

Calendar Line 1

Case Name: *Agilent Technologies, Inc. v. Twist Bioscience Corp., et al.*

Case No.: 16-CV-291137

This is an action for trade secret misappropriation and related claims. Plaintiff Agilent Technologies, Inc. alleges that its former employee, defendant Emily Leproust, stole its industry-leading genomics technologies to start her own competitive company, defendant Twist Bioscience Corporation. (First Amended Complaint (“FAC”), ¶ 1.)

Currently at is defendants’ motion for a protective order regarding the adequacy of Agilent’s trade secret disclosure. Agilent opposes the motion.

The hearing on Agilent’s motion to seal documents lodged in connection with the motion for a protective order will be rescheduled to a later date to be noticed by the Court.

I. Allegations of the Complaint

Agilent alleges that Leproust misappropriated confidential information and trade secrets related to DNA oligonucleotide (“oligo”) synthesis technologies in violation of her contractual and other legal duties to Agilent. (FAC, ¶ 1.) In February 2012—more than a year before she resigned from her employment with Agilent—she registered internet domain names for Twist, and she proceeded to use Agilent’s resources to develop Twist’s technology and to pitch her competing company to venture capitalists while still employed by Agilent. (*Ibid.*) After leaving Agilent in April 2013, Leproust targeted and poached key employees. (*Ibid.*)

In July 2013, Twist obtained \$4.7 million in Series A funding and in August 2013, it filed provisional patent applications regarding its use of an oligo writer to synthesize oligos using inkjet technology, the same technology employed by Agilent. (FAC, ¶ 42.) The technology presented in Twist’s patent applications and business presentations was not and could not have been independently developed during Twist’s short existence to date. (*Id.* at ¶¶ 50-51.) Twist has since raised millions more in funding. (*Id.* at ¶ 42.)

Based on these allegations, the FAC asserts claims for (1) breach of contract (against Leproust), (2) breach of the duty of loyalty (against Leproust), and (3) trade secret misappropriation (against both defendants).

II. Discovery Dispute

On September 9, 2016, Agilent served its trade secret identification pursuant to Code of Civil Procedure section 2019.210. The trade secret identification sets forth 35

asserted secrets in 6 sections marked B-G, in addition to more specific “related trade secrets” for several items. (See Decl. of Andrew J. Bramhall ISO Mot., Ex. A.)¹

On September 19, Agilent served defendants with written discovery requests, and beginning on September 21, it served 11 third-party entities and one individual with document and deposition subpoenas. On September 23, defendants’ counsel wrote to Agilent’s counsel requesting a meet and confer to discuss defendants’ objections to Agilent’s trade secret disclosures. The parties met and conferred among themselves on September 27, and participated in an informal discovery conference with the Court on October 3, but were not able to come to agreement.

On October 11, the Court issued an order staying all discovery in the action and directing defendants to file the instant motion for a protective order.

III. Legal Standard

“A trade secret is ‘information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.’” (*Perlan Therapeutics, Inc. v. Superior Court (NexBio, Inc.)* (2009) 178 Cal.App.4th 1333, 1342-1343, quoting Civ. Code, § 3426.1, subd. (d)(1) and (2).) In an action alleging the misappropriation of a trade secret, the party alleging the misappropriation must identify the trade secret with reasonable particularity before commencing discovery related thereto. (Code Civ. Proc., § 2019.210.) The pre-discovery designation serves four purposes: (1) it promotes well-investigated claims and dissuades the filing of meritless trade secret complaints, (2) it prevents plaintiffs from using the discovery process as a means to obtain defendants’ trade secrets, (3) it assists the court in framing the appropriate scope of discovery and determining whether the plaintiff’s discovery requests fall within that scope, and (4) it enables defendants to form complete and well-reasoned defenses, ensuring that they need not wait until the eve of trial to effectively defend against charges of trade secret misappropriation. (*Perlan Therapeutics, Inc. v. Superior Court, supra*, 178 Cal.App.4th at p. 1343.)

A trade secret must be identified with sufficient particularity to distinguish it from matters of general knowledge in the trade or special knowledge of those persons who are skilled in the trade. (*Advanced Modular Sputtering, Inc. v. Superior Court (Mishin, et al.)* (2005) 132 Cal.App.4th 826, 835.) Reasonable particularity does not require the party alleging misappropriation to define every minute detail of its claimed trade secret. (*Ibid.*) Rather, it requires some showing that is “reasonable, i.e., fair, proper, just and rational under all of the circumstances” to advance the underlying purposes of the designation, as set forth above. (*Id.* at pp. 835-836.) Section 2019.210 requires only the *identification* of trade secrets. (*Brescia v. Angelin* (2009) 172 Cal.App.4th 133, 149.) It does not compel the provision of argument or evidence demonstrating that the identified

¹ Section A of the designation consists of “Definitions and Background.”

trade secrets actually qualify as such, and it “does not create a procedural device to litigate the ultimate merits of the case.” (*Ibid.*)

“[W]here ‘the alleged trade secrets consist of incremental variations on, or advances in the state of the art in a highly specialized technical field, a more exacting level of particularity may be required to distinguish the alleged trade secrets from matters already known to persons skilled in that field.’” (*Perlan Therapeutics, Inc. v. Superior Court, supra*, 178 Cal.App.4th at p. 1343, quoting *Advanced Modular Sputtering, Inc. v. Superior Court, supra*, 132 Cal.App.4th at p. 836; see also *I-Flow Corp. v. Apex Medical Technologies, Inc.* (S.D. Cal., May 23, 2008, No. 07CV1200-DMS(NLS)) 2008 WL 2233962, at *1 [court had ordered trade secret plaintiff “to amend its statement such that technical and marketing trade secrets would be distinguished clearly from general knowledge in the field of infusion technology”].) Where “ ‘credible experts declare that they are capable of understanding the designation and of distinguishing the alleged trade secrets from information already known to persons in the field, the designation should, as a general rule, be considered adequate to permit discovery to commence.’ ” (*Perlan Therapeutics, Inc. v. Superior Court, supra*, 178 Cal.App.4th at p. 1343.)

IV. Technical Field and Expert Declarations

As an initial matter, it is clear that the asserted secrets described in sections B, C, D, and E of Agilent’s designation are of a technical nature for which a more exacting level of particularity in the designation is required. (*Perlan Therapeutics, Inc. v. Superior Court, supra*, 178 Cal.App.4th at p. 1343.) Consistent with the technical nature of the asserted secrets, both defendants and Agilent submit expert declarations supporting their respective motion and opposition. Neither defendants nor plaintiff contest the qualifications of one another’s experts.

Defendants’ expert, Dr. Milan Mrksich, is a tenured professor at Northwestern University with more than twenty-five years’ experience working in chemistry, biology, materials science, and bioengineering. (Decl. of Dr. Milan Mrksich ISO Mot., ¶ 1.) Dr. Mrksich is an expert in biochip arrays, including DNA arrays, and the following aspects thereof: the synthesis of molecules, the assembly of patterned arrays from those molecules, the development of detection methods for analyzing arrays, and the use of arrays. (*Id.* at ¶ 2.)

Agilent’s expert, Dr. Kevin Luebke, is director of programs in nucleic acids and molecular recognition at SRI International, a non-profit research institute, with more than thirty years of experience in chemistry, biology, bioengineering, and biophysics and with particular expertise in surface-bound biopolymer arrays, biopolymer synthesis, automation of chemical and microfluidic systems, photochemistry, and surface chemistry. (Decl. of Dr. Kevin Luebke ISO Opp., ¶ 1.) From 1996 to 1998, Dr. Luebke was a member of the research team that began the early development of the Agilent DNA array platform (then at Hewlett-Packard Labs). (*Id.* at ¶ 2.)

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XI. Conclusion and Order

Defendants' motion for a protective order is GRANTED in its entirety.⁵ Agilent shall serve any amended trade secret disclosure by December 21, 2016. The amended disclosure shall individually number each asserted secret, as opposed to grouping "related" secrets together and/or including more specific asserted secrets as subparts of a

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broader one. With respect to the asserted secrets in sections B-E of the current disclosure, the amended disclosure shall clearly distinguish the claimed secrets from matters of general knowledge in the field of oligonucleotide synthesis.