopping: people change jobs and join competitors, often.<sup>82</sup> If trade

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<sup>74</sup> *See id.*

<sup>75</sup> *See FLIR Sys.*, 174 Cal. App. 4th at 1282, 95 Cal. Rptr. 3d at 319.

<sup>76</sup> *See id.*

<sup>77</sup> *Id.*

<sup>78</sup> *See Whyte v. Schlage Lock Co.*, 101 Cal. App. 4th 1443, 1447, 125 Cal. Rptr. 2d 277, 281 (Cal. Ct. App. 2002) (rejecting the inevitable disclosure doctrine as being contrary to California law and policy).

<sup>79</sup> *See FLIR Sys.*, 174 Cal. App. 4th 1270, 1273, 95 Cal. Rptr. 3d at 312–19 (noting that the award was a sanction in which appellants knew there was no misappropriation or threatened misappropriation of trade secrets before the summary judgment motion was argued, and affirming the judgment and order awarding respondents \$1,641,216.78 in attorney fees and costs).

<sup>80</sup> *See FLIR Sys.*, 174 Cal. App. 4th at 1281, 95 Cal. Rptr. 3d at 317.

<sup>81</sup> *See id.*

<sup>82</sup> For just one example, *see* Matt Egan, *Good news: More workers are Quitting*, CNN (Apr. 3, 2015, 9:39 AM), <http://money.cnn.com/2015/04/03/news/economy/jobs-wages-salary->

secret misappropriation were truly inevitable, and not just something that sometimes occurs, like any other form of workplace wrongdoing, then it will eventually happen at technology companies and other businesses routinely. But nobody has ever suggested such a thing, and in research, no studies were found supporting that extreme concept.<sup>83</sup>

Indeed, if such misappropriation were inevitable and thus rampant, many employers seeking injunctions against departing employees might face a sort of hypocrisy test: from whom have they hired employees, and did such employees manage, after all, to avoid misappropriation? Yet only one court appears to have asked that question.<sup>84</sup> In a 1992 ruling affirming a non-use injunction, and rejecting an employment-blocking request based on inevitable disclosure, the Eighth Circuit approved the trial court's findings that hiring from competitors was "common" in the industry.<sup>85</sup> Additionally, the plaintiff's manager testified that "he had been able to transfer" from a competitor to the plaintiff "without disclosing any confidential information."<sup>86</sup> It seems perverse that other courts have not asked whether the plaintiff has hired from competitors, and, if so, whether those employees managed to avoid engaging in misappropriation. The answer, after all, would likely undermine predictions of uncontrollable wrongdoing.

Along similar lines, two other courts noted that the departing employee had previously changed jobs without incident when denying the relief sought by a former employer.<sup>87</sup> In one, a 2010 case from the Northern District of Illinois regarding a request to enforce a non-competition covenant, the employee at issue had left the plaintiff employer, joined a direct competitor, and then returned to the plaintiff.<sup>88</sup> As the court noted, "[i]n short, the record shows that defendant is able to work for competitors without divulging one company's confidential information to the other . . . ."<sup>89</sup> But such rulings seem to be rare.

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quitting/index.html (reasoning that nearly 2.8 million employees voluntarily quit their jobs in January 2015 because companies are losing talented employees to competitors who are willing to pay more).

<sup>83</sup> I searched LEXIS and Westlaw databases for law review articles and practitioner treatises and was unable to locate any such studies, or even arguments.

<sup>84</sup> See *Baxter Int'l, Inc. v. Morris*, 976 F.2d 1189 (8th Cir. 1992).

<sup>85</sup> *Id.* at 1194.

<sup>86</sup> *Id.* at 1193–95 (affirming only a limited injunction barring misuse of trade secrets because the court found a non-competition covenant unenforceable, since California law applied to the contract, and also due to the new employer's evidence regarding its lack of need for the plaintiff's information).

<sup>87</sup> See *Oce N. Am., Inc. v. Brazeau*, No. 9 C 2381, 2010 U.S. Dist. LEXIS 25523 at \*23 (N.D. Ill. March 18, 2010); see also *L-3 Comm. Corp. v. Kelly*, 809 N.Y.S.2d 482, 482 (N.Y. Sup. Ct. 2005).

<sup>88</sup> *Oce N. Am., Inc.*, 2010 U.S. Dist. LEXIS 25523, at \*1–3.

<sup>89</sup> *Id.* at \*23 (denying request where employee had previously left the plaintiff,

*continued . . .*

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Treating inevitable disclosure as a would-be scientific hypothesis about human behavior, and not as a legal fiction, almost immediately inspires such questions. But facts that would cast the hypothesis into doubt rarely arise in judicial decisions, even those that reject inevitable disclosure outright or reject its application in a particular case. It is speculation to ask why such an extreme hypothesis has been so widely accepted. Perhaps it entertains as an intriguing thought-experiment, or perhaps it is simply easier to accept the construct than to carefully dissect it. Whatever the reason for this stubborn tenacity, accepting the hypothesis as valid may tempt courts to avoid the careful fact analysis of complex technology during a rushed injunction proceeding. Unfortunately, this shortcut advantages the former employer over the departing employee.

To illustrate, judges are not the only actors in a courtroom who can pose difficult questions. One might wonder too why defense attorneys do not raise such questions. The answer may simply be that practicing lawyers are not accustomed to subjecting legal theories to a methodological analysis, rather than simply “arguing the facts.”

## 2. *The Sparse Literature on Employee Attitudes*

The absence of such probing questions during litigation corresponds to a lack of studies analyzing whether trade secret misappropriation is inevitable when employees change jobs for competitors.<sup>90</sup> Perhaps the

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been employed by a competitor, and re-joined the plaintiff); *see also L-3 Comm. Corp.*, 809 N.Y.S.2d at 482 (denying request for preliminary injunction in absence of non-competition agreement; contractor had retained documents but was permitted to compete and credited defense evidence that individual “has worked in the industry for many different companies and has successfully handled the confidentiality concerns of many competing clients”).

<sup>90</sup> Nor is there much in the way of reputable literature on the prevalence of trade secret misappropriation in general, putting aside “inevitable” wrongdoing. Industry groups occasionally publish survey results purporting to show a high incidence of trade secret misappropriation, but such surveys suffer from such serious analytical flaws that it is hard to take them at face value. For example, a 2002 study by PricewaterhouseCoopers, the United States Chamber of Commerce, and the ASIS Foundation claimed that American companies lost 50 billion dollars from trade secret theft in 2001. *See generally* NATIONAL COUNTERINTELLIGENCE EXECUTIVE & ASIS INTERNATIONAL, TRENDS IN PROPRIETARY INFORMATION LOSS – SURVEY REPORT (June 2007). But the report not only relied on self-reporting, it also failed to require survey respondents to focus on specific trade secrets, shown to actually be secret by comparison to public domain literature, and evidence that misappropriation of such information actually took place. *See generally id.* (purporting to show that in 2001 U.S. companies suffered losses of proprietary information and intellectual property worth more than fifty billion dollars; study relied on self-serving survey responses from companies who apparently estimated the degree and economic value

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only significant effort to gauge the attitudes and practices of technology company employees in the United States has been fieldwork by Yuval Feldman.<sup>91</sup> His conclusions do not provide simplistic answers for advocates or opponents of inevitable disclosure.<sup>92</sup> The conclusions certainly do not support the construct that mobile employees ineluctably steal.<sup>93</sup> In one study published in 2003, Feldman surveyed more than 150 employees in Silicon Valley, and found that many did not have accurate beliefs about the scope or coverage of trade secret law, and a significant minority stated that they would engage in conduct prohibited by the trade secret laws.<sup>94</sup> These results suggest that among individual cases, there is a wide variety of beliefs and inclinations. Thus, suggesting that using a hypothetical construct when considering

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of their own losses, with no discussion of how or whether secrecy versus non-secrecy of information was even considered). While nobody doubts that significant misappropriation takes place, including its criminal variety, this sort of report does little to provide meaningful metrics.

<sup>91</sup> See, e.g., Yuval Feldman, *For Love Or Money? Defining Relationships in Law And Life: The Complexity of Disentangling Intrinsic and Extrinsic Compliance Motivations: Theoretical and Empirical Insights from the Behavioral Analysis of Law*, 35 WASH. U. J.L. & POL'Y 11 (2011).

<sup>92</sup> See generally Yuval Feldman, *Behind the Veil of Legal Uncertainty*, 74 DUKE L. & CONTEMP. PROBS. 133 (2011) (using an experimental survey to emphasize the importance of legal uncertainty in avoiding simplistic answers to difficult legal questions where advocates and opponents have strong preferences, particularly where it comes to employment practices).

<sup>93</sup> See generally Yuval Feldman, *An Experimental Approach to the Study of Social Norms: The Allocation of Intellectual Property Rights in the Workplace*, 10 J. INTELL. PROP. L. 59, 73 (2002) (arguing that though legal culture may assume that strong contracts are needed to protect against employee theft of trade secrets, a distributive-justice principle supports the assumption that employees take what intellectual property they developed but not any property that belongs to their employer).

<sup>94</sup> See Yuval Feldman, *Experimental Approach to the Study of Normative Failures: Divulging of Trade Secrets by Silicon Valley Employees*, 2003 U. ILL. J.L. TECH. & POL'Y 105, 159 (Spring 2003). Two cautionary points are worth noting. First, Silicon Valley law firms and companies have increased the provision of employee training and counseling about trade secret issues since 2003, hand-in-hand with the perception that litigation is on the increase. A significant degree of uncertainty or confusion about the scope of trade secret law doubtless exists, but the percentage of employees with correct information about the law may have increased. Second, asking employees about "trade secrets" or "confidential information" sometimes generates confusion. In my counseling practice, I have often found that employees conflate two different concepts together: (1) information that an employer treats as confidential, such as by designing documents with confidentiality legends; and (2) information that is objectively confidential because it cannot be located in public domain sources. This confusion can lead employees to describe some information as secret or confidential when, legally, it would not qualify for trade secret protection.

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requests for injunctive relief against any given employee can lead to inaccurate predictions. Feldman's findings also suggest that the presence of a legal advisor may change the calculus for at least some employees who otherwise would have inaccurate beliefs about trade secret law,<sup>95</sup> another issue courts rarely consider.

### C. Do Courts Consider the Intervention of Legal Counsel?

Another question courts rarely consider concerns the role of the attorney for the employee in question. The inevitable disclosure hypothesis seems to envision that an employee, unhindered by a lawsuit, and unadvised by an attorney, will uncontrollably misappropriate trade secrets at the new job.

But at least for those employees who face actual litigation, that is hardly the case. By the time a court considers a request for an injunction, the mobile employee may have received legal advice. As this author can attest from advising many hundreds of departing employees, such advice can include practical tips on: how to separate public domain information from questionable information; how to avoid making decisions that could involve use of potential trade secrets; and answering questions from engineers, laboratory researchers, and others who may not previously have understood the nuances of trade secret law.

If this were a discussion about sociology or anthropology, we might call this an "observer expectancy effect": the very presence of a trained outsider who frames questions in a certain way and expects feedback may alter a person's conduct in response.<sup>96</sup> That is, adding a lawyer into the inevitable disclosure hypothetical would seem to alter the imagined scenario and, at least in the aggregate, decrease the possibility of trade secret misappropriation.

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<sup>95</sup> See *id.* at 130–31 (arguing that legal ambiguities and uncertainties affect the blameworthiness calculus of a departing employee).

<sup>96</sup> For discussions of observer effects, see generally D. Michael Risinger, Michael J. Saks, William C. Thompson, & Robert Rosenthal, *The Daubert/Kumho Implications of Observer Effects in Forensic Science: Hidden Problems of Expectation and Suggestion*, 90 CAL. L. REV. 1, 19 (2002) (discussing "conformity effects" where the status of others can influence beliefs and behaviors); Torin Monahan & Jill A. Fisher, *Benefits of "Observer Effects": Lessons from the Field*, 10 QUAL. RES. 357 (June 2010) (asserting that observer effects can lead to "collaboratively shaping discourses and practices in the field"). Whether, and to what extent, such observer effects exist in any scenario is a matter of debate. Here, we need not prove that the presence of a defense attorney always changes the behavior of an employee who is changing jobs. We merely need to illustrate that the inevitable disclosure hypothesis incorrectly assumes that the employee is a lone actor, unadvised by someone with authority who has an interest in avoiding legal problems for the client.

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Based on the data-set and other cases cited in this Article, something akin to the observer-expectancy effect takes place when a mobile employee retains legal counsel after a lawsuit is filed or threatened by a former employer, but courts considering requests for injunctive relief generally do not take account of this intervention. That is to say, when courts consider whether to enjoin a mobile employee, they act as if there has been no lawsuit, and no intervention by defense counsel, and as if the employee were still about to take the new job without receiving legal advice. The result is a kind of legal fiction, a hypothetical, rather than an examination of the employee's current circumstances. Virtually no decisions factor the subsequent intervention of an attorney. One outlier, a 2009 case from New York, found that the filing of the lawsuit and retention of counsel meant that "the situation as it then stood stands no more," because the employee "has learned—by reason of [plaintiff's] claim, [new employer's] reaction, and consultation with his own newly acquired counsel—that there are substantial limitations on his freedom of action."<sup>97</sup>

Although such counseling is rarely discussed in judicial decisions, practicing trade secret attorneys spend a great deal of time counseling clients (individuals and companies) on how best to understand the trade secret laws, how best to distinguish in everyday working situations between protectable information and information that may freely be used, and practical steps to minimize the chance of trade secret misuse. While certainly not every recipient of such advice does as an attorney recommends, it seems reasonable to assume that such counseling reduces incidents of trade secret misappropriation.

Attorney intervention, then, is a sort of observer-expectancy effect: a mobile employee accused of "inevitable disclosure" almost certainly obtains advice from his or her attorney about how to handle fact-specific circumstances at the new job. The presence of counsel changes social behavior. Nonetheless, courts generally do not factor the influence of counsel as a variable that reduces the chance that trade secret misappropriation would be unavoidable. That seems to pose a serious flaw in the inevitable disclosure construct, as it privileges a hypothetical lone actor over practical events that may well influence future conduct.

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<sup>97</sup> *Am. Airlines, Inc. v. Imhof*, 620 F. Supp. 2d 574, 580 (S.D.N.Y. 2009) (alteration in original).

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**D. Do Courts Assess Whether the Plaintiff Has Clearly Identified Trade Secret Claims?**

Another issue that few courts considering inevitable disclosure injunctions discuss is whether the plaintiff has truly identified its claimed trade secrets so that they can be subjected to critical analysis.

In other areas of trade secret law, particularly where litigants are about to commence discovery, many courts require that the plaintiff provide at least a reasonably particular identification of each trade secret claim.<sup>98</sup> This often results in a written list of claims that, while not entirely detailed, at least allow the defendant, and the court, to assess whether the claims are plausible from the outset.

But where the stakes are higher, that is, where a court order may terminate an employee's new job, courts rarely consider the degree to which the plaintiff has identified its purported trade secrets.<sup>99</sup> There is no rule or common practice that a court must do so. The problem may stem from the looser standards used when former employers ask courts to enforce non-competition covenants. Although protection of trade secrets often provides courts with a rationale to enforce such covenants, parsing individual trade secret claims for analysis is not typically part of the adjudication of such covenants.<sup>100</sup>

**E. Do Courts Consider Evidence Before Them?**

The data-set reviewed for this Article shows that most courts considering requests for inevitable disclosure-based injunctive relief consider facts before the court; typically whether the employee has taken or downloaded files from the former employer, and whether or not the new job is similar to the old job.<sup>101</sup> However, many courts which

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<sup>98</sup> See *infra* text accompanying Appendix C, Table 10.

<sup>99</sup> At least one court which issued an employment-blocking injunction explicitly noted that the former employer need not specifically identify its claimed trade secrets. See *Nat'l Starch & Chem. Corp. v. Parker Chem. Corp.*, 530 A.2d 31, 32–33 (N.J. Super. Ct. App. Div. 1987).

<sup>100</sup> AMERICAN JURISPRUDENCE PROOF OF FACTS § 3(d) (Thomson Reuters, 2d ed. 2017).

<sup>101</sup> See, e.g., *Cargill Inc. v. Kuan*, No. 14–cv–2325–RM–MJW, 2014 U.S. Dist. LEXIS 148818, at \*16–20 (D. Col. Oct. 20, 2014) (denying request for injunction to block employment; while employee was “not credible” in trying to explain why he “downloaded thousands of documents”; he returned files and court credited evidence from new employer that employee had not disclosed information and that new employer showed “no impropriety” in its own conduct); see also *Cintas Corp. v. Perry*, No. 03 C 8404, 2004 U.S. Dist. LEXIS 17842, at \*51–58 (N.D. Ill. Aug. 20, 2004) (rejecting inevitable disclosure argument as to trade secret claim where although employer argued that employee had a spreadsheet and two disks, his new

issue such injunctions do not consider whether there is evidence that the employee and the new employer have shown good faith, or acted without misconduct.<sup>102</sup>

Some courts even affirmatively reject evidence of good faith because it gets in the way of the hypothetical construct of inevitable disclosure.<sup>103</sup> In a 1999 Texas case, which issued an employment-blocking temporary restraining order where the employee had not engaged in misconduct, the court rejected the notion that the new employer's efforts to protect the former employer's trade secrets were relevant to the analysis.<sup>104</sup> In striking language, the court declared:

At best, relying on the new employer to protect the trade secrets of the former employer when those trade secrets could work to the new employer's advantage is little better than asking the fox to guard the henhouse. The richer the henhouse, the less wise it is to trust the most responsible and reliable of foxes.<sup>105</sup>

Other courts have held that inevitable disclosure would be assumed despite evidence of good faith.<sup>106</sup>

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job was not sufficiently similar, the court found employee did not take information that was actually confidential, new employer showed good faith efforts to prevent misappropriation, and employee had already been working for new employer for eight months, casting doubt on theory that disclosure of trade secrets was inevitable).

<sup>102</sup> See, e.g., *Baxter Int'l, Inc. v. Morris*, 976 F.2d 1189, 1193–95 (8th Cir. 1992) (affirming only a limited injunction barring misuse of trade secrets; crediting new employer's evidence regarding its lack of need for the plaintiff's information); see also *Hydrofarm, Inc. v. Orendorff*, 905 N.E.2d 658, 664 (Ohio Ct. App. 2008) (inevitable disclosure doctrine was inapplicable as basis for granting injunctive relief in absence of clear and convincing evidence that former employer would be irreparably harmed).

<sup>103</sup> See, e.g., *Triumph Packaging Grp. v. Ward*, 834 F. Supp. 2d 796, 809–10 (N.D. Ill. 2011) (denying request for preliminary injunction as to trade secret claim; rejecting inevitable disclosure argument because new employer was not a direct competitor and employee did not have high-level knowledge; considering evidence from new employer regarding good faith).

<sup>104</sup> See *Conley v. DSC Comm. Corp.*, No. 05–98–01051, 1999 Tex. App. LEXIS 1321, at \*11–21 (Tex. Ct. App. Feb. 24, 1999).

<sup>105</sup> *Id.* at \*16–17.

<sup>106</sup> See, e.g., *MeadWestvaco Corp. v. Bates*, CL13–1589, 2013 Va. Cir. LEXIS 200, at \*23–35 (Va. Cir. Ct. Aug. 1, 2013) (granting temporary injunction to block employment; in case featuring a non-competition covenant, court treated discussion of inevitable disclosure as one of threatened misappropriation and used six-factor test for analysis to find that Virginia likely would apply the theory where a non-competition covenant exists; despite absence of evidence of misappropriation, and despite employee's "belief that he can perform the duties" of his new job without misappropriation, he "will necessarily have to" do so given his similar position); *REG Seneca, LLC v. Harden*, 938 F. Supp. 2d 852, 860–61 (S.D. Iowa 2013)

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Two Massachusetts cases, one from 1995 and another from 2011, also gave little credence to support that the mobile employee would comply with the law.<sup>107</sup> In *Marcam Corporation v. Orchard*, a software company sought to enforce a non-competition covenant against a mobile employee and used the “inevitable disclosure” theory to justify enforcement of the covenant.<sup>108</sup> The court, without articulating a formal test, offered a sort of ad-hoc personal opinion to the effect that “[i]t is difficult to conceive how all of the information stored in Orchard’s memory can be set aside as he applies himself to a competitor’s business and products.”<sup>109</sup> The court further stated that “scrupulous efforts to avoid disclosure” were irrelevant, but did not explain why that was the case.<sup>110</sup>

In *Aspect Software v. Barnett*, a software company sought to enjoin a departing executive under a contract which followed the “inevitable disclosure” theory.<sup>111</sup> The defendant and his new employer submitted evidence that the mobile executive had taken no information from the plaintiff, that the new employer had instructed him to obey the law, and that he intended to avoid misuse of trade secrets.<sup>112</sup> Among the evidence before the court was an email from the new employer to the employee, providing “ground rules” for his conduct at the new job:

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(granting employment-blocking preliminary injunction to enforce two-year non-competition agreement; “despite genuine assurances made by” the former employee and new employer, court found that even if employee “may not explicitly reveal” trade secrets, “there is a real threat of inevitable disclosure” because employee “was involved in a long series of trial-and-error experiments” and “to allow [employee’s] new employer to essentially skip much of the expensive, time-intensive, research process” would constitute irreparable harm); *Avery Dennison Corp. v. Finkle*, CV 010757706, 2002 Conn. Super. LEXIS 329, at \*11–13 (Conn. Super. Ct. Feb. 1, 2002) (issuing employment-blocking temporary injunction where employee had entered into non-competition agreement, strongly favoring inevitable disclosure, rejecting defendant’s testimony that he could separate and not use confidential information, and stating “[h]owever well intentioned the defendants may be, it seems virtually impossible for [plaintiff’s] trade secret information, particularly as to ‘dead ends,’ to not affect the employment relationship of [employee]”); *C.R. Bard, Inc. v. Intoccia*, No. 94–11568–Z, 1994 U.S. Dist. LEXIS 15368, at \*8–9 (D. Mass. Oct. 13, 1994) (issuing employment-blocking injunction to enforce non-competition covenant despite absence of misconduct; “[a]lthough I fully credit his testimony that he took no documents that could in any way compromise the plaintiff, he could not and did not leave behind his special knowledge of plaintiff’s operation, and in serving his new employer he will inevitably draw upon that knowledge”).

<sup>107</sup> See *Marcam Corp. v. Orchard*, 885 F. Supp. 294, 297–98 (D. Mass. 1995); see also *Aspect Software, Inc. v. Barnett*, 787 F. Supp. 2d 118, 123–24 (D. Mass. 2011).

<sup>108</sup> *Marcam Corp.*, 885 F. Supp. at 295.

<sup>109</sup> *Id.* at 297.

<sup>110</sup> *Id.*

<sup>111</sup> See *Aspect Software*, 787 F. Supp. 2d at 118.

<sup>112</sup> See *id.* at 123–24 (describing efforts by new employer and mobile executive).

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Given your current obligations to Aspect, I have put together the “ground rules” below, which I need you to follow:

1. Do not retain any documents or information relating to Aspect’s business, in any form, that you obtained in your role as an Aspect employee.
2. Do not disclose any document or information relating to Aspect’s business to anyone at Avaya and do not use such documents or information in your employment with Avaya.
3. If Aspect comes up in any discussion or meeting that you are attending in your role as an Avaya employee, you should not provide any input.
4. If, in the course of your employment with Avaya, you are asked for information relating to Aspect’s business, you must refrain from providing the information.
5. Until April 19, 2012, do not have any communications with any Aspect employee about leaving his or her employment with Aspect.
6. Until April 19, 2012, do not play any role in hiring anyone who was employed with Aspect in the 180 days prior to your involvement in the hiring process.
7. Until April 19, 2012, do not have any communications with any Aspect customer, supplier, licensee, licensor or business relation about doing business with Aspect or Avaya.
8. Until April 19, 2012, do not make any negative statements about Aspect to any Aspect customer, supplier, licensee, licensor or business relation.<sup>113</sup>

Despite an absence of wrongdoing and such affirmative evidence of good faith, the court enjoined the executive, citing other “inevitable disclosure” cases; stating that “taking into account” the new employer and mobile employee’s “commendable efforts to protect” the former employer’s trade secrets, the similarity of the old and new job roles meant that misuse of trade secrets would be inevitable.<sup>114</sup> The non-competition covenant was enforced against the defendant.<sup>115</sup>

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<sup>113</sup> *Id.* at 124–25.

<sup>114</sup> *See id.* at 130.

<sup>115</sup> Subsequent rulings under Massachusetts law are less stark and have struggled  
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To illustrate, more courts facing inevitable disclosure-based motions consider at least some of the evidence before them than do not.<sup>116</sup> But what gets considered, in light of what does not get considered, often appears imprecise, if not highly skewed, in favor of the former employer. Indeed, some courts employ articulated tests or standards that are, at best, so imprecise that courts essentially must use ad-hoc impressions to guide the ruling.<sup>117</sup> For example, courts in Ohio ask whether a mobile employee who knows trade secrets has a “substantial similar capacity” at a new job, where “there is no adequate remedy at law and injunctive relief is appropriate.”<sup>118</sup> This type of test provides a judge with no metrics by which to judge what level of similarity purportedly leads to unlawful conduct invites impressionistic, subjective rulings.

Following this type of analysis, some courts focus on whether the new and old jobs are very similar, which is one way of analyzing empirical data. In a case where Amazon sued an employee who joined Google soon after leaving the company, a federal court in Washington described “inevitable disclosure” as “a showing that an employee’s new job so closely resembles her old one that it would be impossible to work in that job without disclosing confidential information.”<sup>119</sup> The court found that Amazon had described only “superficial similarities” between the employee’s jobs at Amazon and Google, and denied

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to some degree to state when “inevitable disclosure” is a permitted basis for injunctive relief. *See* *Corporate Techs., Inc. v. Harnett*, 943 F. Supp. 2d 233, 236, 241 (D. Mass. 2013) (granting request for preliminary injunction and interpreting prior cases such as *Aspect* as holding that “some harm had already occurred”); *see also* *U.S. Elec. Servs. v. Schmidt*, No. 12–10842–DJC, 2012 U.S. Dist. Lexis 84272, at \*39 (D. Mass. June 19, 2012) (denying injunctive relief while interpreting prior cases such as *Aspect* as allowing an “inevitable disclosure” prediction to process once a “breach” has occurred, which in *Aspect* could only have been the employee’s acceptance of a job with a competitor).

<sup>116</sup> *See supra* Table 1.

<sup>117</sup> *See, e.g., Dayton Superior Corp. v. Yan*, No. 3:12–cv–380, at \*21–22 (S.D. Ohio Apr. 18, 2013) (HeinOnline) (using a test to determine that there is not adequate remedy at law because the previous work was as a chemist); *Avery Dennison Corp. v. Juhasz*, 924 F. Supp. 2d 893, 900 (N.D. Ohio 2013) (determining substantial similarity without metrics but simply because evidence showed he worked with the same products).

<sup>118</sup> *See, e.g., Dayton Superior Corp.*, No. 3:12–cv–380, at \*21–22 (noting that “the ‘inevitable disclosure rule’ is, by its nature, speculation”; denying request for injunctive relief where, among other things, information at issue was stale); *Juhasz*, 924 F. Supp. 2d at 900–01 (same; denying injunctive relief where new job not “substantially similar”).

<sup>119</sup> *Amazon.com, Inc. v. Powers*, No. C12–1911RAJ, at \*12 (W.D. Wash. Dec. 27, 2012) (HeinOnline).



injunctive relief.<sup>120</sup>

Illinois has arguably articulated the most complete test for ruling on requests for “inevitable disclosure” injunctions as compared to the other forty-nine states. The test requires courts to examine whether there is evidence of good faith on the part of the departing employee and the new employer.<sup>121</sup> Courts in Illinois, therefore, review (1) the level of competition between the former employer and the new employer; (2) the degree of overlap between the employee’s old and new positions; and (3) the actions the new employer has taken to prevent trade secret misuse.<sup>122</sup>

As this test suggests, some courts do appear to take behavior-based empirical evidence into account, for example, whether the mobile employee has downloaded or e-mailed files belonging to the former employer to a personal account.<sup>123</sup> However, what courts make of such evidence is inconsistent, and one is left with the impression that courts are, again, making ad hoc decisions without rigorous guiding principles. Some decisions find that the past act of employee-downloading means that future wrongdoing is inevitable.<sup>124</sup> Other decisions downplay similar evidence, essentially concluding that past acts do not show that future misconduct is unavoidable.<sup>125</sup> By contrast, some courts have

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<sup>120</sup> *Id.*

<sup>121</sup> *See* Triumph Packaging Grp. v. Ward, 834 F. Supp. 2d 796, 809 (N.D. Ill. 2011) (reciting the Illinois test).

<sup>122</sup> *See* Lumenate Techs., LP v. Integrated Data Storage, LLC, No. 13 C 3767, 2013 U.S. Dist. LEXIS 160414, at \*19–20 (N.D. Ill. Nov. 11, 2013) (denying defense motion to dismiss “inevitable disclosure”-based trade secret cause of action); *see also* Triumph Packaging, 834 F. Supp. 2d at 809 (reciting the test and finding that new employer’s operations were sufficiently different, the new job role was different, and argument that mobile employee displayed a lack of candor when leaving was not persuasive).

<sup>123</sup> *See, e.g.,* Shurgard Storage Ctrs., Inc. v. Safeguard Self Storage, Inc., 119 F. Supp. 2d 1121, 1125 (W.D. Wash. 2000) (finding employee distributed trade secret information via e-mail, thus exposing himself to possible CFAA liability); Mintel Int’l Grp., Ltd. v. Neergheen, No. 08 c 3939, 2008 WL 5246682, at \*2–3 (N.D. Ill. Dec. 16, 2008) (finding employee e-mailed confidential company consumer lists to his personal account); Sam’s Wines & Liquors, Inc. v. Hartig, No. 08 C 570, 2008 WL 4394962, at \*3 (N.D. Ill. Sept. 24, 2008) (finding that employee downloaded and sent company documents to future employee); Nilfisk-Advance, Inc. v. Mitchell, No. 05–5179, 2006 U.S. Dist. LEXIS 21993, at \*7–8 (W.D. Ark. Mar. 28, 2006) (determining that employee e-mailed confidential files to personal computer).

<sup>124</sup> *See, e.g.,* Bimbo Bakeries USA, Inc. v. Botticella, 613 F.3d 102, 117–18 (3d Cir. 2010) (affirming injunction where, among other things, employee downloaded important files without a credible explanation for doing so); Liebert Corp. v. Mazur, 827 N.E.2d 909, 927–29 (Ill. App. Ct. 2005) (applying theory on evidence that defendant had actually taken secret material, and apparently stated he would use it).

<sup>125</sup> *See, e.g.,* Am. Airlines, Inc. v. Imhof, 620 F. Supp. 2d 574, 580 (S.D.N.Y. 2009) (finding employee’s taking of files was insufficient where employee did not

affirmatively given weight to evidence of good conduct by the new employer and mobile employee.<sup>126</sup>

#### **F. Do Courts Denying “Inevitable Disclosure” Injunctions Apply a More Rigorous Analysis?**

All in all, despite jurisdictions such as Massachusetts and Illinois that give Pure Inevitable Disclosure more latitude, it appears that most reported decisions since 2000 have either (1) declined to recognize “inevitable disclosure,” or (2) denied its application in particular circumstances.<sup>127</sup> Moreover, at least two states definitively reject the construct.<sup>128</sup> One of the most famous examples is California, where an allegation of inevitable disclosure can lead to monetary sanctions against the former employer.<sup>129</sup>

Nevertheless, courts denying such requests for injunctive relief against mobile employees generally do not engage in significantly more rigorous analysis than those which issue injunctions.<sup>130</sup> In both situations, decisions often come across as untethered to any formal methodology or criteria to adjudicate predictions that future misconduct is unavoidable.

That being said, it is notable that courts, declining to issue inevitable disclosure injunctions, appear to be much more likely to consider

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pass files to new employer); *Interbake Foods, LLC v. Tomasiello*, 461 F. Supp. 2d 943, 974–75 (N.D. Iowa 2006) (determining employee’s last-minute access of sensitive files insufficient).

<sup>126</sup> See, e.g., *E.R. Squibb & Sons, Inc. v. Hollister, Inc.*, No. 91–203, 1991 WL 15296, at \*7 (D.N.J. Feb. 5, 1991), (finding that former employee and new employer were honest and respected former employer’s information), *aff’d*, 941 F.2d 1201 (3d Cir. 1991); *Bendinger v. Marshalltown Trowell Co.*, 994 S.W.2d 464, 474 (Ark. 1999) (determining that former employee and new employer were honest and respected former employer’s information); *Avery Dennison Corp. v. Juhasz*, 924 F. Supp. 2d 893, 901 (N.D. Ohio 2013) (denying injunctive relief where, among other things, mobile employees “clearly stated they understand their obligations” under contracts with the former employer); *Bridgestone/Firestone v. Lockhart*, 5 F. Supp. 2d 667, 682 (S.D. Ind. 1998) (determining that former employee and new employer were honest and respected former employer’s information).

<sup>127</sup> See *infra* Appendix D, Table 11.

<sup>128</sup> See *LeJeune v. Coin Acceptors, Inc.*, 849 A.2d 451, 458 (Md. 2004) (noting that “inevitable disclosure” is not the law in Maryland); *Whyte v. Schlage Lock Co.*, 101 Cal. App. 4th 1443, 1464, 125 Cal. Rptr. 2d 277, 277 (Cal. Ct. App. 2002) (“inevitable disclosure” injunctions are impermissible in California).

<sup>129</sup> *Whyte*, 125 Cal. Rptr. 2d at 277, 101 Cal. App. at 1464.

<sup>130</sup> Compare *LeJeune*, 849 A.2d at 472 (vacating the circuit court’s preliminary injunction), with *Nucor Corp. v. Bell*, No. 2:06–CV–02972–DCN, 2008 WL 9894350, at \*25 (D.S.C. Mar. 14, 2008) (granting the plaintiff’s request for a preliminary injunction).

*continued . . .*

whether the employee and the new employer had demonstrated good faith.<sup>131</sup> This is most often presented by testimony that each will avoid misuse of the plaintiff's claimed trade secrets, and that the new company has so instructed its new hire to avoid misuse.<sup>132</sup> This is in stark contrast with decisions like those described above, which affirmatively decline to consider such evidence in favor of the inevitable disclosure construct.

In summary, while courts do not entirely ignore empirical evidence when considering requests for inevitable disclosure injunctions, they often ignore facts that seemingly would substantially discount the prediction of future wrongdoing, while the criteria they do consider are not sufficiently rigorous to separate a mere chance of wrongdoing from a concrete probability (much less an inevitability).

#### V. LIMITS ON PREDICTIONS AND ESTIMATES IN OTHER AREAS OF TRADE SECRET LAW

Insofar as having parsed the omissions and analytical gaps in courts' consideration of inevitable disclosure orders, it is certainly worth noting the contrast between this problematic area and another, better-organized aspect of trade secret disputes where predictions about future events are common.

One example when parties in a trade secrets suit utilize expert witnesses. This happens in a case where a trade secret plaintiff seeks monetary damages. When seeking monetary damages, the plaintiff and defense both utilize experts, who make predictions, projections, and/or estimates about future sales, or other future economic valuation of assets, in order to make or contest damages claims. In such a case, courts require that the parties' experts meet *Daubert* standards for reliable opinion testimony about such predictions.<sup>133</sup>

In federal courts, and most state courts, parties that submit testimony from expert witnesses or employee-experts must ensure that such experts use a reliable methodology to ground the opinions rendered.<sup>134</sup> Generally speaking, this means that the expert must employ analytical methods that satisfy criteria recognized by the relevant scientific or scholarly community.<sup>135</sup> As one court described the test, "The scientific

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<sup>131</sup> See *infra* Appendix E, Table 12.

<sup>132</sup> See *infra* Appendix E, Table 12.

<sup>133</sup> See, e.g., *Frymire-Brinati v. KPMG Peat Marwick*, 2 F.3d 183, 186 (7th Cir. 1993); *Liu v. Korean Air Lines Co.*, No. 84 Civ. 0690, 1993 Westlaw 478343, at \*1 (S.D.N.Y. Nov. 16, 1993).

<sup>134</sup> See FED. R. EVID. 702; *Daubert v. Merrell Dow Pharma. Inc.*, 509 U.S. 579, 589 (1993).

<sup>135</sup> FED. R. EVID. 702 "embodies a trilogy of restrictions on expert testimony:

method requires ‘the generation of testable hypotheses that are then subjected to the real world crucible of experimentation, falsification/validation, and replication.’”<sup>136</sup>

In nearly any complex trade secret litigation where the plaintiff seeks monetary damages for losses extending into the future, the plaintiff submits expert witness testimony.<sup>137</sup> Such experts invariably generate written reports that attempt to ground estimates of future economic loss upon widely accepted accounting and financial projection methods.<sup>138</sup> All, or effectively all, such reports include a “discount rate.”<sup>139</sup> A discount rate is a formal, articulated model that seeks to take account of different variables that reduce the chance that the loss-generating event actually takes place, or that its effect is as pervasive given those variables.<sup>140</sup> For example, discount rates often factor the existence of other market competitors, the potential entry of new competitors, the potential development of superior products or technology that renders a current product obsolete, and/or the plaintiff’s potential failure to engage in successful product marketing.<sup>141</sup> Although opposing experts often quarrel over the proper calculation of the discount rate, there is widespread agreement that using a modeled

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qualification, reliability and fit.” *Schneider v. Fried*, 320 F.3d 396, 404 (3d Cir. 2003). The court is required to exclude opinion testimony that does not meet these three requirements. *Johnson v. SJP Mgmt. LLC*, No. 07–5545, 2009 WL 367539, at \*5 (E.D. Pa. Feb. 12, 2009). The requirement of “qualification” mandates that the witness possess specialized expertise. *Id.* The “reliability” requirement dictates that an expert’s testimony is admissible only if the methodology the expert used in formulating the opinion is based on the “methods and procedures of science rather than on subjective belief or unsupported speculation.” *Id.* at \*6 (quoting *In re Paoli Railroad Yard PCB Litigation*, 35 F.3d 717, 741–43 (3d Cir. 1994)); *see also Allison v. McGhan Med. Corp.*, 184 F.3d 1300, 1310–11 (11th Cir. 1999) (discussing courts’ gatekeeping role regarding expert testimony). To test whether a methodology is proper, courts examine (1) whether it can be tested; (2) whether it has been subject to peer review; (3) whether it has a high known or potential rate of error; and (4) whether it has gained general scientific acceptance. *Allison*, 184 F.3d at 1312.

<sup>136</sup> *Perry v. Novartis Pharms. Corp.*, 564 F. Supp. 2d 452, 459 (E.D. Pa. 2008) (quoting *Caraker v. Sandoz Pharm. Corp.*, 188 F. Supp. 2d 1026, 1030 (S.D. Ill. 2001)).

<sup>137</sup> *See, e.g., KW Plastics v. United States Can Co.*, 131 F. Supp. 2d 1289, 1292 (M.D. Ala. 2001) (using a financial officer as an expert to calculate lost profits).

<sup>138</sup> *See generally* FED. R. EVID. 702 (requiring expert testimony to “be based on sufficient facts or data” and be the “product of reliable principles and methods”).

<sup>139</sup> *See, e.g., Children’s Broad. Corp. v. Walt Disney Co.*, 245 F.3d 1008, 1018 (8th Cir. 2001) (stating the expert applied an “uncontroversial accounting method called discounted cash flow” to determine damages).

<sup>140</sup> *See id.*

<sup>141</sup> *See id.* (expert failed to consider competition in his calculation of discount rate).

*continued . . .*

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discount rate is required under *Daubert* principles.<sup>142</sup>

The same is true for other forms of economic estimates by expert witnesses – every calculation or assumption made is potentially subject to a *Daubert* challenge. As a result, expert opinions in the money damages phase of trade secret litigation often feature citations to industry and academic literature and detailed explanations of how and why calculations were generated.

Because there is a tradition and an expectation that this area of trade secret litigation requires rigorous formal criteria, there are many rulings where courts have rejected expert damages testimony that fails to satisfy the *Daubert* criteria of a reliable methodology.<sup>143</sup> This contrast highlights the absence of similar methodological standards when it comes to inevitable disclosure. If one aspect of trade secret litigation requires and expects formal criteria for predictions based on accepted scholarly practices, why does the construct of inevitable disclosure escape such scrutiny?

## VI. CONCLUSION: PURE INEVITABLE DISCLOSURE SHOULD BE ELIMINATED

This is a narrow Article. It is not about economic policy, and it is not directly about employee rights vis-à-vis their former employers. Instead, it is focused on a peculiar category of judicial decision-making, the normative concept that it is permissible to use an unverifiable hypothetical construct of ineluctable misappropriation when considering whether to prohibit an employee from starting a new job.

As a detailed review of the case law has shown, a significant minority of courts rely on Pure Inevitable Disclosure and occasionally even disdain evidence of good faith before them to issue such injunctions. The hypothetical construct appears to have no scientific origin and is instead mere legal storytelling. Its seductive power, for whatever reasons, has led courts to engage in dubious reasoning, while omitting seemingly obvious critical questions such as whether there is evidence of good faith, whether the plaintiff has hired from competitors without issue, whether the presence of attorneys will make a difference, and whether the plaintiff has identified its claimed trade secrets.

Another point of this Article is that predictions of inevitable disclosure are not subject to the rigorous standards required when predictions of future economic loss are made in trade secret cases, or when other, similar predictions of future wrongdoing are made in different areas of law. Instead, courts decide such questions using loose

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<sup>142</sup> See *Daubert v. Merrell Dow Pharma. Inc.*, 509 U.S. 579, 597 (1993) (requiring expert testimony to rest on a reliable foundation).

<sup>143</sup> See *infra* text accompanying Appendix F, Table 13.

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tests, or no formal test at all, leading to inconsistent and questionable results.

The DTSA's enactment, with its seeming restriction on Pure Inevitable Disclosure, gives new momentum to efforts to eliminate that construct from trade secret jurisprudence. Pure Inevitable Disclosure ought to end in trade secret cases, forever. Reasonable minds may differ over what sorts of real-world evidence weigh for or against injunctive relief. Both former employers and departing employees can engage in misconduct, but nobody should lose their job because a court accepts an unverifiable, extreme hypothetical.

To get there, we need to ask fresh questions, shine a light on ossified storytelling devices, and expose the lack of methodological support for the prediction that all mobile employees cannot help but to engage in trade secret misappropriation. This Article offers some suggestions and, hopefully, a path to engage in that necessary critique.

## VII. APPENDIX A

## A. Inevitable Disclosure Cases Not Used in Data-Set

Table 2: Cases Separated Based on Request for Motion to Dismiss

Case Name	Court	Date	Outcome
Molon Motor & Coil Corp. v. Nidec Motor Corp. <sup>144</sup>	N.D. Ill.	May 11, 2017	Denying defense motion to dismiss
Airgas U.S., LLC. v. Adams <sup>145</sup>	N.D. Ill.	June 27, 2016	Denying defense motion to dismiss
Allied Waste Servs. of N. Am., LLC v. Tibble <sup>146</sup>	N.D. Ill.	April 7, 2016	Denying defense motion to dismiss
Allied Benefit Sys. v. Ramirez <sup>147</sup>	N.D. Ill.	Sept. 2, 2015	Granting defense motion to dismiss
Flsmidth Spokane, Inc. v. Emerson <sup>148</sup>	D. Idaho	June 16, 2014	Dismissing claim with prejudice
Info. Strategies, Inc. v. Dumosch <sup>149</sup>	D.D.C.	Feb. 10, 2014	Denying defense motion to dismiss

<sup>144</sup> See *Molon Motor & Coil Corp. v. Nidec Motor Corp.*, No. 16 C 03545, 2017 U.S. Dist. LEXIS 71700, at \*16 (N.D. Ill. May 11, 2017) (denying motion to dismiss and permitting Illinois UTSA and apparently DTSA claims to survive on inevitable disclosure theory).

<sup>145</sup> *Airgas U.S., LLC. v. Adams*, No. 15 C 50316, 2016 U.S. Dist. LEXIS 82869, at \*4 (N.D. Ill. June 27, 2016) (denying motion to dismiss).

<sup>146</sup> *Allied Waste Servs. of N. Am., LLC v. Tibble*, 177 F. Supp. 3d 1103, 1112 (N.D. Ill. 2016) (denying motion to dismiss).

<sup>147</sup> *Allied Benefit Sys. v. Ramirez*, 188 F. Supp. 3d 704, 708 (N.D. Ill. 2015) (granting motion to dismiss).

<sup>148</sup> *Flsmidth Spokane, Inc. v. Emerson*, No. 1:13-CV-00490-EJL, 2014 U.S. Dist. LEXIS 82361, at \*23 n.8 (D. Idaho June 16, 2014) (dismissing trade secret claim with prejudice and rejecting argument that an inevitable disclosure theory alone could suffice to state a plausible misappropriation claim).

<sup>149</sup> *Info. Strategies, Inc. v. Dumosch*, 13 F. Supp. 3d 135, 145 (D.D.C. 2014) (denying defense motion to dismiss on jurisdictional grounds, but leaving open the question whether a plaintiff could satisfy the amount in controversy requirement for federal jurisdiction using an inevitable disclosure claim). . . .

Luminate Techs., LP v. Integrated Data Storage, LLC <sup>150</sup>	N.D. Ill.	Nov. 11, 2013	Denying defense motion to dismiss
NanoMech, Inc. v. Suresh <sup>151</sup>	W.D. Ark.	Sept. 9, 2013	Granting defense motion to dismiss
Janus Et Cie v. Kahnke <sup>152</sup>	S.D.N.Y.	Aug. 29, 2013	Granting defense motion to dismiss
Mobile Mark, Inc. v. Pakosz <sup>153</sup>	N.D. Ill.	Sept. 6, 2011	Rejecting defense motion to dismiss
MSC. Software, Inc. v. Altair Eng'g, Inc. <sup>154</sup>	E.D. Mich.	June 25, 2009	Granting defense motion to dismiss
Complete Bus. Sol., Inc. v. Mauro <sup>155</sup>	N.D. Ill.	Mar. 16, 2001	Granting defense motion to dismiss with leave to amend

theory).

<sup>150</sup> Luminate Techs., LP v. Integrated Data Storage, LLC, No. 13 C 3767, 2013 U.S. Dist. LEXIS 160414, at \*37 (N.D. Ill. Nov. 11, 2013) (denying motion to dismiss).

<sup>151</sup> NanoMech, Inc. v. Suresh, No. 5:13-CV-05094, 2013 U.S. Dist. LEXIS 128213, at \*24–25 (W.D. Ark. Sept. 9, 2013) (granting defense motion to dismiss breach of confidentiality agreement claim where plaintiff did not plead use or disclosure but relied on inevitable disclosure theory, which court found insufficient to plead the required damages element of the claim).

<sup>152</sup> Janus Et Cie v. Kahnke, No. 12 Civ. 7201 (WHP), 2013 U.S. Dist. LEXIS 139686, \*6–10 (S.D.N.Y. Aug. 29, 2013) (granting motion to dismiss trade secret claim where court rejected notion that inevitable disclosure alone could be a “stand-alone claim in a complaint bereft of” allegations of actual misappropriation). “In essence, [plaintiff] asks this Court to allow a lawsuit to proceed to discovery when the Complaint alleges no wrongdoing by [defendant].” *Id.* (alteration in original).

<sup>153</sup> Mobile Mark, Inc. v. Pakosz, No. 11 C 2983, 2011 U.S. Dist. LEXIS 99865, at \*5 (N.D. Ill. Sept. 6, 2011) (finding, on motion to dismiss, that plaintiff adequately pleaded a claim for inevitable disclosure).

<sup>154</sup> MSC. Software, Inc. v. Altair Eng'g, Inc., No. 07–12807, 2009 U.S. Dist. LEXIS 53839, at \*9 (E.D. Mich. June 25, 2009) (granting motion to dismiss).

<sup>155</sup> Complete Bus. Sol., Inc. v. Mauro, No. 01 C 0363, 2001 U.S. Dist. LEXIS 3132, at \*1–20 (N.D. Ill. Mar. 16, 2001) (granting motion to dismiss with leave to amend on inevitable disclosure-based claim and expressing “serious doubts” that inevitable disclosure could be pleaded in absence of non-competition clause).

*continued . . .*



Degussa Admixtures, Inc. v. Burnett <sup>156</sup>	W.D. Mich.	Jan. 30, 2007	Granting plaintiff motion to dismiss with prejudice
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\*The use of inevitable disclosure as a device to file a complaint against an employee without alleging actual misconduct would itself be worth studying. Illinois in particular appears to allow lawsuits to proceed past the pleading stage on an inevitable disclosure theory, which is unsurprising given the history of the concept in that jurisdiction. Other jurisdictions have been more skeptical.

*Table 3: Cases Separated Based on Request for Motion for Summary Judgment*

Case Name	Court	Date	Outcome
Integrated Direct Mktg., LLC v. May <sup>157</sup>	E.D. Va.	Sept. 8, 2015	Granting defense motion for summary judgment
Destiny Health, Inc. v. Conn. Gen. Life Ins. Co. <sup>158</sup>	Ill. App. Ct.	Aug. 21, 2015	Affirming summary judgment against plaintiff

<sup>156</sup> Degussa Admixtures, Inc. v. Burnett, 471 F. Supp. 2d 848, 857–58 (W.D. Mich. 2007) (granting motion to dismiss with prejudice and awarding fees to defense where former employer had no non-competition covenant and customer list was not a trade secret, but employer attempted to sue using inevitable disclosure argument).

<sup>157</sup> See Integrated Direct Mktg., LLC v. May, 129 F. Supp. 3d 336, 365–66 (E.D. Va. 2015) (granting defense motions for summary judgment).

<sup>158</sup> Destiny Health, Inc. v. Conn. Gen. Life Ins. Co., 39 N.E.3d 275, 284–85 (Ill. App. Ct. 2015) (affirming summary judgment against plaintiff based on mere accusation that defendant had access to confidential information did not allow plaintiff to survive motion).

*continued . . .*

Freedom Home Mortg. Corp. v. Platinum Home Mortg. Corp. <sup>159</sup>	N.D.N.Y.	Mar. 30, 2015	Denying defense motion for summary judgment
Welsco, Inc. v. Brace <sup>160</sup>	W.D. Ark.	Sept. 30, 2014	Denying defense motion for summary judgment
Bulldog N.Y., LLC v. Pepsico, Inc. <sup>161</sup>	D. Conn.	Mar. 31, 2014	Granting defense motion for summary judgment
Gene Codes Corp. v. Thomson <sup>162</sup>	E.D. Mich.	Feb. 11, 2011	Granting defense motion for summary judgment
Titan Int'l, Inc. v. Bridgestone Firestone N. Am. Tire, LLC <sup>163</sup>	S.D. Iowa	Jan. 29, 2010	Granting defense motion for summary judgment

<sup>159</sup> Freedom Home Mortg. Corp. v. Platinum Home Mortg. Corp., No. 1:11-CV-1357 (CTS/CFH), 2015 U.S. Dist. LEXIS 39816, at \*11, \*13 (N.D.N.Y. Mar. 30, 2015) (denying defense motion for summary judgment but also rejecting plaintiff's inevitable disclosure argument as inapplicable, and court found evidence of actual misuse of confidential information).

<sup>160</sup> Welsco, Inc. v. Brace, No. 4:12-CV-00394-KGB, 2014 U.S. Dist. LEXIS 138410, at \*82-83 (W.D. Ark. Sept. 30, 2014) (denying defense motion for summary judgment on trade secret claim, allowing a bare theory of inevitable disclosure, without evidence of misuse, to permit the former employer "to reach the jury on its claims").

<sup>161</sup> Bulldog N.Y., LLC v. Pepsico, Inc., 8 F. Supp. 3d 152, 171-72 (D. Conn. 2014) (granting defense motion for summary judgment and rejecting plaintiff's argument that theory of inevitable disclosure alone could create an issue of fact).

<sup>162</sup> Gene Codes Corp. v. Thomson, 99 U.S.P.Q.2d 1448, 1451 (E.D. Mich. 2011) (on cross-motions for summary judgment, granting defense motion and rejecting inevitable disclosure theory because there was no evidence of "duplication" by employee).

<sup>163</sup> Titan Int'l, Inc. v. Bridgestone Firestone N. Am. Tire, LLC, 752 F. Supp. 2d 1032, 1046-47, 1050 (S.D. Iowa 2010) (granting defense motion for summary judgment). The court rejected plaintiff's argument that there was evidence supporting inevitable disclosure because plaintiff did not present "any evidence" that former employees possessed intimate knowledge of specific competitive plans. *Id.* at 1047. The court credited new employer with taking "affirmative steps" to prevent "potential misappropriation" and also found restrictive covenant unenforceable. *Id.* at 1048, 1050.

*continued . . .*

Metito (Overseas) Ltd. v. Gen. Elec. Co. <sup>164</sup>	S.D.N.Y.	Feb. 18, 2009	Granting defense motion for summary judgment
Cacique, Inc. v. V&V Supremo Foods, Inc. <sup>165</sup>	N.D. Ill.	Sept. 30, 2004	Partial grant of defense motion for summary judgment
YCA, LLC v. Berry <sup>166</sup>	N.D. Ill.	May 7, 2004	Denying defense motion for summary judgment
Quixote Transp. Safety, Inc. v. Cooper <sup>167</sup>	N.D. Ill.	March 12, 2004	Denying employer's motion for summary judgment
CMI Int'l, Inc. v. Internet Int'l, Inc. <sup>168</sup>	Mich. Ct. App.	April 30, 2002	Granting defense motion for summary judgment
CSC Consulting, Inc. v. Arnold <sup>169</sup>	Mass. Sup. Ct.	July 12, 2001	Denying employer's motion for summary judgment

<sup>164</sup> Metito (Overseas) Ltd. v. Gen. Elec. Co., No. 05-9478, 2009 WL 399221, at \*11, \*13 (S.D.N.Y. Feb. 18, 2009) (granting defense motion for summary judgment in absence of evidence of misappropriation and rejecting notion that inevitable disclosure could be a stand-in for a triable issue of fact).

<sup>165</sup> Cacique, Inc. v. V&V Supremo Foods, Inc., No. 03-4230, 2004 WL 2222270, at \*13-15 (N.D. Ill. Sept. 30, 2004) (granting part of defense summary judgment motion as to actual use of trade secrets, but denying motion as to possibility of inevitable disclosure).

<sup>166</sup> YCA, LLC v. Berry, No. 03-3116, 2004 WL 1093385, at \*16 (N.D. Ill. May 7, 2004) (denying defense motion for summary judgment on inevitable disclosure where plaintiff alleged that employee took documents and joined a competitor).

<sup>167</sup> Quixote Transp. Safety, Inc. v. Cooper, No. 03-1401, 2004 WL 528011, at \*3-6 (N.D. Ill. March 12, 2004) (denying employer's motion for summary judgment where it had non-competition covenant, but rejecting inevitable disclosure argument where plaintiff did not show that employee was really "privity to confidential information").

<sup>168</sup> CMI Int'l, Inc. v. Internet Int'l, Inc., 649 N.W.2d 808, 813-14 (Mich. Ct. App. 2002) (granting defense motion for summary judgment and rejecting plaintiff's reliance on inevitable disclosure theory to survive motion in absence of actual misappropriation).

<sup>169</sup> CSC Consulting, Inc. v. Arnold, No. 001800, 2001 WL 1174183, at \*2-3 (Mass. Sup. Ct. 2001) (denying employer's motion for summary judgment based on inevitable disclosure where court found employee had not misused trade secrets and did not pose a threat of doing so).

*continued . . .*

C & F Packing Co. v. IBP, Inc. <sup>170</sup>	N.D. Ill.	Mar. 17, 1998	Partial denying defense motion for summary judgment
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\*The fascinating question on summary judgment is whether a court will find a “triable issue of fact” to allow a lawsuit against an employee to continue merely on an “inevitable disclosure” construct. Because such motions typically occur long after an employee has begun the new job, courts are often skeptical, perhaps because it is much too obvious that if disclosure were inevitable, it would already have happened.

*Table 4: Cases Separated Based on Being in Jurisdictions That Do Not Permit Inevitable Disclosure Injunctions as a Matter of Law*

Case Name	Court	Date	Outcome
Ameritox, Ltd. v. Savelich <sup>171</sup>	D. Md.	Mar. 11, 2015	Denying motion for preliminary injunction
Holton v. Physician Oncology Servs., LP <sup>172</sup>	Ga.	May 6, 2013	Reversing lower court granting of injunction

<sup>170</sup> See C & F Packing Co. v. IBP, Inc., No. 93 C 1601, 1998 WL 1147139, at \*1, \*8–10 (N.D. Ill. Mar. 17, 1998) (denying portion of defense motion for summary judgment as to allegation of inevitable disclosure). The court noted employee’s testimony that he did not believe he had used confidential information but if he did it was “unintentional” or unknowing. *Id.* at \*8. The court did not attempt to separate from vague questioning whether employee was asked about general skills and knowledge or actual items of secret information. See *id.* at \*8–10. This case is an example of how imprecision by courts and counsel during discovery can affect mobile employees.

<sup>171</sup> Ameritox, Ltd. v. Savelich, 92 F. Supp. 3d 389, 394 n.19, 400, 404 n.41, 404–05 (D. Md. 2015) (denying motion for preliminary injunction). The customer non-solicitation covenant was found overbroad under Maryland law. *Id.* The court found that Maryland does not recognize inevitable disclosure and that Oregon courts have not decided the issue, and noted that defendant had agreed to return files he emailed himself before leaving. *Id.*

<sup>172</sup> Holton v. Physician Oncology Servs., LP, 742 S.E.2d 702, 702–03, 706 (Ga. 2013) (noting where lower court had issued employment-blocking

*continued . . .*

Narrative1 Software, LLC v. Arzouian <sup>173</sup>	N.H. Sup. Ct.	Sept. 12, 2012	Denying request for preliminary injunction
Del Monte Fresh Produce Co. v. Dole Food Co. Inc. <sup>174</sup>	S.D. Fla.	May 24, 2001	Denying request for injunction
LeJeune v. Coin Acceptors, Inc. <sup>175</sup>	Md.	May 13, 2004	Vacating trial court's granting of injunction
Cent. Valley Gen. Hosp. v. Smith <sup>176</sup>	Cal. Ct. App.	Apr. 28, 2008	California rejects theory of inevitable disclosure

injunction to enforce a non-competition covenant and also to apply the inevitable disclosure theory, state supreme court reversed the portion of the order relying on inevitable disclosure alone to find a threatened misappropriation, but declined to decide “whether the inevitable disclosure doctrine may be applied to support a claim for the threatened misappropriation of trade secrets”).

<sup>173</sup> Narrative1 Software, LLC v. Arzouian, No. 2012-CV-00498, 2012 N.H. Super. LEXIS 38, at \*2-3, \*5-6, \*11-14 (N.H. Sup. Ct. Sept. 12, 2012) (denying request for preliminary injunction; employee did not sign a non-competition covenant, despite accusation that employee retained documents employer presented no evidence of misuse, and court declined to adopt inevitable disclosure theory under New Hampshire law because it operates like a court-created restrictive covenant).

<sup>174</sup> Del Monte Fresh Produce Co. v. Dole Food Co. Inc., 148 F. Supp. 2d 1326, 1327, 1330, 1334, 1337, 1339 (S.D. Fla. 2001) (denying request for employment-blocking injunction where employer did not have non-competition covenant). Without deciding whether Florida or California law governed, the court found that neither would allow inevitable disclosure. *Id.* “Absent evidence of actual or threatened misappropriation, a court should not allow a plaintiff to use inevitable disclosure as an after-the-fact noncompete agreement to enjoin an employee from working for the employer of his or her choice.” *Id.* at 1337. The court found no evidence of misconduct and credited employee’s testimony that he did not remember claimed trade secrets “with precision.” *Id.* at 1339.

<sup>175</sup> LeJeune v. Coin Acceptors, Inc., 849 A.2d 451, 454-55, 467 (Md. 2004) (vacating employment-blocking injunction that trial court based on inevitable disclosure theory). The court affirmed finding that employee had wrongfully kept trade secrets upon departure, but noted no evidence of misuse, and rejected inevitable disclosure under Maryland law. *Id.* The employee did not have non-competition covenant. *Id.* at 471.

<sup>176</sup> Cent. Valley Gen. Hosp. v. Smith, 162 Cal. App. 4th 501, 506, 527-29, 75 Cal. Rptr. 3d 771, 775, 791-92 (Cal. Ct. App. 2008) (noting California’s rejection of inevitable disclosure and, in dicta, listing different types of threatened misappropriation: continuing to possess trade secrets *continued . . .*

Table 5: Cases in Unusual Contexts Not Pertinent to the Precise Question Addressed in this Article

Case Name	Court	Date	Unusual Context
Arthur J. Gallagher & Co. v. Anthony <sup>177</sup>	N.D. Ohio	Aug. 30, 2016	No non-competition covenant and information not secret
Santella v. Grizzly Indus., Inc. <sup>178</sup>	D. Or.	Nov. 5, 2012	Permitted expert witness to view material under protective order
Litig. Mgmt., Inc. v. Bourgeois <sup>179</sup>	Ohio	June 9, 2011	Actual misappropriation led to breach of covenant
Huawei Techs. Co. v. Motorola, Inc. <sup>180</sup>	N.D. Ill.	Feb. 22, 2011	Unusual business-to-business request

after past use or disclosure, an intention to use trade secrets, and “wrongly” refusing to return trade secrets). I have not listed the numerous decisions under California law which recite that California rejects the concept.

<sup>177</sup> Arthur J. Gallagher & Co. v. Anthony, No. 16-CV-00284, 2016 U.S. Dist. LEXIS 116384, at \*53 (N.D. Ohio Aug. 30, 2016) (considering an inevitable disclosure argument at trial, an uncommon argument for the trial court to consider). The court on bench trial rejected argument because there was no non-competition covenant, because information was not a secret, and because plaintiff had not treated it as such. *Id.* at \*28, \*53–54.

<sup>178</sup> Santella v. Grizzly Indus., Inc., No. 3:12-MC-00131-SI, 2012 U.S. Dist. LEXIS 158349, at \*13, \*21 (D. Or. Nov. 5, 2012) (finding against party attempting to block an expert witness from viewing material under a protective order). The court found “no reasonable likelihood” of inadvertent disclosure and permitted access. *Id.* at \*21.

<sup>179</sup> Litig. Mgmt., Inc. v. Bourgeois, No. 95730, 2011 WL 2270553, at \*4, \*6 (finding that trial court should have ordered permanent injunction after finding breach of non-competition covenant). The court found that breach of the covenant and defendant’s actual misappropriation of trade secrets meant that there was a risk of inevitable disclosure. *Id.* at \*15–19, \*29.

<sup>180</sup> Huawei Techs. Co. v. Motorola, Inc., No. 11-CV-497, 2011 U.S. Dist. LEXIS 17165, at \*28–30 (N.D. Ill. Feb. 22, 2011) (finding unusual business-to-business request for preliminary injunction to stop disclosure of confidential information in planned acquisition of business units and hiring of employees). The court found that “[defendant’s] intent to employ former [acquired entity’s] personnel with access to [plaintiff’s] confidential information to support, service and maintain customers with [plaintiff’s] equipment will inevitably cause these employees to use [plaintiff’s] confidential information”. *Id.* (alteration in original).

*continued . . .*

Desert Sun Net LLC v. Kepler <sup>181</sup>	W.D. Wash.	Oct. 27, 2006	Franchise dispute
Leach v. Ford Motor Co. <sup>182</sup>	E.D. Mich.	Jan. 16, 2004	Employer allowed departing employee continuous access after departure
Telular Corp. v. Vox2, Inc. <sup>183</sup>	N.D. Ill.	June 4, 2001	Finding based on unusual argument
Luigino's, Inc. v. Peterson <sup>184</sup>	D. Minn.	Dec. 13, 2000	Inevitable disclosure-style fiduciary breach theory

<sup>181</sup> Desert Sun Net LLC v. Kepler, No. C06-1041P, 2006 WL 3091170, at \*8 (W.D. Wash. Oct. 27, 2006) (denying request for preliminary injunction in franchise dispute). The court rejected speculative accusations where plaintiff was “afraid that Defendants will disclose or use” trade secrets. *Id.*

<sup>182</sup> Leach v. Ford Motor Co., 299 F. Supp. 2d 763, 775-76 (E.D. Mich. 2004) (finding where departing employee sued for a declaratory judgment that non-competition covenant was not enforceable, and finding in favor of employee and rejecting former employer’s inevitable disclosure argument where employer had allowed departing employee to continue attending meetings and access his office and computer).

<sup>183</sup> Telular Corp. v. Vox2, Inc., No. 00 C 6144, 2001 U.S. Dist. LEXIS 7472, at \*4-6 (N.D. Ill. June 4, 2001) (finding based on unusual argument, mostly denying plaintiff’s inevitable disclosure-based attempt to block defendant’s expert witness from viewing litigation documents under case protective order).

<sup>184</sup> Luigino’s, Inc. v. Peterson, No. 00-1246, 2000 U.S. Dist. LEXIS 22927, at \*11-12 (D. Minn. Dec. 13, 2000). In an unusual case, plaintiff sued an advisory board member who also worked for a company whose subsidiary launched a competing product, and plaintiff removed board member and sued on inevitable disclosure-style fiduciary breach theory. *See id.* The court denied a motion for preliminary injunction against competing product in absence of evidence that former board member had done anything wrong. *See id.*

*continued . . .*

## VIII. APPENDIX B

Table 6: *Blocking or Limiting Injunction, Little or No Fact Analysis*

Case Name	Court	Date	Outcome
Panera, LLC v. Nettles <sup>185</sup>	E.D. Mo.	Aug. 3, 2016	Granting preliminary injunction
MeadWestvaco Corp. v. Bates <sup>186</sup>	Va. Cir.	Aug. 1, 2013	Granting temporary injunction
REG Seneca, LLC v. Harden <sup>187</sup>	S.D. Iowa	Apr. 9, 2013	Granting preliminary injunction

<sup>185</sup> Panera, LLC v. Nettles, No. 4:16-CV-1181-JAR, 2016 U.S. Dist. LEXIS 101473, at \*11–12 (E.D. Mo. Aug. 3, 2016) (preliminary injunction barring employment in case where there was a non-competition covenant). In this case, an IT employee of a fast food chain left for another, with no evidence of employee misconduct. *Id.* at 1–5. The court “[found] the rationale underpinning such a theory helpful to understanding why [employee’s] performance of his new role would almost certainly require him to draw upon and use trade secrets and the confidential strategic planning to which he was privy at Panera.” *Id.* (alteration in original). “[T]he Court agrees that [employee’s] immediate employment with Papa John’s is likely to lead to such disclosure.” *Id.* (alteration in original).

<sup>186</sup> MeadWestvaco Corp. v. Bates, 91 Va. Cir. 509, 529 (2013) (granting temporary injunction to block employment). In a case featuring a non-competition covenant, the court treated discussion of inevitable disclosure as one of threatened misappropriation and used a six-factor test for analysis to find that Virginia likely would apply the theory where a non-competition covenant exists. *Id.* at 524–25. Despite absence of evidence of misappropriation, and despite employee’s “belief that he can perform the duties” of his new job without misappropriation, he “will necessarily have to” do so given his similar position. *Id.* at 529.

<sup>187</sup> REG Seneca, LLC v. Harden, 938 F. Supp. 2d 852, 860–62 (S.D. Iowa 2013) (granting employment-blocking preliminary injunction to enforce two-year non-competition agreement). The court found that “despite genuine assurances made by” the former employee and new employer, even if employee “may not explicitly reveal” trade secrets, “there is a real threat of inevitable disclosure” because employee “was involved in a long series of  
*continued . . .*



EMC Corp. v. Breen <sup>188</sup>	Mass. Super. Ct.	Feb. 21, 2013	Granting preliminary injunction
Aspect Software, Inc. v. Barnett <sup>189</sup>	D. Mass.	May 27, 2011	Enforcing non-competition covenant
IBM Corp. v. Papermaster <sup>190</sup>	S.D.N.Y.	Nov. 21, 2008	Issuing preliminary injunction
Payment All. Int'l, Inc. v. Ferreira <sup>191</sup>	S.D.N.Y.	Oct. 2, 2007	Granting request for temporary restraining order

trial-and-error experiments” and “to allow [employee’s] new employer to essentially skip much of the expensive, time-intensive, research process” would constitute irreparable harm. *Id.* (alteration in original).

<sup>188</sup> EMC Corp. v. Breen, No. 12-CV-4477-BLS2, 2013 Mass. Super. LEXIS 39, at \*16 (Mass. Super. Ct. Feb. 21, 2013) (granting preliminary injunction to enforce non-competition covenant). The court accepted inevitable disclosure argument premised on former employer’s vague description of a “how they do it” marketing system and there was no evidence of bad acts. *Id.*

<sup>189</sup> Aspect Software, Inc. v. Barnett, 787 F. Supp. 2d 118, 130-35 (D. Mass. 2011) (enforcing non-competition covenant against executive despite extensive evidence of good faith by employee and new employer). The court used strong language in favor of inevitable disclosure; “Other courts in this district, faced with similar circumstances, have concluded that even sincere, scrupulous efforts by an employee and his or her new employer to protect a prior employer’s trade secrets are insufficient to remove the threat of irreparable harm via disclosure of trade secrets.” *Id.*

<sup>190</sup> IBM Corp. v. Papermaster, No. 08-CV-9078 (KMK), 2008 U.S. Dist. LEXIS 95516, at \*31-35 (S.D.N.Y. Nov. 21, 2008) (issuing employment-blocking preliminary injunction). The court enforced a non-competition covenant using inevitable disclosure-like reasoning about the employee’s knowledge and job overlap, despite finding that employee did not act dishonorably, but asked “what other base of technical know-how could Mr. Papermaster draw upon to perform his new and important job?” *Id.*

<sup>191</sup> Payment All. Int’, Inc. v. Ferreira, 530 F. Supp. 2d 477, 482-85 (S.D.N.Y. 2007) (granting employment-blocking request for temporary restraining order to enforce non-competition covenant). The court used strong inevitable disclosure logic to justify restraint despite apparent absence of misconduct; “[E]ven if [employee] acts with the best of intentions,” he might unintentionally misuse “information gained through his association with [plaintiff] . . . .” *Id.* (alteration in original).

*continued . . .*

Willis of New York, Inc. v. DeFelice <sup>192</sup>	N.Y. Sup. Ct.	Nov. 19, 2002	Partially affirming injunction
Marietta Corp. v. Fairhurst <sup>193</sup>	N.Y. Sup. Ct.	Aug. 23, 2002	Granting employment-blocking injunction
Avery Dennison Corp. v. Finkle <sup>194</sup>	Conn. Super. Ct.	Feb. 1, 2002	Issuing employment-blocking temporary injunction
Procter & Gamble Co. v. Stoneham <sup>195</sup>	Ohio Ct. App.	Sept. 29, 2000	Reversing trial court's denial of injunction

<sup>192</sup> Willis of New York, Inc. v. DeFelice, 750 N.Y.S.2d 39, 42–43 (N.Y. App. Div. 2002) (affirming injunction, partially, to enforce customer non-solicitation covenant, and finding that inevitable disclosure theory was proper as to some employees but not others where some were “high-level” and had “access to confidential information that could be easily utilized by them in their new positions”). There was no apparent evidence of misconduct. *Id.*

<sup>193</sup> Marietta Corp. v. Fairhurst, No. 2002–0229–M, 2002 N.Y. Misc. LEXIS 1181, at \*9–18 (N.Y. Sup. Ct. Aug. 23, 2002) (granting employment-blocking injunction in absence of non-competition covenant or misconduct, but finding that “it is inevitable” that employee “will use” confidential information in competing position, “if only unconsciously”); *rev’d* 301 A.D.2d 734 (N.Y. App. Div. 2003) (reversing because no evidence was offered to support that the employee had intentionally disclosed proprietary information and there was no anticompetitive agreement in place).

<sup>194</sup> Avery Dennison Corp. v. Finkle, CV010757706, 2002 Conn. Super. LEXIS 329, at \*12–13, \*3 n.3, \*11 (Conn. Super. Ct. Feb. 1, 2002) (issuing employment-blocking temporary injunction where employee had entered into non-competition agreement). In strong language favoring inevitable disclosure, the court rejected the defendant’s testimony that he could separate and not use confidential information. *See id.* “However well intentioned the defendants may be, it seems virtually impossible for [plaintiff’s] trade secret information, particularly as to ‘dead ends,’ to not affect the employment relationship of [employee] . . .” *Id.* at \*13 (alteration in original).

<sup>195</sup> Procter & Gamble Co. v. Stoneham, 747 N.E.2d 268, 278–80 (Ohio Ct. App. 2000) (reversing trial court’s denial of injunctive relief after bench trial; in addition to reversing on validity of non-competition covenant, court found that a “threat of harm” would be sufficient to grant employment-blocking trade secret relief, and found that former employer’s evidence that it had trade secrets and speculation about misuse along with evidence that new employee had considered apparently public domain evidence about competitors “around the world” and set up teams to study his former employer and its advertising campaigns was enough to demonstrate a threat).

*continued . . .*

Conley v. DSC Commc'n Corp. <sup>196</sup>	Tex. App.	Feb. 24, 1999	Affirming employment-blocking temporary restraining order
Lumex, Inc. v. Highsmith <sup>197</sup>	E.D.N.Y.	Mar. 19, 1996	Issuing employment-blocking injunction
PepsiCo., Inc. v. Richmond <sup>198</sup>	7th Cir.	May 11, 1995	Issuing employment-blocking injunction
Marcam Corp. v. Orchard <sup>199</sup>	D. Mass.	Apr. 3, 1995	Issuing employment-blocking injunction

<sup>196</sup> Conley v. DSC Commc'n Corp., No. 05-98-01051-CV, 1999 Tex. App. LEXIS 1321, at \*11-21 (Tex. App. Feb. 24, 1999) (affirming employment-blocking temporary restraining order in absence of non-competition covenant or employee's misconduct). The court ruled that it made no difference that employee did not take files and explicitly rejected the suggestion that the new employer's efforts to protect trade secrets should factor into the analysis: "At best, relying on the new employer to protect the trade secrets of the former employer when those trade secrets could work to the new employer's advantage is little better than asking the fox to guard the henhouse. The richer the henhouse, the less wise it is to trust the most responsible and reliable of foxes." *Id.*

<sup>197</sup> Lumex, Inc. v. Highsmith, 919 F. Supp. 624, 629-31 (E.D.N.Y. 1996) (issuing employment-blocking injunction despite evidence of good faith by new employer). The employee had a non-competition covenant, and the court found that despite "good faith" on the part of the new employer, overlap in jobs meant that it would be impossible for the employee not to misuse trade secrets. *Id.* at 629-31, 625. The court found that because employee testified it would be "possible" to misuse trade secrets, it would be impossible for him not to. *Id.* at 631.

<sup>198</sup> PepsiCo., Inc. v. Richmond, 54 F.3d 1262, 1269-71 (7th Cir. 1995) (issuing employment-blocking injunction based on similarity of new job where employee would be aware of former employer's upcoming product release dates). The employee did not have a non-competition covenant. *See id.* at 1264. The employee had not been entirely honest about his departure to colleagues, and while court affirmed the district court's findings, it was ambiguous as to whether such conduct was a basis for relief. *See id.* at 1264, 1269-71. This is arguably the most famous inevitable disclosure ruling.

<sup>199</sup> Marcam Corp. v. Orchard, 885 F. Supp. 294, 297-98 (D. Mass. 1995) (issuing employment-blocking injunction to enforce non-competition covenant despite apparent absence of misconduct). "Even if [employee] thinks he is keeping [plaintiff's] trade secrets, he will, as [new company's] employee inevitably, even if inadvertently, be influenced by the knowledge he possesses of all aspects of [plaintiff's] development efforts." *Id.* (alteration in original).

*continued . . .*

C.R. Bard, Inc. v. Intoccia <sup>200</sup>	D. Mass.	Oct. 13, 1994	Issuing employment-blocking injunction
Nat'l Starch & Chem. Corp. v. Parker Chem. Corp. <sup>201</sup>	N.J. Super. Ct. App. Div.	Apr. 27, 1987	Affirming employment-blocking injunction
Williams v. Compressor Eng'g Corp. <sup>202</sup>	Tex. App.	Jan. 16, 1986	Affirming permanent injunction
FMC Corp. v. Varco Int'l, Inc. <sup>203</sup>	5th Cir.	June 4, 1982	Affirming employment-blocking injunction
Air Prod. & Chem., Inc. v. Johnson <sup>204</sup>	Pa. Super. Ct.	Feb. 19, 1982	Affirming employment-blocking injunction

<sup>200</sup> C.R. Bard, Inc. v. Intoccia, No. 94-11568-Z, 1994 U.S. Dist. LEXIS 15368, at \*8-9 (D. Mass. Oct. 13, 1994) (issuing employment-blocking injunction to enforce non-competition covenant despite absence of misconduct). "Although I fully credit his testimony that he took no documents that could in any way compromise the plaintiff, he could not and did not leave behind his special knowledge of plaintiff's operation, and in serving his new employer he will inevitably draw upon that knowledge." *Id.*

<sup>201</sup> Nat'l Starch & Chem. Corp. v. Parker Chem. Corp., 530 A.2d 31, 32-33 (N.J. Super. Ct. App. Div. 1987) (affirming employment-blocking injunction; employer did not have non-competition covenant). The court seemed to affirm the injunction without examining facts closely and even allowing that former employer did not have to specifically identify its claimed trade secrets. *See id.*

<sup>202</sup> Williams v. Compressor Eng'g Corp., 704 S.W.2d 469, 471-72 (Tex. App. 1986) (affirming permanent injunction to enforce non-competition agreement). Despite no evidence of misconduct, the court adopted inevitable disclosure-like logic, finding that "[e]ven when he operates in the best of good faith, the former employee working in a similar capacity can hardly prevent his knowledge of his former employer's confidential methods from showing up in his work." *Id.*

<sup>203</sup> FMC Corp. v. Varco Int'l, Inc., 677 F.2d 500, 503-04 (5th Cir. 1982) (affirming employment-blocking injunction on inevitable disclosure-like reasoning in absence of non-competition covenant, but where new employer was attempting to copy plaintiff's products, wanted to place new hire on that project, and testified that it did not intend to place restrictions on the new hire). "Even assuming the best of good faith, [employee] will have difficulty preventing his knowledge of [plaintiff's product] from infiltrating his work." *Id.* (alteration in original).

<sup>204</sup> Air Prod. & Chem., Inc. v. Johnson, 442 A.2d 1114, 1118, 1124-25 (Pa. Super. Ct. 1982) (affirming employment-blocking injunction despite *continued . . .*

Weed Eater, Inc. v. Dowling <sup>205</sup>	Tex. Civ. App.	Feb. 9, 1978	Modifying preliminary injunction
Emery Indus. v. Coffier <sup>206</sup>	S.D. Ohio	Aug. 18, 1978	Entering employment-blocking injunction
Elec. Data Sys. Corp. v. Powell <sup>207</sup>	Tex. Civ. App.	Apr. 11, 1975	Adding non-competition restrictions to permanent injunction
Allis-Chambers Mfg. Co. v. Cont'l Aviation & Eng'g Corp. <sup>208</sup>	E.D. Mich.	Feb. 17, 1966	Issuing injunction

absence of non-competition covenant, despite finding that employee was “an honest man,” took no documents, and that new employer instructed employee not to disclose confidential information, based on theory that it was impossible for employee to perform new job without wrongdoing).

<sup>205</sup> Weed Eater, Inc. v. Dowling, 562 S.W.2d 898, 902 (Tex. Civ. App. 1978) (modifying preliminary injunction to add employment-blocking terms to enforce non-competition agreement). The court found that “[e]ven in the best of good faith, [employee] can hardly prevent his knowledge of his former employer’s confidential methods from showing up in his work.” *Id.* (alteration in original).

<sup>206</sup> Emery Indus. v. Coffier, No. C-1-78-474, 1978 U.S. Dist. LEXIS 15953, at \*9, \*17-19 (S.D. Ohio Aug. 18, 1978). The court entered an employment-blocking injunction despite absence of non-competition agreement, and although the employee took no “writings” containing the claimed trade secrets to the new job, its view was that “it is a necessary conclusion based on the facts that there is an inevitable and imminent danger of disclosure of plaintiff’s trade secrets. It will be virtually impossible for the defendant to perform his prospective duties for [new employer] without in effect giving [new employer] the benefit of plaintiff’s confidential information.” *Id.* (alteration in original).

<sup>207</sup> Elec. Data Sys. Corp. v. Powell, 524 S.W.2d 393, 398 (Tex. Civ. App. 1975) (adding non-competition restrictions to permanent injunction to enforce non-competition covenant; no evidence of misconduct, purely hypothetical analysis). The court recited that “[t]he mere rendition of service in the same area would almost necessarily impart such knowledge to some degree in his subsequent employment.” *Id.*

<sup>208</sup> Allis-Chambers Mfg. Co. v. Cont’l Aviation & Eng’g Corp., 255 F. Supp. 645, 654 (E.D. Mich. 1966) (issuing injunction blocking work in certain technology area based on employee’s knowledge of secret information and taking competitive job and asserting a “virtual impossibility” employee could perform job without misappropriation).

*continued . . .*

E.I. duPont De Nemours & Co. v. Am. Potash & Chem. Co. <sup>209</sup>	Del. Ch.	May 5, 1964	Denying defense motion for summary judgment
Fountain v. Hudson Cush-N-Foam Corp. <sup>210</sup>	Fla. Dist. Ct. App.	July 11, 1960	Affirming temporary employment-blocking injunction
Grace v. Orkin Exterminating Co. <sup>211</sup>	Tex. Civ. App.	Jan. 14, 1953	Enforcing non-compete
Eastman Kodak Co. v. Powers Film Prod., Inc. <sup>212</sup>	N.Y. App. Div.	Dec. 5, 1919	Affirming employment-blocking injunction

<sup>209</sup> E.I. duPont De Nemours & Co. v. Am. Potash & Chem. Co., 200 A.2d 428, 430–31, 436–37 (Del. Ch. 1964) (denying defense motion for summary judgment after court entered employment-blocking injunction despite absence of non-competition covenant and absence of misconduct). The court found that plaintiff could proceed to try to establish a threat of disclosure at trial, using inevitable disclosure-style logic. *See id.*

<sup>210</sup> Fountain v. Hudson Cush-N-Foam Corp., 122 So. 2d 232, 233–34 (Fla. Dist. Ct. App. 1960) (affirming temporary employment-blocking injunction where employee signed non-competition covenant). Despite no apparent evidence of misconduct, the court found that “it would seem logical to assume to that [employee’s] employment by a competitor of [plaintiff] would eventually result in a disclosure of that information.” *Id.* (alteration in original).

<sup>211</sup> Grace v. Orkin Exterminating Co., 255 S.W.2d 279, 289 (Tex. Civ. App. 1953) (using inevitable disclosure-like language and enforcing non-compete even where most of plaintiff’s alleged customer-related trade secrets were not secret, because of risk that former employee would disclose “business secrets”). The court stated that “[n]ecessarily this information would be used by the defendant in the conduct of his own business and only by enforcing specifically [the non-compete and nondisclosure agreements] can the wrongful use of this information by the defendant be prevented.” *Id.* (alteration in original). The defendant appeared to have used the plaintiff’s customer information, although it did not appear to really be secret. *Id.*

<sup>212</sup> Eastman Kodak Co. v. Powers Film Prod., Inc., 189 A.D. 556, 561–62 (N.Y. App. Div. 1919) (affirming employment-blocking injunction to enforce non-competition covenant). There was no apparent evidence of wrongdoing. *See id.* The court found that “[t]he mere rendition of the service along the lines of his training would almost necessarily impart such knowledge to some degree.” *Id.* at 562.

*continued . . .*

Table 7: No Blocking Injunction

Case Name	Court	Date	Outcome
Polymet Corp. v. Newman <sup>213</sup>	S.D. Ohio	Aug. 24, 2016	Granting request for preliminary injunction
Indus. Insulation Grp., LLC v. Sproule Mfg. Co., Inc. <sup>214</sup>	S.D. Tex.	Jan. 24, 2009	Granting injunction under Pennsylvania law
Nelson Tree Serv. v. Gray <sup>215</sup>	Fla. Dist. Ct. App.	Mar. 13, 2008	Reversing trial court's decision to deny request for preliminary injunction
LSI Logic Corp. v. Broadcom Corp. <sup>216</sup>	Dist. Ct. Colo.	Aug. 1, 2005	Issuing injunction

<sup>213</sup> Polymet Corp. v. Newman, No. 1:16-CV-734, 2016 U.S. Dist. LEXIS 113000, at \*11–17 (S.D. Ohio Aug. 2016) (finding no non-competition covenant; granting request for preliminary injunction against trade secret misuse, but not competition, in making “hot extruded wire” product; finding inevitable disclosure can be shown by a knowledgeable employee taking a substantially similar, competitive position). “Courts applying the inevitable disclosure doctrine have recognized that when employees have intimate knowledge of their employer’s confidential business information and trade secrets, it is virtually impossible for those employees to leave the company and work for a competitor, but compartmentalize their knowledge and avoid using their former employer’s confidential business information and trade secrets at their new job.” *Id.* The court found no apparent evidence of wrongdoing. *Id.*

<sup>214</sup> Indus. Insulation Grp., LLC v. Sproule Mfg. Co., Inc., 613 F. Supp. 2d 844, 857–58 (S.D. Tex. 2009) (granting injunction under Pennsylvania law to enforce confidentiality term in license agreement in business-to-business case where defendant sought to work with competitor, with no discussion of actual misconduct). The court found that defendant’s “duties under the terms of the [agreement with competitor] will make it impossible for him not to disclose [plaintiff’s] trade secrets.” *Id.* (alteration in original).

<sup>215</sup> Nelson Tree Serv. v. Gray, 978 So.2d 198, 201–02 (Fla. Dist. Ct. App. 2008) (reversing trial court which had denied a request for preliminary injunction to enforce an Ohio-law non-competition covenant and remanding for consideration of inevitable disclosure based on job similarity). There was no apparent record of misconduct. *See id.*

<sup>216</sup> LSI Logic Corp. v. Broadcom Corp., No. 05 CV 841, 2005 Colo. Dist. LEXIS 39, at \*9–11 (Dist. Ct. Colo. Aug. 1, 2005) (issuing injunction *continued . . .*

Dexxon Dig. Storage, Inc. v. Haenszl <sup>217</sup>	5th Dist.	June 20, 2005	Affirming trial court's denial of request for injunction
Kempner Mobile Elec., Inc. v. Sw. Bell Mobile Sys., LLC <sup>218</sup>	N.D. III.	Mar. 10, 2003	Granting preliminary injunction
T-N-T Motorsports v. Hennessey Motorsports <sup>219</sup>	Tex. App.	Feb. 12, 1998	Affirming a temporary restraining order
Rugen v. Interactive Bus. Sys. <sup>220</sup>	Tex. App.	May 28, 1993	Affirming temporary restraining order

that did not bar employment overall but required new employer not to assign individuals to specific projects). The employees had confidentiality covenants and non-compete covenants, but did not have non-competition covenants and there was no apparent evidence of misconduct. *See id.* at \*6, \*9–11. The court used inevitable disclosure-like logic to find that employees would avoid “pursuing blind alleys and the like” and could not “avoid” using trade secrets on certain competitive projects. *Id.* at \*9.

<sup>217</sup> Dexxon Dig. Storage, Inc. v. Haenszl, 832 N.E.2d 62, 68–69 (Ohio Ct. App. 2005) (affirming trial court’s denial of request for injunctive relief as to unenforceable covenants not to compete, but reversing on trade secret issues because appellate court accepted inevitable disclosure argument that it would be impossible for employees to compete without misusing trade secrets). The trial court had found evidence of misconduct but appellate court decided the issue on theory rather than application of facts. *See id.*

<sup>218</sup> Kempner Mobile Elec., Inc. v. Sw. Bell Mobile Sys., LLC, No. 02 C 5403, 2003 U.S. Dist. LEXIS 3512, at \*68–69 (N.D. Ill. Mar. 10, 2003) (granting preliminary injunction to enforce covenant and using inevitable disclosure to justify the ruling, in case where two businesses had a non-competition covenant, albeit without factual analysis).

<sup>219</sup> T-N-T Motorsports v. Hennessey Motorsports, 965 S.W.2d 18, 24 (Tex. App. 1998) (affirming a temporary restraining order prohibiting trade secret misuse, in the absence of a non-competition agreement and without evidence of misconduct). The court affirmed on theory that former employees knew trade secrets and thus “it is likely [they] will use the information”. *Id.* (alteration in original).

<sup>220</sup> Rugen v. Interactive Bus. Sys., 864 S.W.2d 548, 552 (Tex. App. 1993) (affirming temporary restraining order that prohibited departing employee from contacting plaintiff’s customers despite unenforceability of non-competition covenant). The court found that “[i]t is probable that [employee] will use the information for her benefit” despite absence of evidence of misconduct. *Id.* (alteration in original).

*continued . . .*



Table 8: Some Form of Injunction Granted; Significant Fact Analysis

Case Name	Court	Date	Outcome
Tate & Lyle Ingredients Am. LLC v. Craig <sup>221</sup>	Ill App. Ct.	Apr. 28, 2017	Affirming preliminary injunction
Sys. Spray-Cooled, Inc. v. FCH Tech, LLC <sup>222</sup>	W.D. Ark.	May 16, 2017	Expired covenant not to compete
Free Country Ltd v. Drennen <sup>223</sup>	S.D.N.Y.	Dec. 30, 2016	Granting temporary restraining order
Engility Corp. v. Daniels <sup>224</sup>	D. Colo.	Dec. 2, 2016	Finding no non-competition covenant

<sup>221</sup> Tate & Lyle Ingredients Am. LLC v. Craig, No. 4-16-0886, 2017 WL 155907, at \*4, \*6-7 (Ill App. Ct. April 28, 2017). The court affirmed preliminary injunction “prohibiting [defendant] from working in ADM’s industrial starch division.” *Id.* at \*1. The employee removed a file and a thumb drive from employer and the trial court thus found “risk of inevitable disclosure”. *Id.* at \*4. The court noted that ID claim is “enhanced” if employee takes a substantially similar position, that that “without more” is not enough. *Id.* at \*6. The court focused on the taking of electronic and hard copy documents and employee’s lack of credibility and rejected defense arguments that defendant no longer possessed information and that employer “sought to prevent any harm” to plaintiff; no non-competition covenant. *Id.* at \*6-7.

<sup>222</sup> Sys. Spray-Cooled, Inc. v. FCH Tech, LLC, No. 1:16-cv-1085, 2017 US Dist. LEXIS 73909, at \*31-34 (W.D. Ark. May 16, 2017) (expired covenant not to compete). The defendants connected external storage devices to laptops at the time of departure. *Id.* at \*21-22. The court granted a narrower injunction against use of trade secrets. *Id.* at \*43-45. “Accordingly, the Court finds that Defendants’ non-compete provisions govern and should not be extended.” *Id.* at \*34.

<sup>223</sup> Free Country Ltd v. Drennen, 235 F. Supp. 3d 559, 568-570, 568 n.10 (S.D.N.Y. 2016) (granting temporary restraining order to prohibit trade secret misuse, but denied request to bar employees from customer solicitation or “from engaging in his new employment”). There was no covenant not to compete, and although defendants downloaded files, the court found them unrelated to claimed trade secrets and new job positions. *Id.* at 568 n.10. The court rejected the premise that file-copying gives rise to a “presumption” of inevitable disclosure, and even though defendant’s account was not credible, the designs he emailed himself were old and unlikely to be secret, court did not believe defendant could have memorized the information for the nine days he had it. *Id.* at 568-570.

<sup>224</sup> Engility Corp. v. Daniels, No. 16-cv-2473-WJM-MEH, 2016 U.S. Dist. LEXIS 166737, at \*32-33 (D. Colo. Dec. 2, 2016) (finding no non-competition covenant . . .

Delphi Auto. PLC v. Absmeier <sup>225</sup>	E.D. Mich.	Mar. 1, 2016	Issuing preliminary injunction
Jackson Hewitt Inc. v. Cline <sup>226</sup>	D.N.J.	Oct. 29, 2015	Granting preliminary injunction
PrimePay, LLC v Barnes <sup>227</sup>	E.D. Mich.	May 20, 2015	Granting request for preliminary injunction

competition covenant). The court looked at DTSA restrictions on injunctions. *Id.* at 30–34. The court found they did not apply to a contractor, but examined a CO non-compete statute to find that the court “may only enjoin competition or solicitation if, and to the extent, necessary to protect trade secrets.” *Id.* at 32. The court then found that “a noncompete injunction is appropriate under the circumstances” because employee not credible, and “still retain[] some portion” of plaintiff’s trade secrets, defendant “ha[d] demonstrated a propensity for making surreptitious copies of the relevant data,” and barring defendant from competing for certain business. *Id.* (alteration in original).

<sup>225</sup> *Delphi Auto. PLC v. Absmeier*, 167 F. Supp. 3d 868, 883–884 (E.D. Mich. 2016) (issuing preliminary injunction barring employment in case featuring non-compete covenant where former employer did not plead actual misappropriation but alleged employee retained hard drives with a mixture of personal and work-related files). The court found that Michigan had not adopted inevitable disclosure and that threatened misappropriation theories “must not compromise the right of employees to change jobs.” *Id.* at 883. The court found that employer did not identify “the specific trade secret absconded, as well as adequate evidence to convince the Court of Defendant’s duplicity.” *Id.* at 884. The court noted that employee identified his new job and left for a “superior offer” and that files were “quarantined” with counsel and never went to new employer and there was no strong likelihood of success on trade secret claim. *Id.* at 884.

<sup>226</sup> *Jackson Hewitt Inc. v. Cline*, No. 14–6931, 2015 U.S. Dist. LEXIS 147167, at \*11–13 (D.N.J. Oct. 29, 2015) (granting preliminary injunction barring employment under non-compete in franchise agreement where former employer alleged defendant had engaged in customer solicitation and alleged retention of “client files and telephone numbers”). The court granted the order in part on inevitable disclosure theory. *See id.* “Where a party is in possession of another party’s confidential information and is poised to use or disclose such information, there is a likelihood of irreparable harm.” *Id.* at \*12.

<sup>227</sup> *PrimePay, LLC v Barnes*, No. 14–11838, 2015 U.S. Dist. LEXIS 65710, at \*3–15, \*81–93 (E.D. Mich. May 20, 2015) (granting request for preliminary injunction but only as to trade secret misuse and there was no non-compete covenant). The employee had synched a Dropbox account containing former employer information after leaving, but explained that information was purposely deleted, accumulated over time for ordinary work purposes, and/or not used or accessed. *Id.* at \*11–13. The court noted that Michigan has not adopted the inevitable disclosure theory and analyzing case under threatened misappropriation approach and the detailed review of facts focused on defendant’s non-use and non-access of retained files. *Id.* at \*81–93.

*continued . . .*

CPG Int'l LLC v. Georgelis <sup>228</sup>	M.D. Pa.	Apr. 20, 2015	Issuing preliminary injunction
Spirax Sarco, Inc. v. SSI Eng'g, Inc. <sup>229</sup>	E.D.N.C.	Apr. 17, 2015	Granting request for preliminary injunction
Dialight Corp. v. Potyk <sup>230</sup>	Jud. Cir. Ct. Mich.	Dec. 23, 2014	Denying motion for employment-blocking injunction
Goken Am., LLC v. Bandepalya <sup>231</sup>	S.D. Ohio	Nov. 24, 2014	Granting request for preliminary injunction

<sup>228</sup> CPG Int'l LLC v. Georgelis, No. 3:15cv176, 2015 U.S. Dist. LEXIS 51712, at \*32–33 (M.D. Pa. Apr. 20, 2015) (issuing preliminary injunction barring competition based on non-competition covenant). The defendant had accessed employer's computer system before leaving to view an unusually large number of customer accounts. *Id.* at \*5–6. The court found inevitable disclosure based on surface level citation to other cases. *See id.* at \*32–33. “Third Circuit courts have found that an employer suffers irreparable harm where an employee who has had access to the employer's confidential information goes to work for a competitor under circumstances in which the employee is likely, if not certain, to use that information to compete with his original employer.” *Id.*

<sup>229</sup> Spirax Sarco, Inc. v. SSI Eng'g, Inc., No. 5:14-CV-519-F, 2015 U.S. Dist. LEXIS 50892, at \*9–16 (E.D.N.C. Apr. 17, 2015) (granting request for preliminary injunction only as to trade secret misuse). There was a customer non-solicitation covenant. *Id.* at \*3. The employee deleted material from a Dropbox account and retained files he claimed were personal, counsel took possession of the files and returned them. *Id.* at \*5–6. The court did not find “given the hotly disputed facts, there [wa]s sufficient evidence of bad faith or underhandedness on the part of [defendant].” *Id.* at \*12 (alteration in original). The court noted that North Carolina has not adopted inevitable disclosure but would do so and considering an eight-factor test. *Id.* at \*14–16. The court rejected application of theory where defendants consented to non-use of information held by counsel and case was absent evidence such information would inevitably be disclosed, and no there was no evidence that files employee deleted from Dropbox were trade secrets. *Id.* at \*9–16.

<sup>230</sup> Dialight Corp. v. Potyk, No. 14–144131–CK, 2014 Mich. Cir. LEXIS 100, at \*6 (Jud. Cir. Ct. Mich. Dec. 23, 2014) (denying motion for employment-blocking injunction but issuing injunction as to non-use of information). The plaintiff alleged former employee retained information on hard drive but had no evidence employee had used or disclosed it. *Id.* at \*5–6. Although the employee “has been less than forthcoming,” the court noted Michigan had not recognized inevitable disclosure theory and that employee was “largely” correct when he asserted that files on drive had been corrupted. *Id.* at 6–7.

<sup>231</sup> Goken Am., LLC v. Bandepalya, No. 2:14–CV–1445, 2014 U.S. Dist. LEXIS 164370, at \*12–16 (S.D. Ohio Nov. 24, 2014) (granting request for preliminary injunction limiting employment). The employee had wiped devices before leaving and copied thousands of files. *Id.* at \*3. There was *continued . . .*

Robert Half Int'l, Inc. v. Dunn <sup>232</sup>	N.D.N.Y.	Oct. 29, 2013	Partly granting motion for preliminary injunction
Corp. Techs., Inc. v. Harnett <sup>233</sup>	D. Mass.	May 3, 2013	Granting request to prohibit defendant from contacting customers for one year
Amazon.com, Inc. v. Powers <sup>234</sup>	W.D. Wash.	Dec. 27, 2012	Partially granting preliminary injunction
FirstEnergy Sol. Corp. v. Flerick <sup>235</sup>	N.D. Ohio	Dec. 20, 2012	Granting preliminary injunction
Dayton Superior Corp. v. Yan <sup>236</sup>	S.D. Ohio	Nov. 25, 2012	Granting preliminary injunction

no non-competition covenant. *Id.* The court found that “[t]he inevitable disclosure rule applies in this case because [defendant] is working at a substantially similar position with specialized engineering knowledge,” and that his copying of files was significant. *Id.* at \*12–16 (alteration in original).

<sup>232</sup> Robert Half Int'l, Inc. v. Dunn, No. 5:13-CV-974, 2013 U.S. Dist. LEXIS 189756, at \*24–25 (N.D.N.Y. Oct. 29, 2013) (partly granting motion for preliminary injunction, but rejecting plaintiff's inevitable disclosure argument). There was no non-competition covenant at issue. *See id.* at \*3. The employer failed to show that departing employee had used or disclosed trade secrets or retained access to former employer's information, and failed to show that the departing employee could not perform her new job lawfully. *Id.* at \*24–25.

<sup>233</sup> Corp. Techs., Inc. v. Harnett, 943 F. Supp. 2d 233, 241–43 (D. Mass. 2013) (granting request to prohibit defendant from contacting customers for one year based on non-solicitation covenant). The defendant had “already consummated a deal with one of his former clients,” and thus the court considered inevitable disclosure to find that there was a likelihood that defendant “will inevitably disclose confidential information.” *Id.* at 241.

<sup>234</sup> Amazon.com, Inc. v. Powers, No. C12-1911RAJ, 2012 U.S. Dist. LEXIS 182831, at \*20–21 (W.D. Wash. Dec. 27, 2012) (partially granting preliminary injunction as to customer-solicitation portion of employee's non-competition agreement, but rejecting inevitable disclosure argument). The court noted that Washington had not adopted the theory and finding that plaintiff had shown only “superficial similarities” between old job and new job. *Id.*

<sup>235</sup> FirstEnergy Sol. Corp. v. Flerick, No. 5:12-CV-2948, 2012 U.S. Dist. LEXIS 180237, at \*11–13 (N.D. Ohio Dec. 20, 2012) (granting preliminary injunction to enforce non-competition covenant where former employee joined a competitor and contacted the plaintiff's customers). The court found that “the rule against inevitable disclosures would apply in this case,” and cited other cases for the proposition that it is difficult for employees to compartmentalize information. *Id.*

<sup>236</sup> Dayton Superior Corp. v. Yan, No. 3:12-CV-380, 2012 U.S. Dist. LEXIS 162041, at \*9, \*18 (S.D. Ohio Nov. 25, 2012) (granting preliminary injunction to enforce non-competition covenant where there was evidence two former employees had “used the Confidential Information and disclosed *continued . . .*”

Harlan Lab., Inc. v. Campbell <sup>237</sup>	D. Mass.	Oct. 25, 2012	Granting preliminary injunction
MEMC Elec. Materials, Inc. v. Balakrishnan <sup>238</sup>	S.D. Ohio	Sept. 11, 2012	Partially granting injunction
Winter v. Abbott Labs. <sup>239</sup>	S.D. Ohio	Mar. 23, 2012	Issuing temporary restraining order
Jackson Hewitt, Inc. v. Barnes <sup>240</sup>	D.N.J.	Jan. 18, 2011	Granted preliminary injunction

it” and one employee “returned his company-owned laptop computer . . . in an inoperable condition”). The court found it “inevitable that [former employees] will disclose [plaintiff’s] trade secrets to [their new employer].” *Id.* (alteration in original).

<sup>237</sup> Harlan Lab., Inc. v. Campbell, 900 F. Supp. 2d 99, 103, 108–09 (D. Mass. 2012) (granting preliminary injunction to enforce non-competition agreement). The employee had accessed the employer’s computer under suspicious circumstances and “discarded the flash drive with the confidential information, despite the fact that he had previously been given a preservation order.” *Id.* at 108–09. “Even assuming the best of intentions on [employee’s] part, it is difficult to conceive how all the information stored in [employee’s] memory can be set aside as he applies himself in a competitor business.” *Id.* at 109 (alteration in original). The court found “the potential for inevitable disclosure of information in these similar roles.” *Id.*

<sup>238</sup> MEMC Elec. Materials, Inc. v. Balakrishnan, No. 2:12-CV-344, 2012 U.S. Dist. LEXIS 128877, at \*24–27 (S.D. Ohio Sept. 11, 2012) (partially granting injunction to prohibit use of trade secrets by denying request to block employment under inevitable disclosure theory). Despite a non-competition covenant and allegation that employee downloaded files, the court found that new employer used different technology and also found employee’s rebuttal testimony credible. *Id.* at \*20, \*24–27, \*29.

<sup>239</sup> Winter v. Abbott Labs., No. 2:12-CV-00069, 2012 U.S. Dist. LEXIS 39778, at \*14–16 (S.D. Ohio March 23, 2012) (issuing temporary restraining order to preserve evidence where employee had destroyed files, but declining to issue employment-blocking inevitable disclosure order because of uncertainty about whether employee was in a competitive position at his new job). There was no non-competition covenant. *See id.* at \*2–3.

<sup>240</sup> Jackson Hewitt, Inc. v. Barnes, No. 10-CV-05108, 2011 U.S. Dist. LEXIS 4823, at \*10–11 (D.N.J. Jan. 18, 2011) (granting preliminary injunction to enforce restrictive covenant in franchise agreement in part under an inevitable disclosure theory where the defendant did not return “all client files”). “Where a party is in possession of another party’s confidential information and is poised to use or disclose such information, either personally or through an agent such as a partner or a close associate, there is a likelihood of irreparable harm.” *Id.* at \*11. There was no actual evidence of misuse discussed. *See generally id.*

*continued . . .*

Johnson Serv. Grp., Inc. v. France <sup>241</sup>	N.D. Tex.	Jan. 13, 2011	Granted preliminary injunction
Bimbo Bakeries USA, Inc. v. Botticella <sup>242</sup>	3d Cir.	July 27, 2010	Affirming employment-blocking preliminary injunction
Ashland, Inc. v. Cecere <sup>243</sup>	Ohio Ct. Com Pl.	Jan. 18, 2011	Granting preliminary injunction
SKF USA, Inc. v. Bjerckness <sup>244</sup>	N.D. Ill.	Apr. 24, 2009	Granting preliminary injunction

<sup>241</sup> Johnson Serv. Grp., Inc. v. France, 763 F. Supp.2d 819, 829–31 (N.D. Tex. 2011) (granting preliminary injunction under Illinois law where employee violated non-competition covenant and found likelihood that employee had already misappropriated trade secrets). The court found the risk of inevitable disclosure, though that discussion seems superfluous in light of strong finding of actual misappropriation in securing a contract. *See id.*

<sup>242</sup> Bimbo Bakeries USA, Inc. v. Botticella, 613 F.3d 102, 107–118 (3d Cir. 2010) (affirming employment-blocking preliminary injunction on inevitable disclosure theory in absence of non-competition covenant). The employee had accessed files just before leaving, and gave a non-credible excuse for that conduct about practicing his computer skills, and the employee knew secret information about baking methods where the new employer was in competitive market. *Id.* “We are quite uncertain as to how an individual can block out information from his head for a human mind does not function like a computer from which, through an electronic process, materials may be deleted.” *Id.* at 107 n.4. The court found that Pennsylvania law does not require that a former employer show that it would be impossible for a departing employee to perform the new job without trade secret misuse, only that misuse was likely. *Id.* at 108–118.

<sup>243</sup> Ashland, Inc. v. Cecere, No. 10CVH–0203039, 2010 Ohio Misc. LEXIS 18505, at \*24–25 (Ohio Ct. Com. Pl. Apr. 2, 2010) (granting request for employment-blocking preliminary injunction). The employee had signed a non-competition covenant and took files on a thumb drive. *Id.* at \*11. The court found a threat of inevitable disclosure under Ohio law based on employee’s in-depth knowledge and restrictive covenant. *Id.* at \*24–25.

<sup>244</sup> SKF USA, Inc. v. Bjerckness, 636 F. Supp. 2d 696, 704, 713–18 (N.D. Ill. 2009) (granting preliminary injunction to prohibit misuse of information but declining to block employment). In this case, some employees had signed customer non-solicitation and non-competition covenants and some had “transferred thousands of documents . . . to their own storage devices.” *Id.* at 704. The court found a reasonable likelihood that defendants had disclosed confidential information to new employer, but found covenants unenforceable and rejected inevitable disclosure argument because “there was evidence that each Defendant possess[ed] the knowledge to perform [the new job] without reliance on [plaintiff’s] materials.” *Id.* at 713–18. (alteration in original).

*continued . . .*

Cenveo Corp. v. S. Graphic Sys. <sup>245</sup>	D. Minn.	Jan. 22, 2009	Partially denying request for employment-blocking preliminary injunction
Ikon Office Sol. Inc. v. Usherwood Office Tech., Inc. <sup>246</sup>	N.Y. Sup. Ct.	Dec. 12, 2008	Granting employment-blocking injunction
Kelly Serv., Inc. v. Marzullo <sup>247</sup>	E.D. Mich.	Nov. 20, 2008	Granting employment-blocking preliminary injunction
Xantrex Tech. Inc. v. Advanced Energy Indus. <sup>248</sup>	D. Colo.	May 23, 2008	Granting employment-blocking preliminary injunction
Nucor v. Bell <sup>249</sup>	D.S.C.	Mar. 14, 2008	Granting employment-blocking preliminary injunction

<sup>245</sup> Cenveo Corp. v. S. Graphic Sys., No. 08-5521, 2009 U.S. Dist. LEXIS 4542, at \*16-17 (D. Minn. Jan. 22, 2009) (partially denying request for employment-blocking preliminary injunction). The court enjoined the trade secret misuse after department employee took “job history” information without credible explanation and court found high degree of probability of inevitable disclosure as to that defendant. *Id.*

<sup>246</sup> Ikon Office Sol. Inc. v. Usherwood Office Tech., Inc., No. 9202-08, 2008 WL 5206291, at \*11, \*17-19, \*30-31 (N.Y. Sup. Ct. Dec. 12, 2008) (granting employment-blocking injunction on inevitable disclosure theory to enforce non-competition covenants, but rejecting inevitable disclosure theory to support relief as to trade secret claim where there was no evidence of misconduct – a curious bifurcation). The court stated, “it is difficult to envision how the individual defendants could service their former customers without utilizing the information learned through their employment with [plaintiff].” *Id.* (alteration in original).

<sup>247</sup> Kelly Serv., Inc. v. Marzullo, 591 F. Supp. 2d 924, 941-43 (E.D. Mich. 2008) (granting employment-blocking preliminary injunction to enforce non-competition covenant, but denying relief on trade secret claim as to inevitable disclosure allegation, because there was “no evidence” of duplicity by employee or new employer).

<sup>248</sup> Xantrex Tech. Inc. v. Advanced Energy Indus., No. 07-cv-02324-WYD-MEH, 2008 U.S. Dist. LEXIS 41206, at \*50-52 (D. Colo. May 23, 2008) (granting employment-blocking preliminary injunction to enforce non-competition covenant and pursuant to trade secret claim). The court found that Colorado would not accept strict inevitable disclosure, but found that employee’s suspicious “rapid” access of plaintiff’s documents “just prior to leaving” was sufficient to show threatened misappropriation. *Id.* at \*52-53.

<sup>249</sup> Nucor v. Bell, No. 2:06-CV-02972-DCN, 2008 U.S. Dist. LEXIS 119952, at \*49-68 (D.S.C. March 14, 2008) (granting employment-blocking preliminary injunction on record of serious misconduct – downloading and spoliation of evidence that resulting in sanctions – albeit with no non-competition covenant). The court found that South Carolina would adopt a strong version of inevitable disclosure and used language that went beyond

*continued . . .*

Spinal Dimensions, Inc. v. Chepenuk <sup>250</sup>	N.Y. Sup. Ct.	Aug. 9, 2007	Partially granting motion for preliminary injunction
Verizon Commc'n, Inc. v. Pizzirani <sup>251</sup>	E.D. Pa.	Nov. 7, 2006	Granting employment-blocking injunction
W.L. Gore & Assocs. v. Wu <sup>252</sup>	Del. Ch.	Sept. 15, 2006	Granting employment-blocking injunction
Kemper Mortg., Inc. v. Russell <sup>253</sup>	S.D. Ohio	May 4, 2006	Granting largely employment-limiting injunction
Estee Lauder Cos. v. Batra <sup>254</sup>	S.D.N.Y.	May 4, 2006	Granting preliminary injunction

misconduct to suggest inevitability based on job overlap. *See id.*

<sup>250</sup> Spinal Dimensions, Inc. v. Chepenuk, No. 4805-07, 2007 WL 2296503, at \*8, \*15 (N.Y. Sup. Ct. Aug. 9, 2007) (partially granting motion for preliminary injunction to enforce non-competition covenant but limiting it to plaintiff's customers). The court rejected the inevitable disclosure argument as "conclusory," and there was no apparent evidence of misconduct. *See id.*

<sup>251</sup> Verizon Commc'n, Inc. v. Pizzirani, 462 F. Supp. 2d 648, 660 (E.D. Pa. 2006) (granting employment-blocking injunction to enforce non-competition covenant). The employee had copied files before leaving that he testified was an effort to transfer personal files while deleting work files, but the court doubted employee's credibility, doubted new employer's plan to have employee work on research project during term of covenant, and used inevitable disclosure logic to justify the covenant. *Id.* at 559-60.

<sup>252</sup> W.L. Gore & Assocs. v. Wu, No. 263-N, 2006 Del. Ch. LEXIS 176, at \*50-58, \*26 (Del. Ch. Sept. 15, 2006) (granting five- and ten-year employment blocking injunction to enforce non-competition covenant and based on inevitable disclosure where employee had taken files and could not account for them to the court). In an unusually stark case of employee misconduct, the court found that the employee "has proven that he has no moral compass and cannot police himself or take responsibility for his actions. He has hidden evidence, destroyed evidence, manufactured evidence, testified evasively or unbelievably, and repeatedly failed to comply with this Court's Orders." *Id.*

<sup>253</sup> Kemper Mortg., Inc. v. Russell, No. 3:06-cv-042, 2006 U.S. Dist. LEXIS 26323, at \*10, \*17-18 (S.D. Ohio May 4, 2006) (granting largely employment-limiting injunction in absence of non-competition covenant where employee had downloaded files and used them in setting up new office, and citing inevitable disclosure case in justifying ruling).

<sup>254</sup> Estee Lauder Cos. v. Batra, 430 F. Supp. 2d 158, 176 (S.D.N.Y. May 4, 2006) (granting preliminary injunction to enforce non-competition covenant). The court used inevitable disclosure logic to justify injunction where employee had solicited help on new employer's matter from plaintiff's employee while still employed by plaintiff. *Id.*

*continued . . .*



Liebert Corp. v. Mazur <sup>255</sup>	Ill. App. Ct.	Apr. 5, 2005	Reversing denial of request for preliminary injunction
Am. Express Fin. Advisors, Inc. v. Yantis <sup>256</sup>	N.D. Iowa	Feb. 28, 2005	Granting preliminary injunction
Doebler Penn. Hybrids, Inc. v. Doebler Seeds, LLC <sup>257</sup>	3d Cir.	Feb. 12, 2004	Affirming preliminary injunction
Lucini Italia Co. v. Grappolini <sup>258</sup>	N.D. Ill.	Apr. 28, 2003	Affirming permanent injunction
Barilla Am., Inc. v. Wright <sup>259</sup>	S.D. Iowa	July 5, 2002	Issuing employment-blocking injunction
RKI, Inc. v. Grimes <sup>260</sup>	N.D. Ill.	Dec. 21, 2001	Entering permanent injunction

<sup>255</sup> Liebert Corp. v. Mazur, 827 N.E.2d 909, 919, 927–29 (Ill. App. Ct. 2005) (reversing denial of request for preliminary injunction as to one employee, where court found risk of inevitable disclosure based upon his copying and deletion of files before leaving). The employees apparently did not have non-competition covenants. *Id.* at 923. The court remanded to determine the form of appropriate injunctive relief against employee. *Id.* at 930.

<sup>256</sup> Am. Express Fin. Advisors, Inc. v. Yantis, 358 F. Supp. 2d 818, 833 (N.D. Iowa 2005) (granting preliminary injunction to enforce restrictive covenant against customer solicitation against former franchisee and finding risk of inevitable disclosure where defendant had refused to return customer files containing plaintiff's trade secrets).

<sup>257</sup> Doebler Penn. Hybrids, Inc. v. Doebler Seeds, LLC, 88 F. App'x 520, 522–23 (3d Cir. 2004) (affirming preliminary injunction where family member started competing company and employees "made use of their contact lists" from the prior company and rejecting argument that absence of non-competition covenant mattered). The court found that the company "employ[ed] many of [plaintiff's] former employees in positions that w[ould] result in inevitable disclosures of trade secrets," though case seemingly was based on actual use. *See id.* at 522 (alteration in original).

<sup>258</sup> Lucini Italia Co. v. Grappolini, No. 01 C 6405, 2003 U.S. Dist. LEXIS 7134, at \*1, \*52–54 (N.D. Ill. Apr. 28, 2003) (affirming permanent injunction against defendants who did not show up for trial and had misappropriated trade secrets). While the court used inevitable disclosure reasoning to justify injunction, it appears superfluous given strong facts showing actual use. *Id.*

<sup>259</sup> Barilla Am., Inc. v. Wright, No. 4–02–CV–90267, 2002 U.S. Dist. LEXIS 12773, at \*10–11, \*20–21 (S.D. Iowa July 5, 2002) (issuing employment-blocking injunction where departing employee burned CDs of confidential information and failed to return it to plaintiff or the court). Although the employee had not signed a non-competition agreement employer had expected him to execute, the court found that inevitable disclosure theory was warranted even apart from misconduct, based on employee taking similar job and remembering confidential information. *Id.* at \*17–34.

<sup>260</sup> RKI, Inc. v. Grimes, 177 F. Supp. 2d 859, 876 (N.D. Ill. 2001) (entering permanent injunction to enforce non-competition covenant and with evidence of employee downloading of trade secrets and actual use). While the court also recited inevitable disclosure theory to support its order, that *continued . . .*

Equus Comput. Sys., Inc. v. N. Comput. Sys., Inc. <sup>261</sup>	D. Minn.	May 4, 2001	Partially granting temporary restraining order
H&R Block E. Tax. Servs., Inc. v. Enchura <sup>262</sup>	W.D. Mo.	Nov. 2, 2000	Granting employment-blocking injunction
Maxxim Med., Inc. v. Michelson <sup>263</sup>	5th Cir.	Mar. 25, 1999	Finding noncompetition agreement void but also issuing employment-blocking injunction
LEXIS-NEXIS v. Beer <sup>264</sup>	D. Minn.	Mar. 22, 1999	Issuing injunction
Novell, Inc. v. Timpanogos Research Grp. Inc. <sup>265</sup>	D. Utah	Jan. 30, 1998	Issuing employment-blocking injunction

seems superfluous given the actual misappropriation. *See id.*

<sup>261</sup> Equus Comput. Sys., Inc. v. N. Comput. Sys., Inc., No. CIV. 01-657DWFJJB, 2001 U.S. Dist. LEXIS 27281, at \*12-13 (D. Minn. May 4, 2001) (partially granting temporary restraining order to require return and non-use of materials that employee emailed himself just before leaving the job, but declining to enter employment-blocking order where there was no non-competition covenant).

<sup>262</sup> H&R Block E. Tax. Servs., Inc. v. Enchura, 122 F. Supp. 2d 1067, 1074-75 (W.D. Mo. Nov. 2, 2000) (granting employment-blocking injunction to enforce non-competition covenants, but also denying injunctive relief on trade secret claim). The court determined that inevitable disclosure would require “demonstrated inevitability” plus “a finding that there is unwillingness to preserve confidentiality” and found neither. *Id.*

<sup>263</sup> Maxxim Med., Inc. v. Michelson, 51 F. Supp. 2d 773, 783-88, 786 n.16 (S.D. Tex. 1999), *rev’d without opinion* 183 F.3d 915 (5th Cir. 1999). In what is clearly a mistaken application of California law, the court found the noncompetition agreement void but also issued an employment-blocking injunction based on view that “the California Supreme Court would follow the overwhelming majority of other jurisdictions” and permit inevitable disclosure; employee had printed “a large batch of confidential . . . information” just before leaving, might have backed up other information on a hard drive, and was “not candid regarding his new position.” *See id.*

<sup>264</sup> LEXIS-NEXIS v. Beer, 41 F. Supp. 2d 950, 952, 959 (D. Minn. 1999) (issuing injunction to enforce non-solicitation covenant after narrowing non-competition covenant). The court rejected an inevitable disclosure-based request to block employment, finding that employee likely did not possess confidential information and did not have “intimate familiarity with corporate policies and strategies.” *Id.* at 959. The evidence showed that employee had copied a database onto a “Zip disk” and copied “hundreds” of emails. *Id.* at 952.

<sup>265</sup> Novell, Inc. v. Timpanogos Research Grp. Inc., 46 U.S.P.Q.2d 1197, 1216-17 (D. Utah 1998) (issuing employment-blocking injunction in *continued . . .*

APAC Teleservices, Inc. v. McRae <sup>266</sup>	N.D. Iowa	Nov. 19, 1997	Granting request for injunction
Doubleclick v. Henderson <sup>267</sup>	N.Y. Sup. Ct.	Nov. 5, 1997	Granting employment-blocking injunction
Merck & Co. v. Lyon <sup>268</sup>	M.D.N.C.	Sept. 11, 1996	Issuing only limited injunction
Baxter Int'l, Inc. v. Morris <sup>269</sup>	8th Cir.	Oct. 9, 1992	Affirming only limited injunction

absence of non-competition covenant where defendants had actually used trade secrets and engaged in substantial misconduct, and court also applied inevitable disclosure theory as to their future conduct).

<sup>266</sup> APAC Teleservices, Inc. v. McRae, 852 F. Supp. 860–63 (N.D. Iowa 1997) (granting request for injunction only as to non-use of trade secrets, not as to blocking employment). The court found that the non-competition covenant did not apply to employee's new job in a "different capacity." *Id.* at 860. While the employee had been "deceitful" during job-related negotiations, the court found no risk of inevitable disclosure because employee's job was different and would not relate to claimed trade secrets. *Id.* at 860–63.

<sup>267</sup> Doubleclick v. Henderson, No. 116914/97, 1997 N.Y. Misc. LEXIS 577, at \*13–17 (N.Y. Sup. Ct. Nov. 5, 1997) (granting employment-blocking injunction on inevitable disclosure theory, but also where there was "actual use" of employer's trade secrets in planning new company). One of the two departing employees had a covenant not to compete, but the other did not. *Id.* at \*4–5.

<sup>268</sup> Merck & Co. v. Lyon, 941 F. Supp. 1443, 1458–61 (M.D.N.C. 1996) (issuing only limited injunction where employee did not have non-competition covenant). The court assumed that North Carolina would accept inevitable disclosure where facts show employee's "bad faith or underhanded dealing" and jobs were similar. *Id.* The court found that while employee was not "entirely forthright" upon departure, this stemmed from a wish "to obtain a better severance." *Id.* at 1461. The injunction only barred misuse of trade secrets in defined areas, not employment. *Id.* at 1464–65.

<sup>269</sup> Baxter Int'l, Inc. v. Morris, 976 F.2d 1189, 1193–95 (8th Cir. 1992) (finding non-competition covenant unenforceable because California law applied to the contract, affirming only a limited injunction barring misuse of trade secrets). The court credited not only the new employer's evidence regarding its lack of need for the plaintiff's information, but also noted evidence of industry practices in that hiring from competitors was "common." *Id.* at 1194. The court even noted that plaintiff's manager had testified that "he had been able to transfer" from a competitor to the plaintiff "without disclosing any confidential information." *Id.*

*continued . . .*

Table 9: No Injunction Issued

Case Name	Court	Date	Outcome
Chubb INA Holdings, Inc. v. Chang <sup>270</sup>	D.N.J.	Feb. 7, 2017	Denying request for preliminary injunction
DGM Servs. v. Figueroa <sup>271</sup>	Tex. App.	Dec. 29, 2016	Affirming denial of preliminary injunction
Vecam Software Corp. v. Monckton <sup>272</sup>	S.D. Ohio	July 1, 2016	Denying request for preliminary injunction
Gillette Co. v. Provost <sup>273</sup>	Mass. Super. Ct.	Dec. 23, 2015	Denying request for preliminary injunction

<sup>270</sup> Chubb INA Holdings, Inc. v. Chang, No. 16-2354-BRM-DEA, 2017 WL 499682, at \*12-13 (D.N.J. Feb. 7, 2017) (denying request for preliminary injunction against customer solicitation where plaintiffs asserted inevitable-disclosure-like logic, but court found damages would provide an adequate remedy for breach of a customer non-solicitation clause even though plaintiffs' "fears are not entirely unreasonable"; no non-competition covenant).

<sup>271</sup> DGM Servs. v. Figueroa, No. 01-16-00186-CV, 2016 Tex. App. LEXIS 13808, at \*12-16 (Tex. App. Dec. 29, 2016) (affirming denial of preliminary injunction). Plaintiff argued that it could substitute inevitable disclosure theory for inability to prove irreparable injury. *Id.* at 10-12. There was a non-competition covenant. *See id.* at \*1-2. The case involved speculative accusations seemingly without employee misconduct, and the court found that Texas has not categorially adopted inevitable disclosure and limited prior cases to situations based on "manufacturing processes in which it would be virtually impossible to manufacture a similar product for a competitor without using the former employer's trade secrets". *Id.* at \*9, \*14. Here, the new employer had already been in business and thus could conduct its business without plaintiff's trade secrets. *Id.* at \*15.

<sup>272</sup> Vecam Software Corp. v. Monckton, No. 2:1-cv-379, 2016 U.S. Dist. LEXIS 86260, at \*2, \*25-26 (S.D. Ohio July 1, 2016) (denying request for preliminary injunction against a "single mother" from joining a competitor). There was a non-competition covenant. *Id.* at \*2-4. The court rejected an inevitable disclosure theory on facts where court doubted employee "would have retained in detail" information that was widely shared with "10,000 companies" . . . employees" and was "in part, now public knowledge" and several months had passed since employee departed. *Id.* at \*7, \*26. There was seemingly no employee misconduct. *See generally id.*

<sup>273</sup> Gillette Co. v. Provost, No. SUCV 15-00149 BLS 2, 2015 Mass. Super. LEXIS 147, at \*4-5 (Mass. Super. Ct. Dec. 23, 2015) (non-competition covenant was long expired). Plaintiff sought preliminary injunction against its former general counsel who had left years before joining competitor on inevitable disclosure theory. *Id.* at \*2-3. The court denied request because non-competition covenant was long expired, lapse of time suggested that information former attorney knew was "out of date," and "much of the information" at issue "is already publicly available". *Id.* at \*2, \*5.

*continued . . .*

Katch, LLC v. Sweetser <sup>274</sup>	D. Minn.	Nov. 10, 2015	Denying motion for preliminary injunction
Cardoni v. Prosperity Bank <sup>275</sup>	S.D. Tex.	Dec. 23, 2014	Denying request for non-use injunction
RCR Enters., LLC v. McCall <sup>276</sup>	N.C. Super. Ct.	Dec. 19, 2014	Denying request for injunction
St. Jude Med. S.C., Inc. v. Janssen-Counotte <sup>277</sup>	W.D. Tex.	Dec. 17, 2014	Denying request for injunctive relief

<sup>274</sup> Katch, LLC v. Sweetser, 143 F. Supp. 3d 854, 869–72 (D. Minn. 2015) (denying motion for preliminary injunction; no non-competition covenant; finding no threatened misappropriation, including under inevitable disclosure theory). Although the employer was concerned about information in employee’s “head,” the new employer used a somewhat different marketing platform, and the defendant and new employer stated they would not use confidential information and there was no evidence of taking information and new employer “ha[d] specifically instructed [employee] not to use or disclose any of [plaintiff’s] Confidential Information.” *Id.* (alteration in original).

<sup>275</sup> Cardoni v. Prosperity Bank, No. H–14–1946, 2014 U.S. Dist. LEXIS 176596, at \*14–17 (S.D. Tex. Dec. 23, 2014) (denying request for non-use injunction in case centering on customer information; no non-competition covenant). The court noted that “more recently, Texas courts have declined to apply the inevitable disclosure doctrine when the former employee had not taken confidential information with him or used any such information with his current employer.” *Id.* The court found no evidence of misuse or retention of information, and that defendants did not need confidential information “given their extensive industry knowledge.” *Id.*

<sup>276</sup> RCR Enters., LLC v. McCall, No. 14 CVS 3342, 2014 NCBC LEXIS 69, at \*16–18 (N.C. Super. Ct. Dec. 19, 2014) (denying request for injunction to enforce non-competition covenant). The court noted that North Carolina has “not yet . . . firmly” adopted the inevitable disclosure theory, and finding it inapplicable in absence of facts that defendant had engaged in misuse, and in light of evidence that new employer had “instructed” employee not to disclose former employer’s confidential information. *Id.*

<sup>277</sup> St. Jude Med. S.C., Inc. v. Janssen-Counotte, No. A–14–CA–877–SS, 2014 U.S. Dist. LEXIS 173835, at \*44–46 (W.D. Tex. Dec. 17, 2014) (denying request for injunctive relief). There was no non-competition covenant. *Id.* at \*20. The former employer alleged that departing employee downloaded files onto thumb drives and deleted “texts, phone contacts, and emails,” but did not contend employee engaged in actual use, and court “does not see in the record a substantial likelihood of . . . inevitable disclosure.” *See id.* at \*40–41. The court “reject[ed] the notion” that merely taking a competitive position means inevitable disclosure is probable. *Id.* at \*45 (alteration in original). “If accepted, non-disclosure obligations would morph into non-compete agreements.” *Id.* at \*45.

*continued . . .*

Saint-Gobain Corp. v. Miller <sup>278</sup>	D.S.C.	Nov. 25, 2014	Denying request for preliminary injunction
Polyone Corp. v. Kutka <sup>279</sup>	N.D. Ohio	Oct. 31, 2014	Partially denying request for preliminary injunction
Cargill Inc. v. Kuan <sup>280</sup>	D. Colo.	Dec. 17, 2014	Denying request for injunctive relief
Honeywell Int'l v. Stacey <sup>281</sup>	D. Minn.	Dec. 11, 2013	Denying request for preliminary injunction
Dayton Superior Corp. v. Yan <sup>282</sup>	S.D. Ohio	Apr. 18, 2013	Denying request for preliminary injunction

<sup>278</sup> Saint-Gobain Corp. v. Miller, No. 2:14-1662-MBS, 2014 U.S. Dist. LEXIS 165166, at \*20 (D.S.C. Nov. 25, 2014) (denying request for preliminary injunction under Georgia law; non-competition covenant found overbroad). The court noted a four-element test for applying inevitable disclosure and noting that it was unclear whether Georgia accepted the theory. *Id.* The plaintiff failed to show that defendant took a similar position or would be unable to “perform her new job without disclosing confidential information learned from Plaintiffs.” *Id.*

<sup>279</sup> Polyone Corp. v. Kutka, 67 F. Supp. 3d 863, 873-74 (N.D. Ohio Oct. 31, 2014) (partially denying request for preliminary injunction and finding non-competition agreement only partially enforceable). The court rejected reliance on inevitable disclosure theory because former employer did not show that defendant took a substantially similar position. *Id.*

<sup>280</sup> Cargill Inc. v. Kuan, No. 14-cvs-2325-RM-MJW, 2014 U.S. Dist. LEXIS 148818, at \*16-20 (D. Colo. Oct. 20, 2014) (denying request for injunction to block employment; no non-competition covenant). The employee was “not credible” in trying to explain why he “downloaded thousands of documents,” but employee returned files and employer further failed to show that employee retained other files. *Id.* at \*18-19. The court credited evidence from new employer that employee had not disclosed information and that new employer had not showed “any impropriety” in its own conduct, and evidence showed that information at issue was hard to memorize. *Id.* at \*15-20. The court reached only “threatened misappropriation” and did not decide whether “the concept of ‘inevitable disclosure’ alone supports a violation of the [Colorado UTSA].” *Id.* (alteration in original).

<sup>281</sup> Honeywell Int'l v. Stacey, No. 13-CV-3056(PJS/JJK), 2013 U.S. Dist. LEXIS 189026, at \*14-17 (D. Minn. Dec. 11, 2013) (denying request for preliminary injunction). There was a non-competition covenant. *Id.* at \*10-12. The court noted that to prevail on an inevitable disclosure theory, a plaintiff must show a high degree of probability of misuse. *Id.* at \*14. The court noted that the employer failed to show that employee “stole” anything, and lack of truthfulness upon departure was “a ‘single white lie’ of the type that departing employees commonly tell their colleagues.” *Id.* at \*15-16. The court noted that parties were “differently situated in the market.” *Id.* at \*16.

<sup>282</sup> Dayton Superior Corp. v. Yan, No. 3:12-CV-380, 2013 U.S. Dist. LEXIS 55922, at \*44-51 (S.D. Ohio Apr. 18, 2013) (denying request for preliminary injunction where employee had no non-competition agreement). The court noted that employer failed to show misuse and information as to

*continued . . .*

Fisher/Unitech, Inc. v. Compu. Aided Tech., Inc. <sup>283</sup>	N.D. Ill.	Apr. 9, 2013	Denying motion for injunctive relief
Devicor Med. Prods. v. Reed <sup>284</sup>	S.D. Ohio	Mar. 29, 2013	Denying motion for preliminary injunction
Allegis Group, Inc. v. Zachary Piper LLC <sup>285</sup>	N.C. Super. Ct.	Feb. 25, 2013	Denying motion for preliminary injunction
Avery Dennison Corp. v. Juhasz <sup>286</sup>	N.D. Ohio	Feb. 20, 2013	Denying request for preliminary injunction
U.S. Elec. Servs. v. Schmidt <sup>287</sup>	D. Mass.	June 19, 2012	Denying request for inevitable disclosure injunction

one employee was “now public, outdated, or obsolete.” *Id.*

<sup>283</sup> Fisher/Unitech, Inc. v. Comput. Aided Tech., Inc., No. 13 C 02090, 2013 U.S. Dist. LEXIS 50744, at \*14–24 (N.D. Ill. Apr. 9, 2013) (denying motion for injunctive relief to enforce non-competition covenant). The court was unconvinced by former employer’s inevitable disclosure argument, as plaintiff’s claim regarding trade secrets was instead merely a description of the type of general skills and knowledge that is not protectable. *Id.*

<sup>284</sup> Devicor Med. Prods. v. Reed, No. 1:11CV645, 2013 U.S. Dist. LEXIS 45730, at \*54–55 (S.D. Ohio Mar. 29, 2013) (denying motion for preliminary injunction to enforce non-competition agreement). The court rejected inevitable disclosure argument where there was “scant” evidence employee had learned confidential information and was not working in a substantially similar position. *Id.* at \*54.

<sup>285</sup> Allegis Group, Inc. v. Zachary Piper LLC, No. 12CVS2984, 2013 NCBC LEXIS 12, at \*35–40, 65 (N.C. Super. Ct. Feb. 25, 2013) (denying motion for preliminary injunction but denying defense motion to dismiss trade secret claim). The court noted no non-competition covenant and the former employer alleged that departing employees downloaded files to storage devices and retained agreements and handbooks for use at new company. *Id.* at \*21, \*35. The defendants argued their new jobs were not competitive and the court denied request without much analysis. *See id.* at \*35–40.

<sup>286</sup> Avery Dennison Corp. v. Juhasz, 924 F. Supp. 2d. 893, 900–02 (N.D. Ohio 2013) (denying request for preliminary injunction to enforce non-competition agreement). The court found that restrictive covenant was narrow and rejected inevitable disclosure argument, and credited statements by former employee and new employer that “they understand their obligations” and found “suspicion and mistrust” alone insufficient to justify relief. *Id.*

<sup>287</sup> U.S. Elec. Servs. v. Schmidt, No. 12–10845–DIC, 2012 U.S. Dist. LEXIS 84272, at \*23–25, 26 n.6 (D. Mass. June 19, 2012) (denying request for inevitable disclosure injunction in absence of non-competition agreement and evidence of wrongdoing). The discussion by the same judge who issued the Aspect injunction in 2011 may reflect a relative change of heart as analysis cabins inevitable disclosure theory to situations where there is a restrictive covenant and employee has high level of knowledge and responsibility. *See id.*

*continued . . .*

WellCare Health Plans, Inc. v. Preitauer <sup>288</sup>	M.D. Fla.	May 23, 2012	Denying request for preliminary injunction
Triumph Packaging Grp. v. Ward <sup>289</sup>	N.D. Ill.	Dec. 2, 2011	Denying request for preliminary injunction
IDT Corp. v. Unlimited Recharge, Inc. <sup>290</sup>	D.N.J.	Dec. 2, 2011	Rejecting inevitable disclosure argument on preliminary injunction request
CentiMark Corp. v. Jacobsen <sup>291</sup>	W.D. Pa.	Nov. 29, 2011	Denying request for preliminary injunction
Fifth Third Processing, Sol., LLC v. Elliott <sup>292</sup>	S.D. Ohio	Oct. 18, 2011	Denying request for preliminary injunction
PolyOne Corp. v. Papadopoulos <sup>293</sup>	Ohio Ct. Com. Pl.	Apr. 14, 2011	Denying request for preliminary injunction

<sup>288</sup> WellCare Health Plans, Inc. v. Preitauer, 2012 U.S. Dist. LEXIS 76920, \*8–11 (M.D. Fla. May 23, 2012) (denying request for preliminary injunction based on inevitable disclosure in absence of non-competition covenant and evidence that purported trade secrets were publicly available).

<sup>289</sup> Triumph Packaging Grp. v. Ward, 834 F. Supp. 2d 796, 809–10 (N.D. Ill. 2011) (denying request for preliminary injunction as to trade secret claim). The court rejected the inevitable disclosure argument because new employer was not a direct competitor and employee did not have high-level knowledge and considered evidence from new employer regarding good faith. *Id.*

<sup>290</sup> IDT Corp. v. Unlimited Recharge, Inc., No. 11-4992(ES), 2011 U.S. Dist. LEXIS 138666, at \*25–26 n.7 (D.N.J. Dec. 2, 2011) (rejecting inevitable disclosure argument on preliminary injunction request in what was primarily a trademark and copyright case because the plaintiffs did not “allege what they seek to protect with sufficient particularity”).

<sup>291</sup> CentiMark Corp. v. Jacobsen, No. 11-1137, 2011 U.S. Dist. LEXIS 136996, at \*39–44 (W.D. Pa. Nov. 29, 2011) (denying request for preliminary injunction where non-competition covenant did not encompass employee’s new job and inevitable disclosure argument was rejected for absence of wrongdoing by employee and view that employer’s information would be hard to commit to memory).

<sup>292</sup> Fifth Third Processing, Sol., LLC v. Elliott, No. 1:11-CV-247, 2011 U.S. Dist. LEXIS 120216, at \*21–24 (S.D. Ohio Oct. 18, 2011) (denying request for preliminary injunction over non-solicitation covenant and trade secret claim). Even though the employee took documents, the court declined to rule in favor of inevitable disclosure where employee had “surrendered” his laptop, there was no evidence he read the documents, information would be hard to memorize, and employee did not have “detailed and comprehensive knowledge.” *Id.*

<sup>293</sup> PolyOne Corp. v. Papadopoulos, No. CV 11 745478, 2011 Ohio Misc. LEXIS 157, at \*17–21 (Ohio Ct. Com. Pl. Apr. 14, 2011) (denying request for preliminary injunction where non-competition covenant was not enforceable). The court found that “inevitable disclosure only exists where the former employee sought to be enjoined was a high-level employee with a large volume of confidential information” and ruling that employee did not have such knowledge, and no misconduct by employee discussed. *Id.*

*continued . . .*



IBM Corp. v. Visentin <sup>294</sup>	S.D.N.Y.	Feb. 16, 2011	Denying request for employment-blocking preliminary injunction
Oce N. Am., Inc. v. Brazeau <sup>295</sup>	N.D. Ill.	Mar. 18, 2010	Denying request for preliminary injunction
Saban v. Caremark Rx, LLC <sup>296</sup>	N.D. Ill.	Apr. 11, 2011	Magistrate order denying request for preliminary injunction
M-I, L.L.C. v. Stelly <sup>297</sup>	S.D. Tex.	July 30, 2009	Denying request for preliminary injunction
IBM Corp. v. Johnson <sup>298</sup>	S.D.N.Y.	June 26, 2009	Denying request for preliminary injunction
Am. Airlines, Inc. v. Imhof <sup>299</sup>	S.D.N.Y.	June 3, 2009	Denying request for preliminary injunction

<sup>294</sup> IBM Corp. v. Visentin, No. 11 Civ. 399 (LAP), 2011 U.S. Dist. LEXIS 15342, at \*46–55 (S.D.N.Y. Feb. 16, 2011) (denying request for employment-blocking preliminary injunction on inevitable disclosure theory, where there was no evidence of employee misconduct and new employer agreed to restrict employee’s job duties for one year). The court credited testimony of new employer and employee regarding good faith, and also found that there was no legitimate interest on which to enforce restrictive covenant on these facts. *Id.*

<sup>295</sup> Oce N. Am., Inc. v. Brazeau, No. 09 C 2381, 2010 U.S. Dist. LEXIS 25523, at \*19–24 (N.D. Ill. Mar. 18, 2010) (denying request for preliminary injunction and finding non-competition covenant unenforceable). The court rejected the inevitable disclosure theory on evidence that former employer had already worked in a directly competing position without misusing trade secrets. *Id.*

<sup>296</sup> Saban v. Caremark Rx, LLC, 780 F. Supp. 2d 700, 734–35 (N.D. Ill. 2011) (magistrate order denying request for preliminary injunction premised on non-competition agreement and trade secret claim in absence of misconduct). The court rejected inevitable disclosure where companies were not direct competitors, employee’s duties would differ, and employee did not have access to plaintiff’s trade secrets. *Id.*

<sup>297</sup> M-I, L.L.C. v. Stelly, No. H–09–cv–01552, 2009 U.S. Dist. LEXIS 65866, at \*22 (S.D. Tex. July 30, 2009) (denying request for preliminary injunction). The court found alleged violations of non-competition covenants insufficient and rejected inevitable disclosure argument where plaintiff failed to show that departing employees “took any confidential information with them or that they are using such information.” *Id.*

<sup>298</sup> IBM Corp. v. Johnson, 629 F. Supp. 2d 321, 335–37 (S.D.N.Y. 2009) (denying request for preliminary injunction where non-competition covenant was not correctly executed). The court rejected inevitable disclosure argument where employer’s submission was “long on generalities and rather short on details” and employee would be harmed if he were to “abstain from plying his trade for a year” “at the peak of his career,” and there was no apparent misconduct by employee. *See id.*

<sup>299</sup> Am. Airlines, Inc. v. Imhof, 620 F. Supp. 2d 574, 585–86 (S.D.N.Y. 2009) (denying request for employment-blocking preliminary injunction *continued . . .*

Dorel Juvenile Grp., Inc. v. DiMartinis <sup>300</sup>	7th Cir.	July 26, 2007	Dismissing appeal over denial of preliminary injunction is moot
Aetna, Inc. v. Fluegel <sup>301</sup>	Conn. Super. Ct.	March 5, 2008	Denying request for employment-limiting temporary restraining order
Kelly Servs. v. Greene <sup>302</sup>	D. Me.	Feb. 28, 2008	Denying request for employment-blocking preliminary injunction
Hydrofarm, Inc. v. Orendorff <sup>303</sup>	Ohio Ct. App.	Dec. 23, 2008	Reversing employment-blocking injunction
Boston Laser, Inc. v. Zu <sup>304</sup>	N.D.N.Y.	Sept. 21, 2007	Denying request for preliminary injunction

despite evidence that employee had downloaded files). The court found the documents unimportant or public and found that despite some risk of inevitable disclosure, employee — “a 49-year old man with a family to support during troubled financial times” — faced greater hardship were an injunction granted. *Id.*

<sup>300</sup> Dorel Juvenile Grp., Inc. v. DiMartinis, 495 F.3d 500, 503–04 (7th Cir. 2007) (dismissing appeal over denial of preliminary injunction as moot). The court noted that the trial court had rejected inevitable disclosure argument in absence of misconduct and because employee’s new job was “significantly different.” *Id.* at 503. The employer did not have non-competition covenant. *Id.* at 501–503.

<sup>301</sup> Aetna, Inc. v. Fluegel, No. CV074033345S, 2008 Conn. Super. LEXIS 537, at \*6–7 (Conn. Super. Ct. March 5, 2008) (denying request for employment-limiting temporary restraining order). The court noted an absence of non-competition covenant, and the court found that “the evidence did not support a finding” of inevitable disclosure, and that misuse would be detected and result in damages in any event. *Id.* There was no apparent evidence of misconduct. *See id.*

<sup>302</sup> Kelly Servs. v. Greene, 535 F. Supp. 2d 180, 186–88 (D. Me. 2008) (denying request for employment-blocking preliminary injunction to enforce non-competition covenant under Michigan law). The court rejected inevitable disclosure argument aimed at lower-level employee where there was no evidence of information-misuse. *Id.*

<sup>303</sup> Hydrofarm, Inc. v. Orendorff, 905 N.E.2d 658, 663–65 (Ohio Ct. App. 2008) (reversing employment-blocking injunction in case without non-competition covenant where trial court had applied inevitable disclosure theory). There was no evidence of wrongdoing, and the information at issue was stale because employee had left job two years before. *Id.* at 665. The court held that Ohio law requires that the elements for injunctive relief must be proved by clear and convincing evidence. *Id.* at 664.

<sup>304</sup> Boston Laser, Inc. v. Zu, No. 3:07–CV–0791 (TMJ/DEP), 2007 U.S. Dist. LEXIS 78021, at \*30 n.12, 31–32 (N.D.N.Y. Sept. 21, 2007)

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Dearborn v. Everett J. Prescott, Inc. <sup>305</sup>	S.D. Ind.	Apr. 30, 2007	Denying request for employment-blocking injunction
Outcomes Pharm. Health Care, L.C. v. Nat'l Cmty. Pharmacists Ass'n <sup>306</sup>	S.D. Iowa	Dec. 22, 2006	Denying request for preliminary injunction
Interbake Foods, L.L.C. v. Tomasiello <sup>307</sup>	N.D. Iowa	Nov. 13, 2006	Denying request for employment-blocking preliminary injunction
United Prods. Corp. of Am. v. Cederstrom <sup>308</sup>	Minn. Ct. App.	June 6, 2006	Affirming denying of request for employment-blocking temporary injunction

(denying request for preliminary injunction to enforce non-competition covenant where employee did not provide unique services). The court rejected the inevitable disclosure argument as improperly speculative, and there was no apparent evidence of misconduct. *Id.*

<sup>305</sup> Dearborn v. Everett J. Prescott, Inc., 486 F. Supp. 2d 802, 820–21 (S.D. Ind. 2007) (denying request for employment-blocking injunction based on non-competition covenant found to be unenforceable). The court rejected the inevitable disclosure argument and found: “Indiana courts may entertain attempts to use the inevitable disclosure theory, but that the theory should remain limited to a rare and narrow set of circumstances in which the departing employee has acted in bad faith in taking or threatening to take valuable confidential information from the employer. That is not the case here.” *Id.*

<sup>306</sup> Outcomes Pharm. Health Care, L.C. v. Nat'l Cmty. Pharmacists Ass'n, No. 4:05-cv-00682-JEG, 2006 U.S. Dist. LEXIS 92927, at \*34–40 (S.D. Iowa Dec. 22, 2006) (denying request for preliminary injunction in trade secret claim between two businesses). The court rejected inevitable disclosure argument in view of evidence that defendant did not use or threaten to use plaintiff's trade secrets. *Id.*

<sup>307</sup> Interbake Foods, L.L.C. v. Tomasiello, 461 F. Supp. 2d 943, 970–74 (N.D. Iowa 2006) (denying request for employment-blocking preliminary injunction though entering injunction prohibiting misuse of trade secrets). The employer had no non-competition covenant. *Id.* at 950. The court spent more effort than may be typical in reviewing whether plaintiff really owned valid trade secrets. *See id.* 970–74. The court ruled that inevitable disclosure is “just one way of showing a threatened disclosure in cases where additional evidence showing the existence of a substantial threat of impending injury is unavailable to the movant,” and found that employee's new job was different, he could have memorized precise recipes, and the new employer and employee presented evidence of good faith. *Id.* at 973–74. Although the employee had accessed computer files just before leaving, the court found there was no evidence he took the material and denied relief on this ground. *Id.* at 974–75.

<sup>308</sup> United Prods. Corp. of Am. v. Cederstrom, No. A05-1688, 2006 Minn. App. Unpub. LEXIS 594, at \*12–15 (Minn. Ct. App. June 6, 2006)

*continued . . .*

Kelly Servs. v. Pinstripe, Inc. <sup>309</sup>	E.D. Mich.	Sept. 27, 2006	Denying request for employment-blocking preliminary injunction
L-3 Commc'n Corp. v. Kelly <sup>310</sup>	N.Y. Sup. Ct.	Aug. 18, 2005	Denying request for preliminary injunction
ArchiText, Inc. v. Kikichi <sup>311</sup>	Mass. Super. Ct.	May 19, 2005	Denying request for employment-blocking preliminary injunction
Cintas Corp. v. Perry <sup>312</sup>	N.D. Ill.	Aug. 20, 2004	Denying request for employment-blocking injunction

(affirming denying of request for employment-blocking temporary injunction to enforce non-competition covenant). The court rejected the inevitable disclosure argument as to non-technical employee who had insufficient contact with customers while working for plaintiff. *Id.* “But Minnesota courts do not grant injunctive relief solely because a former employer presumes that disclosure and solicitation are inevitable.” *Id.*

<sup>309</sup> Kelly Servs. v. Pinstripe, Inc., No. 06-CV-10801, 2006 U.S. Dist. LEXIS 69556, at \*12-13 (E.D. Mich. Sept. 27, 2006) (denying request for employment-blocking preliminary injunction where parties had previously entered into a settlement agreement and there apparently were no non-competition covenants). The court considered inevitable disclosure argument because one former employee had accessed files before leaving, but found that plaintiff had lost no customers at a point several months into the litigation. *Id.*

<sup>310</sup> L-3 Commc'n Corp. v. Kelly, 809 N.Y.S.2d 482, 482 (N.Y. Sup. Ct. 2005) (denying request for preliminary injunction in absence of non-competition agreement). The contractor had retained documents but was permitted to compete and credited defense evidence that individual “has worked in the industry for many different companies and has successfully handled the confidentiality concerns of many competing clients.” *Id.*

<sup>311</sup> ArchiText, Inc. v. Kikichi, No. 05-00600, 2005 Mass. Super. LEXIS 487, at \*9 (Mass. Super. Ct. May 19, 2005) (denying request for employment-blocking preliminary injunction in absence of non-competition covenant where departing employees were accused of misusing information belonging to a customer rather than the plaintiff, and finding no risk of inevitable disclosure based on these facts).

<sup>312</sup> Cintas Corp. v. Perry, No. 03 C 8404, 2004 U.S. Dist. LEXIS 17842, at \*51-58 (N.D. Ill. Aug. 20, 2004) (denying request for employment-blocking injunction where magistrate found non-competition covenant unenforceable). The court rejected inevitable disclosure argument as to trade secret claim where although employer argued that employee had a spreadsheet and two disks, his new job was not sufficiently similar. *Id.* The court found that employee did not take information that was actually confidential, new employer showed good faith efforts to prevent misappropriation, and employee had already been working for new employer for eight months, casting doubt on theory that disclosure of trade secrets was inevitable. *Id.*

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Colonize.com, Inc. v. Perlow <sup>313</sup>	N.D.N.Y.	Oct. 23, 2003	Denying request for employment-blocking injunction
Analog Devices, Inc. v. Michelski <sup>314</sup>	N.C. Ct. App.	May 6, 2003	Affirming trial court's denial of employment-blocking injunction
Cardinal Health Staffing Network v. Bowen <sup>315</sup>	Tex. App.	Apr. 3, 2003	Affirming denial of employment-blocking temporary restraining order
Marietta Corp. v. Fairhurst <sup>316</sup>	N.Y. Sup. Ct.	Jan. 2, 2003	Reversing employment-blocking preliminary injunction
Safety-Kleen Sys., Inc. v. McGinn <sup>317</sup>	D. Mass.	Sept. 24, 2002	Denying request for employment-blocking preliminary injunction

<sup>313</sup> Colonize.com, Inc. v. Perlow, No. 03-CV-466, 2003 U.S. Dist. LEXIS 20021, at \*11-15 (N.D.N.Y. Oct. 23, 2003) (denying request for employment-blocking injunction to enforce non-competition covenant). The court rejected the inevitable disclosure argument and found the non-competition agreement unenforceable where employer failed to show that customer-related information was secret. *Id.* The court found no wrongdoing to show any threat of future harm. *Id.* at 16.

<sup>314</sup> Analog Devices, Inc. v. Michelski, 579 S.E.2d 449, 454-55 (N.C. Ct. App. 2003) (affirming trial court's denial of employment-blocking injunction where one departing employee took seventy-seven pages of documents but employees did have non-competition covenants). The court rejected the inevitable disclosure argument and noted that new employer already had the competing technology and that employees had "a great deal of general skill and knowledge as engineers who have studied for and worked in this area for years." *Id.*

<sup>315</sup> Cardinal Health Staffing Network v. Bowen, 106 S.W.3d 230, 241-43 (Tex. App. 2003) (affirming denial of employment-blocking temporary restraining order). The court found that employer failed to show injury and rejected an inevitable disclosure argument in lieu of such showing. *Id.* The employee "did not take" materials. *Id.* at 242. The court credited new employer's evidence that it did not need plaintiff's information. *Id.* at 242-43.

<sup>316</sup> Marietta Corp. v. Fairhurst, 754 N.Y.S.2d 62, 65-66 (N.Y. Sup. Ct. 2003) (reversing employment-blocking preliminary injunction where employer did not have a non-competition covenant and there was no evidence of misconduct; rejecting inevitable disclosure as a theory of harm).

<sup>317</sup> Safety-Kleen Sys., Inc. v. McGinn, 233 F. Supp. 2d 121, 124 (D. Mass. 2002) (denying request for employment-blocking preliminary injunction where employee was outside geographic area of non-competition covenant). The court rejected, in perhaps atypical Massachusetts ruling, inevitable disclosure argument where there was no "showing of actual disclosure." *See id.*

*continued . . .*

Padco Advisors, Inc. v. Omdahl <sup>318</sup>	D. Md.	Jan. 11, 2002	Rejecting request for employment-blocking injunction
Tactica Int'l, Inc. v. Atlantic Horizon Int'l, Inc. <sup>319</sup>	S.D.N.Y.	Apr. 27, 2001	Denying an inevitable disclosure injunction
Drayton Enters., LLC v. Dunker <sup>320</sup>	D.N.D.	Jan. 9, 2001	Denying request for employment-blocking injunction
PSC Inc. v. Reiss <sup>321</sup>	W.D.N.Y.	Aug. 23, 2000	Denying request for employment-blocking injunction
EarthWeb, Inc. v. Schlack <sup>322</sup>	S.D.N.Y.	Oct. 27, 1999	Denying request for employment-blocking injunction

<sup>318</sup> Padco Advisors, Inc. v. Omdahl, 179 F. Supp. 2d 600, 611 (D. Md. 2002) (rejecting request for employment-blocking injunction where non-competition covenant had expired). The court also rejected inevitable disclosure argument where there was no evidence of actual misappropriation or misconduct, and there was no evidence that information remained a trade secret. *Id.*

<sup>319</sup> Tactica Int'l, Inc. v. Atlantic Horizon Int'l, Inc., 154 F. Supp. 2d 586, 608–09 (S.D.N.Y. 2001) (denying an inevitable disclosure injunction in what was primarily a trademark case). The court noted the absence of non-competition agreement and found no evidence of “overt theft or actual misappropriation” as to employees who were not “senior executives.” *Id.*

<sup>320</sup> Drayton Enters., LLC v. Dunker, No. A3–00–159, 2001 U.S. Dist. LEXIS 474, \*8–13 (D.N.D. Jan. 9, 2001) (denying request for employment-blocking injunction under Minnesota law and in apparent absence of non-competition covenant). The employee had left plaintiff two years before and was already working for new employer at time of request, there was also no evidence of wrongdoing and employee “ha[d] many years experience in the bakery business.” *Id.* at \*2, \*9.

<sup>321</sup> PSC Inc. v. Reiss, 111 F. Supp. 2d 252, 256–59 (W.D.N.Y. 2000) (denying request for employment-blocking injunction in absence of non-competition covenant). The court found that departing employee had little knowledge of claimed secrets and credited new employer’s testimony that it was uninterested in details of plaintiff’s product. *Id.* at 257–58. There was no apparent evidence of misconduct. *See id.* at 256–59.

<sup>322</sup> EarthWeb, Inc. v. Schlack, 71 F. Supp. 2d 299, 308–15 (S.D.N.Y. 1999) (denying request for employment-blocking injunction in absence of broad non-competition covenant). The court was skeptical of using inevitable disclosure to “re-write” an employment agreement. *Id.* at 311. There was no apparent evidence of wrongdoing. *See id.* at 308–15.

*continued . . .*

Bendinger v. Marshalltown Trowel Co. <sup>323</sup>	Ark.	July 15, 1999	Reversing the trial court's enforcement of overbroad covenant not to compete
Int'l Paper Co. v. Suwyn <sup>324</sup>	S.D.N.Y.	June 19, 1997	Rejecting request for employment-blocking injunction
Bridgestone/Firestone, Inc. v. Lockhart <sup>325</sup>	S.D. Ind.	May 7, 1998	Denying request for employment-blocking injunction
Campbell Soup Co. v. Giles <sup>326</sup>	1st Cir.	Feb. 17, 1995	Denying inevitable disclosure injunction
IBM Corp. v. Seagate Tech., Inc. <sup>327</sup>	D. Minn.	Apr. 21, 1992	Denying request for employment-blocking injunction

<sup>323</sup> *Bendinger v. Marshalltown Trowel Co.*, 994 S.W.2d 468, 472–76 (Ark. 1999) (reversing the trial court's enforcement of overbroad covenant not to compete). The court affirmed the trial court's finding that employee did not misappropriate trade secrets and found that although Arkansas recognizes inevitable disclosure, there was no threat of harm. *Id.* at 473–75. The court credited the employee's good conduct—which involved asking the trial judge for help in understanding the claimed trade secrets so that he avoid using them—and that new employer had taken steps to avoid misuse of plaintiff's information. *Id.* at 472–76.

<sup>324</sup> *Int'l Paper Co. v. Suwyn*, 966 F. Supp. 246, 258–59 (S.D.N.Y. 1997) (rejecting request for employment-blocking injunction where court found no non-competition agreement was agreed upon and where court rejected inevitable disclosure argument because information was “stale,” and employee was not highly technical and there was no evidence he would disclose anything).

<sup>325</sup> *Bridgestone/Firestone, Inc. v. Lockhart*, 5 F. Supp. 2d 667, 682 (S.D. Ind. 1998) (denying request for employment-blocking injunction where non-competition covenant was overbroad). The court also rejected inevitable disclosure argument where employee “took no documents” and credited his testimony that he could not remember “with precision the financial information that is so sensitive”, and also credited new employer's efforts to keep employee away from competitive overlaps and to inform its senior management about the employee's obligations. *Id.*

<sup>326</sup> *Campbell Soup Co. v. Giles*, 47 F.3d 467, 469–72 (1st Cir. 1995) (denying inevitable disclosure injunction). The employer did not have a non-competition covenant. *Id.* at 469 n.2. The court credited the employee's testimony regarding good intentions and noted that plaintiff's claimed trade secrets became outdated each marketing season. *Id.* at 469.

<sup>327</sup> *IBM Corp. v. Seagate Tech., Inc.*, 941 F. Supp. 98, 100 (D. Minn. 1992) (denying request for employment-blocking injunction without deciding whether Minnesota would accept inevitable disclosure where there appears to have been no non-competition covenant). The court found no evidence of  
*continued . . .*

E.R. Squibb & Sons, Inc. v. Hollister <sup>328</sup>	D.N.J.	Feb. 5, 1991	Denying request for employment-blocking injunction
E.I. du Pont De Nemours Powder Co. v. Masland <sup>329</sup>	E.D. Pa.	Aug. 5, 1914	Denying injunctive relief against departing employee

### IX. APPENDIX C

*Table 10: Cases in Other Areas of Trade Secret Law Where Court Required Plaintiff Provide Reasonably Particular Identification of Each Trade Secret Claim*

State	Case Name	Court	Date
California	Loop AI Labs Inc. v. Gatti <sup>330</sup>	N.D. Cal.	July 6, 2016
California	Perlan Therapeutics, Inc. v. Super. Ct. <sup>331</sup>	Cal. Ct. App.	Nov. 4, 2009

misconduct by employee and that employer failed to identify its trade secret claims. *Id.* at 100–01.

<sup>328</sup> E.R. Squibb & Sons, Inc. v. Hollister, No. 91–203(JCL), 1991 U.S. Dist. LEXIS 1395, at \*16–28 (D.N.J. Feb. 5, 1991) (denying request for employment-blocking injunction where employer did not have a non-competition covenant). The court credited evidence of good faith from new employer and lack of misconduct by departing employee. *See id.* at \*17. The court also examined the employee’s past and proposed future job duties to find that they were dissimilar. *Id.* at \*20–28.

<sup>329</sup> E.I. du Pont De Nemours Powder Co. v. Masland, 216 F. 271, 272 (E.D. Pa. 1914) (denying injunctive relief against departing employee with “contemplated business” where employee “denied all intention to do the plaintiffs the injury the latter think to be threatened”, and perhaps thus rejecting an inevitable disclosure-style request).

<sup>330</sup> Loop AI Labs Inc. v. Gatti, 195 F. Supp. 3d 1107, 1111 (N.D. Cal. 2016).

<sup>331</sup> Perlan Therapeutics, Inc. v. Super. Ct., 178 Cal. App. 4th 1333, 1351–52, 101 Cal. Rptr. 3d 211, 226–29 (Cal. Ct. App. 2009).

*continued . . .*



California	Brescia v. Angelin <sup>332</sup>	Cal. Ct. App.	Mar. 17, 2009
Colorado	L-3 Commc'ns Corp. v. Jaxon Eng'g & Maint., Inc. <sup>333</sup>	D. Colo.	Oct. 12, 2011
Connecticut	Powerweb Energy, Inc. v. Hubbell Lighting, Inc. <sup>334</sup>	D. Conn.	July 31, 2012
Delaware	Leucadia, Inc. v. Applied Extrusion Techs., Inc. <sup>335</sup>	D. Del.	Feb. 7, 1991
Florida	AAR Mfg., Inc. v. Matrix Composites, Inc. <sup>336</sup>	Fla. Dist. Ct. App.	Sept. 7, 2012
Florida	Del Monte Fresh Produce Co. v. Dole Food Co., Inc. <sup>337</sup>	S.D. Fla.	May 21, 2001
Georgia	DeRubeis v. Witten Techs., Inc. <sup>338</sup>	N.D. Ga.	Apr. 23, 2007
Illinois	Automated Techs., Inc. v. Eller <sup>339</sup>	N.D. Ill.	July 11, 2001
Michigan	Giasson Aerospace Sci., Inc. v. RCO Eng'g, Inc. <sup>340</sup>	E.D. Mich.	May 14, 2009

<sup>332</sup> Brescia v. Angelin, 90 Cal. Rptr. 3d 842, 852, 172 Cal. App. 4th 133, 149 (Cal. Ct. App. 2009).

<sup>333</sup> L-3 Commc'ns Corp. v. Jaxon Eng'g & Maint., Inc., No. 10-cv-02868-MSK-KMT, 2011 WL 10858409, at \*1 (D. Colo. Oct. 12, 2011).

<sup>334</sup> Powerweb Energy, Inc. v. Hubbell Lighting, Inc., No. 3:12CV220 (WWE), 2012 WL 3113162, at \*1-2 (D. Conn. July 31, 2012).

<sup>335</sup> Leucadia, Inc. v. Applied Extrusion Techs., Inc., 755 F. Supp. 635, 637 (D. Del. 1991).

<sup>336</sup> AAR Mfg., Inc. v. Matrix Composites, Inc., 98 So. 3d 186, 187 (Fla. Dist. Ct. App. 2012).

<sup>337</sup> Del Monte Fresh Produce Co. v. Dole Food Co., Inc., 148 F. Supp. 2d 1322, 1325 (S.D. Fla. 2001).

<sup>338</sup> DeRubeis v. Witten Techs., Inc., 244 F.R.D. 676, 682 (N.D. Ga. 2007).

<sup>339</sup> Automated Techs., Inc. v. Eller, 160 F. Supp. 2d 915, 925-26 (N.D. Ill. 2001).

<sup>340</sup> Giasson Aerospace Sci., Inc. v. RCO Eng'g, Inc., No. 08-13667, 2009 WL 1384179, at \*2 (E.D. Mich. May 14, 2009) (“[T]he ordinary

*continued . . .*

Massachusetts	L-3 Commc'ns Corp. v. Reveal Imaging Techs., Inc. <sup>341</sup>	Mass. Super. Ct.	Dec. 2, 2004
Minnesota	Pourus Media Corp. v. Midland Brake, Inc. <sup>342</sup>	D. Minn.	Aug. 23, 1999
Nevada	Switch Commc'ns Grp. v. Ballard <sup>343</sup>	D. Nev.	June 19, 2012
New Hampshire	GT Crystal Sys., LLC. v. Khattak <sup>344</sup>	N.H. Super. Ct.	Mar. 30, 2012
New Jersey	Avaya Inc. v. Cisco Sys., Inc. <sup>345</sup>	D.N.J.	Oct. 18, 2011
New York	MSCI Inc. v. Jacob <sup>346</sup>	N.Y. Sup. Ct.	Apr. 20, 2012

procedure for a trade secrets case requires that Plaintiffs state the alleged trade secrets with reasonable particularity.”).

<sup>341</sup> L-3 Commc'ns Corp. v. Reveal Imaging Techs., Inc., No. 035810BLS, 2004 WL 2915743, at \*13 (Mass. Super. Ct. Dec. 2, 2004) (ordering the Plaintiff to provide Defendants with “a statement specifically identifying [the] trade secrets that form[ed] the basis of their trade secret misappropriations claims” before discovery commencement).

<sup>342</sup> Pourus Media Corp. v. Midland Brake, Inc., 187 F.R.D. 598, 600 (D. Minn. 1999) (highlighting that failure to specifically identify trade secrets at the outset of litigation “renders the Court powerless to enforce any trade secret claim”).

<sup>343</sup> Switch Commc'ns Grp. v. Ballard, No. 2:11-cv-00285-KJD-GWF, 2012 WL 2342929, at \*4-5 (D. Nev. June 19, 2012) (explaining how other courts have measured whether a plaintiff has identified trade secrets “with reasonable particularity” and highlighting several reasons behind this requirement, including providing a defendant with adequate notice to formulate a proper defense and avoiding excessive lawsuits filed as “fishing expeditions” to discover a competitor’s trade secrets).

<sup>344</sup> GT Crystal Sys., LLC. v. Khattak, No. 217-2011-CV-332, 2012 N.H. Super. LEXIS 2, at \*20-22 (N.H. Super. Ct. Mar. 30, 2012) (requiring Plaintiffs to disclose trade secrets directly to the Defendants, rather than to attorneys only, to facilitate the discovery process and avoid prejudicing the Defendants’ ability to defend the case).

<sup>345</sup> Avaya Inc. v. Cisco Sys., Inc., No. 10-5881(FLW), 2011 WL 4962817, at \*2-3 (D.N.J. Oct. 18, 2011) (clarifying that while New Jersey law does not require a heightened pleading standard for a trade secret misappropriation claim, the plaintiff must nevertheless identify the alleged trade secrets and “provide facts which support its allegation that a defendant *actually used* [them]” as “a necessary precondition to conducting discovery”).

<sup>346</sup> MSCI Inc. v. Jacob, 945 N.Y.S.2d 864, 865-66 (N.Y. Sup. Ct. 2012) (emphasizing that the burden of proof in a misappropriation claim rests on *continued . . .*

North Carolina	Ikon Office Sols., Inc. v. Konica Minolta Bus. Sols., U.S.A., Inc. <sup>347</sup>	W.D.N.C.	Nov. 25, 2009
Texas	United Servs. Auto Ass'n v. Mitek Sys., Inc. <sup>348</sup>	W.D. Tex.	Apr. 24, 2013
Utah	Storagecraft Tech. Corp. v. Symantec Corp. <sup>349</sup>	D. Utah	Feb. 11, 2009

\*Pre-discovery identification of trade secret claims is a matter of statute in California, and court-created practice elsewhere (sometimes pursuant to FRCP 16).

\*\*For a proposal that this procedural step be made uniform, see Richard F. Dole, Jr., *Identifying the Trade Secrets at Issue in Litigation Under the Uniform Trade Secrets Act and the Federal Defend Trade Secrets Act*, 33 SANTA CLARA HIGH TECH. L.J. 470 (2017).

the plaintiff, and failing to specify trade secrets with particularity unfairly and improperly “shifts the burden to defendants to clarify plaintiffs’ claim”).

<sup>347</sup> Ikon Office Sols., Inc. v. Konica Minolta Bus. Sols., U.S.A., Inc., No. 3:08-CV-539-RLV-DCK, 2009 WL 4429156, at \*4 (W.D.N.C. Nov. 25, 2009) (requiring Plaintiff to particularly identify alleged trade secrets to allow Defendant to “delineate that which he is accused of misappropriating” and “assist the Court in determining relevancy and the proper scope of discovery”).

<sup>348</sup> United Servs. Auto Ass'n v. Mitek Sys., Inc., 289 F.R.D. 244, 248 (W.D. Tex. Feb. 15, 2013), *aff'd*, 2013 WL 1867417 (W.D. Tex. Apr. 24, 2013).

<sup>349</sup> Storagecraft Tech. Corp. v. Symantec Corp., No. 2:07 cv 856 CW, 2009 WL 361282, at \*2 (D. Utah Feb. 11, 2009).

*continued . . .*

## X. APPENDIX D

Table 11: State-by-State Comparison About Rejecting or Limiting Inevitable Disclosure Requests

State	Case Name	Court	Date
Connecticut	Aetna, Inc. v. Fluegel <sup>350</sup>	Conn. Super. Ct.	Feb. 7, 2008
Florida	Del Monte Fresh Prod. Co. v. Dole Food Co., Inc. <sup>351</sup>	S.D. Fla.	May 24, 2001
Georgia	Holton v. Physician Oncology Servs., LP <sup>352</sup>	Ga.	May 6, 2013
Idaho	Flsmidth Spokane, Inc. v. Emerson <sup>353</sup>	D. Idaho	June 16, 2014
Illinois	Oce N. Am., Inc. v. Brazeau <sup>354</sup>	N.D. Ill.	Sept. 4, 2009
Illinois	Stenstrom Petroleum Servs. Grp., Inc. v. Mesch <sup>355</sup>	Ill. App. Ct.	Sept. 7, 2007

<sup>350</sup> Aetna, Inc. v. Fluegel, No. CV074033345S, 2008 WL 544504, at \*8 (Conn. Super. Ct. Feb. 7, 2008) (denying “inevitable disclosure” injunction).

<sup>351</sup> Del Monte Fresh Prod. Co. v. Dole Food Co., Inc., 148 F. Supp.2d 1326, 1337 (S.D. Fla. 2001) (rejecting theory under both Florida and California law). The court noted that absent actual or threatened misappropriation, there is no claim. *Id.*

<sup>352</sup> Holton v. Physician Oncology Servs., LP, 742 S.E.2d 702, 706 (Ga. 2013) (finding that “inevitable disclosure” “is not an independent claim under which a trial court may enjoin an employee from working for an employer or disclosing trade secrets”).

<sup>353</sup> Flsmidth Spokane, Inc. v. Emerson, No. 1:13-CV-00490-EJL, 2014 U.S. Dist. Lexis 82361, at \*23 n.8 (D. Idaho June 16, 2014) (dismissing complaint and declining invitation to accept “inevitable disclosure” as law in Idaho).

<sup>354</sup> Oce N. Am., Inc. v. Brazeau, No. 09 C 2381, 2009 WL 6056775, at \*10 (N.D. Ill. 2009) (denying relief). “[C]ourts do not often invoke the ‘inevitable disclosure’ doctrine because a broad application would be an effective bar against employees taking similar positions with competitive entities.” *Id.*

<sup>355</sup> Stenstrom Petroleum Servs. Grp., Inc. v. Mesch, 874 N.E.2d 959, 976 (Ill. App. Ct. 2007) (denying relief). The mere fact that a former *continued . . .*

Indiana	Dearborn v. Everett J. Prescott, Inc. <sup>356</sup>	S.D. Ind.	Apr. 30, 2007
Maryland	LeJeune v. Coin Acceptors, Inc. <sup>357</sup>	Md.	May 13, 2004
Massachusetts	Safety-Kleen Sys., Inc. v. McGinn <sup>358</sup>	D. Mass.	Sept. 24, 2002
Minnesota	Universal Hosp. Servs., Inc. v. Henderson <sup>359</sup>	D. Minn.	May 20, 2002
Michigan	Msc.Software, Inc. v. Altair Eng'g, Inc. <sup>360</sup>	E.D. Mich.	June 25, 2009
Michigan	Kelly Servs., Inc. v. Manzullo <sup>361</sup>	5th Cir.	Nov. 20, 2008
New Hampshire	Narrative1 Software, LLC v. Arzouian <sup>362</sup>	N.H.	Sept. 12, 2012

employee accepted a similar position with a competitor does not demonstrate inevitable disclosure. *Id.*

<sup>356</sup> Dearborn v. Everett J. Prescott, Inc., 486 F. Supp. 2d 802, 820 (S.D. Ind. 2007) (stating the “inevitable disclosure” doctrine “should remain limited to a rare and narrow set of circumstances in which the departing employee has acted in bad faith in taking or threatening to take valuable confidential information from the employer”).

<sup>357</sup> LeJeune v. Coin Acceptors, Inc., 849 A.2d 451, 472 (Md. 2004) (finding the inevitable disclosure theory not recognized).

<sup>358</sup> Safety-Kleen Sys., Inc. v. McGinn, 233 F. Supp. 2d 121, 124 (D. Mass. 2002) (denying “inevitable disclosure” injunction). “Massachusetts law provides no basis for an injunction without a showing of actual disclosure.” *Id.*

<sup>359</sup> Universal Hosp. Servs., Inc. v. Henderson, No. CIV.02-951(RHK/JMM), 2002 WL 1023147, at \*4 (D. Minn. 2002) (denying relief). To obtain an injunction, plaintiff must demonstrate “a high degree of probability of inevitable disclosure.” *Id.* (quoting LexisNexis v. Beer, 41 F. Supp. 2d 950, 958 (D. Minn. 1999)).

<sup>360</sup> Msc.Software, Inc. v. Altair Eng'g, Inc., No. 07-CV-12807, 2009 WL 1856222, at \*2 (E.D. Mich. 2009) (discussing the mere fact that defendant had knowledge of the alleged trade secrets and was a strong competitor of plaintiff was insufficient). The court noted that “Michigan has not endorsed the ‘inevitable disclosure’ doctrine.” *Id.*

<sup>361</sup> Kelly Servs., Inc. v. Manzullo, 591 F. Supp. 2d 924, 942 (E.D. Mich. 2008) (additional absence of wrongdoing).

<sup>362</sup> Narrative1 Software, LLC v. Arzouian, No. 2012-CV-00498, 2012 N.H. Super. LEXIS 38, at \*8 (N.H. Sept. 12, 2012) (finding “inevitable disclosure” “not part of New Hampshire law” and denying request for injunctive relief).

*continued . . .*

New Hampshire	United States v. Carter <sup>363</sup>	5th Cir.	Jan. 28, 2010
New York	Am. Airlines, Inc. v. Imhof <sup>364</sup>	S.D.N.Y.	June 3, 2009
New York	Ikon Office Sols., Inc. v. Usherwood Office Tech., Inc. <sup>365</sup>	N.Y. Sup. Ct.	Dec. 12, 2008
Ohio	Hydrofarm, Inc. v. Orendorff <sup>366</sup>	Ohio Ct. App.	Dec. 23, 2008
Texas	M-I, L.L.C. v. Stelly <sup>367</sup>	S.D. Tex.	July 30, 2009
Washington	Desert Sun Net LLC v. Kepler <sup>368</sup>	W.D. Wash.	Oct. 27, 2006

<sup>363</sup> United States v. Carter, 595 F.3d 575, 580–81 (5th Cir. 2010) (speculative injunction denied in absence of wrongdoing).

<sup>364</sup> Am. Airlines, Inc. v. Imhof, 620 F. Supp. 2d 574, 582 (S.D.N.Y. 2009) (denying “inevitable disclosure” injunction). The court noted that the doctrine is disfavored because it is against New York’s public policy and “suppress[es] healthy competition.” *Id.* (alteration in original).

<sup>365</sup> Ikon Office Sols., Inc. v. Usherwood Office Tech., Inc., No. 9202–08, 2008 WL 5206291, at \*7 (N.Y. Sup. Ct. 2008) (“[R]eliance on inevitable disclosure to imply a restrictive covenant against competition is ‘disfavored’ absent an actual misappropriation of trade secrets.”).

<sup>366</sup> Hydrofarm, Inc. v. Orendorff, 905 N.E.2d 658, 665 (Ohio Ct. App. 2008) (finding that the inevitable disclosure doctrine was inapplicable as basis for granting injunctive relief in absence of clear and convincing evidence that former employer would be irreparably harmed).

<sup>367</sup> M-I, L.L.C. v. Stelly, No. H–09–cv–01552, 2009 WL 2355498, at \*7 (S.D. Tex. 2009) (denying “inevitable disclosure” based on absence of wrongdoing).

<sup>368</sup> Desert Sun Net LLC v. Kepler, No. C06–1041P, 2006 WL 3091170, at \*8 (W.D. Wash. 2006) (rejecting speculative accusations where plaintiff was afraid that defendants will disclose or use trade secrets).

*continued . . .*

## XI. APPENDIX E

Table 12: Cases Where Good Faith is a Factor

Case Name	Court	Date	Outcome
Katch, LLC v. Sweetser <sup>369</sup>	D. Minn.	Nov. 10, 2015	Denying motion for preliminary injunction
RCR Enters., LLC v. McCall <sup>370</sup>	N.C. Super.	Dec. 19, 2014	Denying request for injunction to enforce non-competition covenant
Cargill Inc. v. Kuan <sup>371</sup>	D. Colo.	Oct. 20, 2014	Denying request for injunction to block employment
Triumph Packaging Grp. v. Ward <sup>372</sup>	N.D. Ill.	Dec. 2, 2011	Denying request for preliminary injunction

<sup>369</sup> Katch, LLC v. Sweetser, 143 F. Supp. 3d 854, 869–72 (D. Minn. 2015) (denying motion for preliminary injunction). The court reviewed factors such that the defendant and new employer stated they would not use confidential information and new employer “ha[d] specifically instructed [employee] not to use or disclose any of [plaintiff’s] Confidential Information.” *Id.* (alteration in original).

<sup>370</sup> RCR Enters., LLC v. McCall, No. 14 CVS 3342, 2014 WL 7591977, at \*1, \*4–7 (N.C. Super. Dec. 19, 2014) (denying request for injunction to enforce non-competition covenant). The court noted evidence that new employer had “instructed” employee not to disclose former employer’s confidential information. *Id.* at 5–6.

<sup>371</sup> Cargill Inc. v. Kuan, No. 14–CV–2325–RM–MJW, 2014 WL 5336233, at \*1, \*5–8 (D. Colo. Oct. 20, 2014) (denying request for injunction to block employment). While employee was “not credible” in trying to explain why he “downloaded thousands of documents,” he returned files and the court credited evidence from new employer that employee had not disclosed information and that new employer had not showed “any impropriety” in its own conduct. *Id.* at 5–6.

<sup>372</sup> Triumph Packaging Grp. v. Ward, 834 F. Supp. 2d 796, 810, 816 (N.D. Ill. 2011) (denying request for preliminary injunction). The court considered evidence from the new employer regarding good faith. *See id.*

*continued . . .*

Intl'l Bus. Machines Corp. v. Visentin <sup>373</sup>	S.D.N.Y.	Feb. 16, 2011	Denying request for employment-blocking preliminary injunction
Interbake Foods, L.L.C. v. Tomasiello <sup>374</sup>	N.D. Iowa	Nov. 13, 2006	Denying request for employment-blocking preliminary injunction
Cintas Corp. v. Perry <sup>375</sup>	N.D. Ill.	Aug. 20, 2004	Rejecting inevitable disclosure argument as to trade secret claim
Cardinal Health Staffing Network, Inc. v. Bowen <sup>376</sup>	Tex. App.	Apr. 3, 2003	Affirming denial of employment-blocking temporary restraining order

<sup>373</sup> Intl'l Bus. Machines Corp. v. Visentin, No. 11 Civ. 399(LAP), 2011 WL 672025, at \*1, \*10–15, \*18–24 (S.D.N.Y. Feb. 16, 2011) (denying request for employment-blocking preliminary injunction). The court credited testimony of new employer and employee regarding good faith. *Id.*

<sup>374</sup> Interbake Foods, L.L.C. v. Tomasiello, 461 F. Supp. 2d 943, 970–74, 980 (N.D. Iowa 2006) (denying request for employment-blocking preliminary injunction though entering injunction prohibiting misuse of trade secrets). In this case, the new employer and employee presented evidence of good faith. *Id.* at 974. Although the employee had accessed computer files just before leaving, court found there was no evidence he took the material and denied relief on this ground. *Id.* at 974–75.

<sup>375</sup> Cintas Corp. v. Perry, No. 03 C 8404, 2004 WL 2032124, at \*1, \*8–10, \*13, \*17–20 (N.D. Ill. Aug. 20, 2004) (rejecting inevitable disclosure argument as to trade secret claim where although employer argued that employee had a spreadsheet and two disks). In this case, the new job was not sufficiently similar, and the court found employee did not take information that was actually confidential, new employer showed good faith efforts to prevent misappropriation, and employee had already been working for new employer for eight months, casting doubt on theory that disclosure of trade secrets was inevitable. *Id.*

<sup>376</sup> Cardinal Health Staffing Network, Inc. v. Bowen, 106 S.W.3d 230, 242–43 (Tex. App. 2003) (affirming denial of employment-blocking temporary restraining order). The employee “did not take” materials, and the court credited the new employer’s evidence that it did not need plaintiff’s information. *Id.*

*continued . . .*



Bendinger v. Marshalltown Trowell Co. <sup>377</sup>	Ark.	July 8, 1999	Finding that although Arkansas recognizes inevitable disclosure, there was no threat of harm
Bridgestone/Firestone, Inc. v. Lockhart <sup>378</sup>	S.D. Ind.	May 7, 1998	Rejecting inevitable disclosure argument where employee “took no documents”
Campbell Soup Co. v. Giles <sup>379</sup>	1st Cir.	Feb. 17, 1995	Denying inevitable disclosure injunction
Baxter Int’l, Inc. v. Morris <sup>380</sup>	8th Cir.	Oct. 9, 1992	Affirming only a limited injunction barring misuse of trade secrets
E.R. Squibb & Sons, Inc. v. Hollister, Inc. <sup>381</sup>	D.N.J.	Feb. 5, 1991	Denying request for employment-blocking injunction

<sup>377</sup> Bendinger v. Marshalltown Trowell Co., 994 S.W.2d 468, 474–75 (Ark. 1999) (finding that although Arkansas recognizes inevitable disclosure, there was no threat of harm). The court credited the employee’s good conduct—which involved asking the trial judge for help in understanding the claimed trade secrets so that he could avoid using them—and that the new employer had taken steps to avoid misuse of plaintiff’s information. *Id.*

<sup>378</sup> Bridgestone/Firestone, Inc. v. Lockhart, 5 F. Supp. 2d 667, 682 (S.D. Ind. 1998) (rejecting inevitable disclosure argument where employee “took no documents” and credited his testimony that he could not remember “with precision the financial information that is so sensitive”, and also credited new employer’s efforts to keep employee away from competitive overlaps and to inform its senior management about the employee’s obligations).

<sup>379</sup> Campbell Soup Co. v. Giles, 47 F.3d 467, 469 (1st Cir. 1995) (denying inevitable disclosure injunction; crediting employee’s testimony regarding good intentions).

<sup>380</sup> Baxter Int’l, Inc. v. Morris, 976 F.2d 1189, 1194–95 (8th Cir. 1992) (affirming only a limited injunction barring misuse of trade secrets and crediting new employer’s evidence regarding its lack of need for the plaintiff’s information).

<sup>381</sup> E.R. Squibb & Sons, Inc. v. Hollister, Inc., No. 91–203 (JCL), 1991 U.S. Dist. LEXIS 1395, at \*16–18 (D.N.J. Feb. 5, 1991) (denying request for employment-blocking injunction and crediting evidence of good faith from new employer and lack of misconduct by departing employee).

*continued . . .*

## XII. APPENDIX F

Table 13: Cases Where Expert Damages Opinions Have Been Rejected

Case Name	Court	Date
Hilderman v. Enea Teksci, Inc. <sup>382</sup>	S.D. Cal	Feb. 10, 2010
Modular Mining Sys., Inc. v. Jigsaw Techs., Inc. <sup>383</sup>	Ariz. Ct. App.	Apr. 30, 2009
Callaway Golf Co. v. Dunlop Slazenger Grp. Am., Inc. <sup>384</sup>	D. Del.	May 21, 2004
Children's Broad. Corp. v. Walt Disney Co. <sup>385</sup>	8th Cir.	Apr. 10, 2001
KW Plastics v. United States Can Co. <sup>386</sup>	M.D. Ala.	Feb. 1, 2001

<sup>382</sup> Hilderman v. Enea Teksci, Inc., No. 05CV1049 BTM(AJB), 2010 WL 546140, at \*2 (S.D. Cal. Feb. 10, 2010) (rejecting expert valuation of alleged trade secrets where expert failed to follow an acceptable methodology for valuing intangible assets where the expert "did not have any information regarding if, and if so, how, the parties to the transaction allocated the 'Goodwill' value to specific categories of intangible assets").

<sup>383</sup> Modular Mining Sys., Inc. v. Jigsaw Techs., Inc., 212 P.3d 853, 858 (Ariz. Ct. App. 2009) (finding expert's speculation about how defendant might have benefitted in a market was too speculative and imprecise to support plaintiff's claim for injunctive relief).

<sup>384</sup> Callaway Golf Co. v. Dunlop Slazenger Grp. Am., Inc., No. CIV. A 01-669-KAJ, 2004 WL 1534786, at \*4 (D. Del. May 21, 2004) (excluding plaintiff's damages expert from testifying as to damages figures, including future estimates, where unjust enrichment and reasonable royalty claims lacked foundation based on proper research into the facts of the case).

<sup>385</sup> Children's Broad. Corp. v. Walt Disney Co., 245 F.3d 1008, 1018 (8th Cir. 2001) (determining expert failed to account for effect of other market participant and this failure resulted in a faulty theory of causation).

<sup>386</sup> KW Plastics v. United States Can Co., 131 F. Supp. 2d 1289, 1292-93, 1295 (M.D. Ala. 2001) (Illinois UTSA). The plaintiff's expert made improperly speculative assumptions about plaintiff's operating capacity and other factors when formulating his calculation of lost sales. *Id.* at 1292-93. The plaintiff's expert incorrectly counted all revenues as unjust enrichment in asserting use of trade secrets caused defendant to obtain a ten-year contract from a third party. *Id.* at 1295. The expert did not try to value the specific trade secrets used or determine whether use of them caused

*continued . . .*

Nilssen v. Motorola, Inc. <sup>387</sup>	N.D. Ill.	Dec. 1, 1998
Biocore, Inc. v. Khosrowshahi <sup>388</sup>	D. Kan.	Dec. 31, 1998
Web Commc'ns Grp., Inc. v. Gateway 2000, Inc. <sup>389</sup>	N.D. Ill.	May 3, 1994
Schiller & Schmidt, Inc. v. Nordisco Corp. <sup>390</sup>	7th Cir.	July 23, 1992

defendant to obtain contract with third party. *Id.*

<sup>387</sup> Nilssen v. Motorola, Inc., No. 93 C 6333, 1998 WL 851493, at \*2-3 (N.D. Ill. Dec. 1, 1998) (finding expert's royalty projections flawed for over-inclusion of products not relevant to trade secret claims).

<sup>388</sup> Biocore, Inc. v. Khosrowshahi, 183 F.R.D. 695, 700 (D. Kan. 1998) (finding plaintiff's lost sales estimates unreliable where expert failed to consider sales to other market participants and there were other errors in future sales projections).

<sup>389</sup> Web Commc'ns Grp., Inc. v. Gateway 2000, Inc., No. 93 C 6821, 1994 WL 171448, at \*1-2 (N.D. Ill. May 3, 1994) (Illinois UTSA). The unjust enrichment theory was rejected where plaintiff sought to recover computer manufacturer defendant's entire profits from computer sales. *Id.* The court noted that unjust enrichment, if any, would amount to specific savings by defendant resulting from the third party advertiser using the plaintiff's purported trade secret undercut the plaintiff's price. *Id.*

<sup>390</sup> Schiller & Schmidt, Inc. v. Nordisco Corp., 969 F.2d 410, 415 (7th Cir. 1992) (determining that plaintiff's expert's theory was flawed for making no effort to separate revenues attributable to trade secret-related wrongdoing from those attributable to lawful competition).