Understanding what constitutes "reasonable particularity" can be the decisive element in trade secret litigation

Secret Weapon

By Brent Caslin

FAIRNESS DEMANDS that those who accuse others of theft describe the allegedly stolen property, especially before being allowed to rummage through the belongings of the accused. This principle applies well to trade secret disputes. While the description of a commercial trade secret is usually more complicated than that, say, of a stolen bicycle, written specifications of allegedly misappropriated trade secrets are now required at the outset of most actions involving trade secret claims.

Obtaining a full and complete trade secret specification sometimes entails a great deal of effort at the beginning of a dispute. Quick study of the technology at issue is ordinarily necessary. Experts may be needed immediately. And a motion requesting a specification, or a more detailed specification, may be the only way to force disclosure of key details of the information claimed as the trade secret. Nevertheless, these efforts are worth their cost. The trade secret defendant who requests a specification at the right moment, presses the request until true particularity is provided, and uses the specification properly will gain some control over the subject of the dispute. The defendant who does not will have little or no control.

When should a defendant request a trade secret specification? In California state court, the Code of Civil Procedure largely answers this question with the requirement that every plaintiff identify its allegedly misappropriated trade secret "before commencing discovery relating to the trade secret."[1] Consequently, at the beginning of most cases, when the diligent plaintiff follows a complaint with discovery requests, the defendant should immediately request disclosure of the alleged trade secret's specifics.[2] If the plaintiff refuses to provide the identification required by Code of Civil Procedure Section 2019(d), the defendant can either move for a protective order preventing discovery by the plaintiff until the disclosure is prepared, or simply object and

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wait to defend a motion to compel. Either motion should be won easily against those who altogether refuse to produce a trade secret specification. In most cases, however, the plaintiff will recognize its obligation to provide a Section 2019(d) disclosure and agree to prepare one. After the specification is produced, the wrangling can begin over its particulars.

Two circumstances merit special attention as defendants consider when they should request a trade secret definition: prefiling settlement discussions and provisional remedy situations. As to the first, settlement discussions clearly do not always precede the filing of formal misappropriation claims. But when a plaintiff asks to discuss its claim before filing a complaint, the effort should not be ignored. Not only might settlement discussions be a good alternative for the defendant not totally free from guilt, or the perception of guilt, but they also may give the defendant an opportunity to figure out exactly what it has been accused of misappropriating. In fact, much can be gained by requesting a specific identification of the purported trade secret at the beginning or in advance of a prefiling settlement talk. It is difficult, and perhaps impossible, for a defendant to evaluate a trade secret claim and determine whether settlement discussions are worthwhile without knowing exactly what the plaintiff thinks was misappropriated.

This is perhaps truer today than at any time in the past because the difficulty of analyzing trade secret claims has increased with the advance of technology. Thirty years ago, for example, it may have meant something for a plaintiff to state that its allegedly misappropriated trade secret was the process, unknown in every way to all others, by which a hand-held camera could take pictures without film and store the pictures on an internal data chip. Today, however, such a broad statement means almost nothing to those in the electronics industry. Indeed, every manufacturer has or could have the technology to create and market digital cameras, and most of the specifics of the technology have been revealed in patent applications across the globe. If a trade secret exists in 2004 with respect to digital camera technology, it probably relates to a specific manufacturing process or a previously unknown and unpatented improvement on existing technology. The details of that process or improvement would be at the heart of any trade secret claim. They should also be at the center of any settlement discussion.

When considering whether to request a trade secret definition in response to motions for provisional remedies, counsel should know that in California, when expedited discovery is requested in connection with an application for a temporary restraining order or preliminary injunction, Section 2019(d) must be raised immediately. Better prepared defendants will ask the plaintiff for a reasonably particular trade secret specification before the first court appearance, even if the pressing schedule permits the request just hours before an expedited hearing. If the request is made but no specification provided, the failure can be placed with the plaintiff. The plaintiff chose the fast pace of the litigation when it requested a provisional remedy. It must know the details of the alleged trade secret, and it must know that the law requires a reasonably particular specification. Indeed, the absence of a proper specification may be enough for the court to deny the application for a temporary restraining order or preliminary injunction.[3] On the other hand, if the plaintiff provides a specification before a hearing on a provisional remedy, any inadequacies can be brought to the court's attention at the hearing.[4]

A reasonably particular trade secret specification should also be requested if a plaintiff requests a provisional remedy but no immediate discovery. Although the language of Section 2019(d) does not require a trade secret specification outside the discovery context, courts rule almost uniformly that plaintiffs must show the existence of a specific trade secret at the outset of litigation. In *FSI International* v. *Shumway*,[5] for example, the plaintiff, FSI, a supplier of equipment used to manufacture microelectronics, sought a temporary restraining order to prevent one of its account managers from working for a competitor. FSI alleged the account manager had "numerous trade secrets and other confidential and proprietary information as a necessary component of his sales position," including "valuable customer, pricing, marketing, and product formula and manufacturing information that is not generally known to FSI's competitors." The district court did not rely on any statute when it concluded that the order should be denied because FSI's listing of broad information categories was not an appropriate trade secret disclosure: "Given FSI's lack of specificity in identifying what is a trade secret, it is impossible for the Court to fashion a meaningful injunction that would not overly restrict legitimate competition."[6]

Other courts in California, including state and federal courts, also have required reasonably particular trade secret specifications outside the realm of discovery,[7] including in situations involving provisional remedies.[8] Some courts in California and elsewhere have gone so far as to find that a specifically identified trade secret is a necessary piece of a trade secret cause of action, effectively making the specification compulsory to every claim.[9] In 1999, a Massachusetts court wrote, "A plaintiff has no cognizable trade secret claim until it has adequately identified the specific trade secrets that are at issue."[10]

Requesting a trade secret specification at the beginning of every case, including those involving provisional remedies, is a trend that is gathering steam around the country. In the past year, several courts in an assortment of states have denied preliminary injunctions, or reversed their entry, when plaintiffs failed to adequately define the allegedly misappropriated trade secret.[11] Defendants should thus demand a specification immediately and request that all provisional relief and discovery be denied until the plaintiff adequately specifies its alleged trade secret.

The Appropriate Trade Secret Definition

Detailing the particulars of an allegedly misappropriated trade secret is sometimes simple. If, for example, a company that sells cookies alleges that another corporation stole its secret recipe for chocolate chip cookies, the company might simply provide the recipe as its trade secret disclosure—1/2 cup unsalted butter, 1 cup brown sugar, 1 egg, 2 teaspoons vanilla, and so forth. Of course, cases as straightforward as this are few and far between. In the many cases in which the alleged trade secret is not as easy to define as a cookie recipe, defendants should seek to calibrate the disclosure to the level of specificity that will prevent the plaintiff from later changing the alleged trade secret in order to navigate through discovery disputes and other problems that might harm the plaintiff's case.

To determine what level of specificity is required in more complex cases, the natural starting point is the language of California's statute. Section 2019(d) requires plaintiffs to "identify the trade secret with reasonable particularity." The "reasonable particularity" standard means different things to different people, and there is not much information regarding its precise meaning for those who drafted Section 2019(d). Dictionary definitions can help to illuminate the meaning of the words chosen by the drafters of the statute. Merriam-Webster defines "particularity" as "1 a: a minute detail…b: an individual characteristic…2: the quality or state of being particular as distinguished from universal…3 a: attentiveness to detail…."[12] Similarly, Oxford defines "particular" as "relating to or considered as one thing or person as distinct from others."[13] Both definitions are in line with the primary purpose behind Section 2019(d) and the goal of defendants who rely on the statute—to obtain enough detail about the plaintiff's allegedly secret information that

the trade secret definition can be distinguished from other similar information and not later transformed to match something the plaintiff finds in the defendant's files.

Drafting the necessary level of specificity is easier said than done. Plaintiffs may not simply allege that a defendant has misappropriated trade secrets but provide no information other than the most basic allegation.[14] Disclosures that identify the class or type of information that makes up the trade secret, but not the information itself, are also improper.[15] It is not enough, for example, to disclose that the allegedly secret information is a method of producing a particular product. The method itself must be described with reasonable particularity.

Frequently, it will be necessary to contact an expert early in the case to determine what degree of specificity might be needed in the trade secret specification to later defend the case effectively. When preparing their reports, for example, testifying experts will likely require sufficient detail regarding the alleged trade secret to compare it with the defendant's own confidential information, as well as prior art and the library of information generally known to the relevant industry. Generally, it is best to determine exactly how much detail will be needed by the expert before the court rules on how much detail the plaintiff must provide in its trade secret specification. Not doing so may tie the hands of the testifying expert while giving the plaintiff and its experts room to maneuver.

A leading case, *Imax Corporation* v. *Cinema Technologies, Inc.*,[16] offers further instruction regarding the level of detail necessary for an appropriate trade secret definition. In the case, Imax claimed the precise dimensions and tolerances of its rolling loop projector were misappropriated by Cinema Technologies. But Imax failed, after four attempts, to provide a trade secret definition identifying those precise dimensions and tolerances. The district court eventually granted summary judgment because of Imax's failures, and the Ninth Circuit affirmed.[17] The *Imax* case confirms that plaintiffs cannot simply claim their trade secret comprises certain types of information, such as dimensions, measurements, tolerances, and ingredients. They must identify those dimensions, measurements, tolerances, or ingredients. As another court wrote, plaintiffs must provide "specific, concrete secrets."[18]

In their quest for detail, trade secret defendants should be vigilant of plaintiffs who provide too much information but no real specifics. The plaintiff in *Imax* attempted this approach, stating "every dimension and tolerance" in its projector was a trade secret.[19] The Ninth Circuit disapproved, concluding it was unlikely a district court or jury would have the expertise to evaluate the projector and determine which dimensions and tolerances were secret.[20] In a recent case, *IDX Systems Corporation* v. *Epic Systems Corporation*, the plaintiff's explanation of an entire software package as a trade secret was also rejected as overinclusive.[21] As in *Imax*, the *IDX* court communicated that it is not the court's responsibility to dig through a product specification and determine exactly what is and what is not part of the alleged trade secret.[22] When preparing a trade secret specification, the simple rule to remember is that indicating an entire process or a product itself is ordinarily not enough for the specification to pass muster with a court.[23]

Using the Specification

The obvious and immediate best use of a trade secret disclosure is investigation of the claim. The defendant should examine the files and memories in every relevant business unit with the specification in hand to determine if a mistake actually was made—or if circumstances exist so that a conclusion can be drawn that a mistake may have been made—in the defendant's handling of the identified trade secret information. If so, it may be more economical to settle before costly discovery. If not, the disclosure should be used to begin framing a complete story about the alleged trade secret. How was the alleged secret information received from the plaintiff? Was it received at all? What duties of confidentiality were attached to the information? A crucial aspect of some cases is determining what uses and disclosures the plaintiff authorized regarding the secret.

The defendant must proceed to a determination of what conduct the plaintiff claims was wrong. Did the alleged use or disclosure actually occur, or is the plaintiff mistaken? The defendant should investigate how the plaintiff's belief about the alleged use or disclosure of the secret may be addressed at trial. The defendant, and an expert witness if appropriate, must also begin investigating its files and patent applications, as well as industry journals and all other public sources of information, to discern if the alleged secret really was a secret at the time it was given to the defendant. Finally, the defendant should begin planning how to discover the plaintiff's efforts to protect the alleged trade secret and any unprotected disclosures of the allegedly secret information.

None of these key considerations in the defense of a trade secret case can be properly analyzed without first determining exactly what information is at issue in the case. Consider the difficulty of defending a patent case or a trademark case without reference to the patent or the ability to review the details

of the trademark.

The specification required by Section 2019(d) not only relates to discovery but also usually governs its scope. As the U.S. District Court for the Southern District of California wrote, the trade secret specification requirement "assists the court in framing the appropriate scope of discovery and in determining whether plaintiff's discovery requests fall within that scope."[24] Many courts outside California agree, and they regularly halt discovery until an appropriate trade secret definition is available and appropriate bounds can be placed on discovery.[25]

Because the information requested in almost every trade secret dispute is itself valuable,[26] defendants should not be reticent about attempting to place tight restrictions on discovery. Limits on discovery are often approved, even those that are novel in their approach. In *Microwave Research Corporation* v. *Sanders Association*, for example, a court required a plaintiff to demonstrate a "substantial factual basis" for the trade secret claim before it would allow any discovery into the defendant's confidential information.[27] Finding no such basis, it denied the plaintiff's request to take discovery of the defendant's confidential files.[28] Other courts have limited discovery by requiring plaintiffs to show relevance, based on the trade secret definition, as well as a necessity for the requested confidential information.[29]

Perhaps the most important use of the trade secret definition arrives near the close of discovery, as the parties progress through summary judgment proceedings and into trial. Plaintiffs frequently face enormous incentives at these junctures to modify, if only slightly, the identity of the allegedly misappropriated trade secret. Some want the alleged trade secret to more closely match the misappropriation theory developed during the course of the case.[30] Others need to avoid summary judgment because the defendant discovered a patent or some other form of public information identical to the plaintiff's alleged secret, making the alleged secret no secret at all.[31] Plaintiffs may have good intentions—they believe their secret was stolen and they do not want their claim to fail because the specification varies slightly from the evidence—but defendants should nevertheless attempt to prevent last-minute changes to the plaintiff's trade secret specifications. Several have had success in stopping plaintiffs from asserting trade secret information that is a variation from their original claims.[32]

Most of these changes occur during summary judgment proceedings, and courts are increasingly concerned about allowing the plaintiff to deviate from its original trade secret specifications at this stage of litigation.[33] In *Combined Metals of Chicago Limited Partnership* v. *Airtek*, for example, a district court wary of the potential for a late amendment to a trade secret disclosure warned early in the case that no change would be allowed.[34] Remarking that the identity of a trade secret had caused "confusion" during summary judgment proceedings in a previous case, the court wrote that it "would not entertain such a dispute at such a late stage in the proceeding again." With candid language the court ordered the plaintiff to state its trade secret and not modify it:

> [The plaintiff] will be held to those trade secrets, *i.e.*, it will not be permitted to change or narrow them as the case progresses.…[The plaintiff] better put [the defendant] on notice of such technology now…or forfeit the right to claim such technology as a trade secret at a later time in this case.[35]

In 1995 the Central District of California expressed similar concerns. The court stopped a plaintiff from switching trade secrets in the midst of litigation, writing that the "plaintiff must be judicially estopped from arguing, in a desperate attempt to avert summary judgment, that these 'different' trade secrets are really the subject of its claims."[36]

Summary judgment is not the only procedure that can be used against plaintiffs who refuse to properly identify their alleged trade secrets or try to change their trade secret specifications late in a case. A motion to dismiss might be successful if the plaintiff fails to plead facts identifying the trade secret or if the plaintiff continually fails to define the alleged trade secret.[37] Sanctions under Rule 37 of the Federal Rules of Civil Procedure were granted in at least one case following a plaintiff's repeated failure to abide by a court's order to prepare a proper specification.[38] Motions in limine are also an obvious tool with which to exclude new theories going into trial, and these motions might be useful in excluding undefined aspects of purported trade secrets.[39] The Ninth Circuit effectively did just that in *Twin Vision Corporation* v. *BellSouth Communication Systems, Inc.*, when it refused to examine a district court's summary adjudication of several trade secret claims.[40] The appellate court simply ignored the trade secrets that were not properly defined and only analyzed the merits of a single properly defined secret. The logic used by the appeals court seems equally applicable to motions in limine before trial.

The recent success of defense tactics—chiefly motions for summary judgment—in cases involving allegations of trade secret misappropriation, and courts' increasing focus on trade secret definitions at provisional remedy hearings, may reflect a renewed recognition of the primary reason for the rule requiring trade secret specifications: basic fairness. These developments almost certainly reflect the practical concerns of courts. Without a trade secret specification, it is difficult to control discovery—and it is nearly impossible to compare similar collections of sophisticated information at summary judgment or trial without first knowing the specifics of the alleged secret at issue. Trade secret disclosures provide the specifics and thus a baseline against which to judge information allegedly used or disclosed by the defendant. They also give defendants something against which they can compare information in the public domain, information developed on their own, and the public disclosures of plaintiffs. Without a properly detailed trade secret specification, the defendant will have a difficult time making these comparisons. The trade secret, and thus the case, could be subject to a plaintiff's changing directions, leaving the defendant little opportunity to effectively defend its position. ■

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[1] CODE CIV. PROC. §2019(d).

[2] The parties might negotiate a protective order regarding confidentiality as they discuss a trade secret specification. Code of Civil Procedure §2019(d) specifically refers to the provisions of the Uniform Trade Secrets Act regarding the maintenance of confidentiality in trade secret disputes (Civil Code §3426.5). *See generally* MELVIN F. JAGER, TRADE SECRETS LAW §5:33 (2003) [hereinafter JAGER]; JAMES F. POOLEY, TRADE SECRETS §11.03 (2003); TRADE SECRETS PRACTICE IN CALIFORNIA §11.28 (2d ed. 2002).

[3] FSI Int'l, Inc. v. Shumway, No. CIV02-402RHKSRN, 2002 WL 334409, at *9 (D. Minn. Feb. 26, 2002); Analog Devices, Inc. v. Michalski, 579 S.E. 2d 449, 452-54 (N.C. App. 2003); Southwest Research Inst. v. Keraplast Techs., Ltd., 103 S.W. 3d 478, 482-83 (Tex. App. 2003) (noting "every order granting an injunction must be specific in its terms and describe in reasonable detail the act or acts to be restrained" and ruling that the plaintiff failed to specify its alleged trade secret); Motorola, Inc. v. DBTEL Inc., No. 02C3336, 2002 WL 1610982, at *16-*17 (N.D. Ill. July 22, 2002); AMP, Inc. v. Fleischhacker, 823 F. 2d 1199, 1203 (7th Cir. 1987).

[4] Counsel should avoid a situation in which an unhelpful trade secret specification is drafted and approved by the court in haste and becomes the definition of the trade secret for the entire case.

[5] FSI Int'l, 2002 WL 334409, at *9.

[6] *Id.*

[7] Imax Corp. v. Cinema Techs., Inc., 152 F. 3d 1161, 1164-67 (9th Cir. 1998) (affirming summary judgment of trade secret claim after the plaintiff failed to properly identify the trade secret); Whyte v. Schlage Lock Co., 101 Cal. App. 4th 1443, 1452-56 (2002) (examining whether the plaintiff sufficiently specified its alleged trade secrets in connection with a request for a TRO and preliminary injunction); Diodes, Inc. v. Franzen, 260 Cal. App. 2d 244, 250-53 (1968) (affirming dismissal based on the plaintiff's failure to properly plead the identity of its trade secret).

[8] Whyte, 101 Cal. App. 4th at 1452-56; Cinebase Software, Inc. v. Media Guar. Trust, Inc., No. C98-1100FMS, 1998 WL 661465, at *10-*13 (N.D. Cal. Sept. 22, 1998) ("Defendants are correct that for the purposes of obtaining a preliminary injunction based on

actual use of a trade secret, plaintiff has failed to adequately identify what portions of its overall software architecture are trade secrets.").

[9] Canter v. West Publ'g Co., Inc., 31 F. Supp. 2d 1193 (N.D. Cal. 1999) (opinion withdrawn) (granting summary judgment partially on ground that the plaintiffs' "failure to adequately designate their trade secret constitutes a failure to carry their burden on this necessary element of their claim"); Cambridge Internet Solutions, Inc. v. The Avicon Group, No. 99-1841, 1999 Mass. Super. LEXIS 387, at *4 (Mass. Super. Sept. 20, 1999) (citing Microwave Research Corp. v. Sanders Assoc., 110 F.R.D. 669, 672 (D. Mass. 1986)).

[10] Cambridge Internet Solutions, 1999 Mass. Super. LEXIS 387, at *4.

[11] Analog Devices, Inc. v. Michalski, 579 S.E. 2d 449, 452-54 (N.C. App. 2003); Southwest Research Inst. v. Keraplast Techs., 103 S.W. 3d 478, 482-83 (Tex. App. 2003); Motorola, Inc. v. DBTEL, No. 02C3336, 2002 WL 1610982, at *16-*17 (N.D. Ill. July 22, 2002); AMP, Inc., v. Fleischhacker, 823 F. 2d 1199, 1203 (7th Cir. 1987).

[12] Merriam-Webster OnLine Dictionary (2003), *available at* http://www.m-w.com/home.htm.

[13] THE OXFORD DICTIONARY AND THESAURUS 1087 (Am. ed. 1996).

[14] Universal Analytics, Inc. v. The MacNeal-Schwendler Corp., 707 F. Supp. 1170, 1177-78 (C.D. Cal. 1989); *see generally* JAGER, *supra* note 2, at §5:32.

[15] FSI Int'l, Inc. v. Shumway, No CIV02-402RHKSRN, 2002 WL 334409, at *9 (D. Minn. Feb. 26, 2002); Mai Sys. Corp. v. Peak Computer, Inc., 991 F. 2d 511, 522-23 (9th Cir. 1993) (vacating injunction because the plaintiff stated only that the trade secret was in computer software); 3M v. Pribyl, 259 F. 3d 587, 595 n.2 (7th Cir. 2001); Combined Metals of Chicago Ltd. P'ship v. Airtek, Inc., 985 F. Supp. 827, 832 (N.D. Ill. 1997) ("[T]he court expects an amended counterclaim from Airtek identifying specific, concrete secrets underlying the process of producing the catalytic converters."); Thermodyne Food Serv. Prods., Inc. v. McDonald's Corp., 940 F. Supp. 1300, 1305 n.4 (N.D. Ill. 1996) ("The court is mindful that it is not enough for a plaintiff to point to broad areas of technology and assert that something there must have been secret and misappropriated.") (citing Composite Mariner Propellers, Inc. v. Van Der Woude, 962 F. 2d 1263, 1266 (7th Cir. 1992)).

[16] Imax Corp. v. Cinema Techs., Inc., 152 F. 3d 1161 (9th Cir. 1998).

[17] *Id.*

[18] Combined Metals of Chicago, 985 F. Supp. at 832.

[19] Imax, 152 F. 3d at 1166 (paragraph bb of the trade secret definition).

[20] *Id.* at 1167.

[21] IDX Systems Corp. v. Epic Sys. Corp., 285 F. 3d 581, 583 (7th Cir. 2002).

[22] *Id.* Similarly, courts also do not allow parties to insert catch-all provisions in specifications. Struthers Scientific & Int'l Corp. v. General Foods Corp., 51 F.R.D. 149, 153 (D. Del. 1970).

[23] A magistrate recently rejected an attempt to define an entire software program as a trade secret. Compuware Corp. v. Health Care Serv. Corp., No. 01C0873, 2002 WL 485710, at *2 (N.D. Ill. Apr. 1, 2002). Because of repeated failures by the plaintiff to identify its trade secret, the magistrate recommended dismissal of claims relating to 9 of 12 products. *Id.* at *7-*8.

[24] Computer Econ., Inc. v. Gartner Group, Inc., 50 F. Supp. 2d 980, 985-86 (S.D. Cal. 1999).

[25] Leucadia, Inc. v. Applied Extrusion Techs., Inc., 755 F. Supp. 635, 637 (D. Del. 1991) ("[D]isclosure of plaintiff's trade secrets prior to discovery of defendant may be necessary to enable the defendant and ultimately the Court to ascertain the relevance of plaintiff's discovery."); Xerox Corp. v. IBM Corp., 64 F.R.D. 367, 371-72 (S.D. N.Y. 1974); Engelhard Corp. v. Savin Corp., 505 A. 2d 30 (Del. Ch. 1985) (specification necessary to set ground rules for relevancy); Struthers Scientific, 51 F.R.D. at 154 ("Struthers' discovery will be limited to those specific trade secrets which it claims were disclosed to General Foods.") Of course, federal courts have discretion to order the sequence for the taking of discovery. *See* FED. R. CIV. P. 26 (d).

[26] A court decision resulting in the disclosure of valuable confidential information may trigger the taking clause of the U.S. Constitution. *See generally* James R. McKown, *Taking Property: Constitutional Ramifications of Litigation Involving Trade Secrets*, 13 REV. LITIG. 253 (1994).

[27] Microwave Research Corp. v. Sanders Assoc., 110 F.R.D. 669, 672 (D. Mass. 1986).

[28] *Id.*; *see also* Puritan-Bennett Corp. v. Pruitt, 142 F.R.D. 306 (S.D. Iowa 1992) ("[T]he court is not yet persuaded that P-B has demonstrated 'a substantial factual basis for its claim.'") *and* MBL Corp. v. Diekman, 445 N.E. 2d 418, 426-27 (Ill. App. 1983) (The court refused to allow questioning of the defendant regarding its confidential information until the plaintiff evidenced a protectable trade secret.).

[29] Duracell, Inc. v. SW Consultants, Inc., 126 F.R.D. 576, 579 (N.D. Ga. 1989); A-Mark Auction, Inc. v. American Numismatic Assoc., No. 3-99-MC-0014-P, 1999 U.S. Dist. LEXIS 15192, at *7-*9 (N.D. Tex. Sept. 24, 1999) (Discovery of trade secrets "should be allowed only if the competitor can demonstrate a true need for the confidential information and can establish the potential harm is outweighed by the need for discovery.").

[30] American Airlines, Inc. v. KLM Royal Dutch Airlines, Inc., 114 F. 3d 108, 109-10 (8th Cir. 1997).

[31] Stutz Motor Car of Am., Inc. v. Reebok Int'l, Ltd., 909 F. Supp. 1353, 1360 (C.D. Cal. 1995), *aff'd*, 113 F. 3d 1258 (Fed. Cir. 1997).

[32] American Airlines, 114 F. 3d at 109-10. American Airlines initially claimed as its trade secret a combination of five elements in an algorithm used to predict customer demand. After it was revealed that the defendant received only four of the five elements, and a motion for summary judgment was filed on this basis, American claimed the four elements as its secret. The court did not allow the change, however, and granted summary judgment. *Id.* at 111-12. *See also* Thermodyne Food Serv. Prods., Inc. v. McDonald's Corp., 940 F. Supp. 1300, 1305 n.4 (N.D. Ill. 1996); Stutz Motor Car, 909 F. Supp. at 1360. *But see* Vacco Indus., Inc. v. Van Den Berg, 5 Cal. App. 4th 34, 51 n.16 (1992) (The plaintiff was permitted to amend its trade secret disclosure during discovery.).

[33] American Airlines, 114 F. 3d at 109-10; Thermodyne, 940 F. Supp. at 1305 n.4; Stutz Motor Car, 909 F. Supp. at 1360.

[34] Combined Metals of Chicago Ltd. P'ship v. Airtek, Inc., 985 F. Supp. 827, 832 (N.D. Ill. 1997).

[35] *Id.*

[36] Stutz Motor Car, 909 F. Supp. at 1360.

[37] Diodes, Inc. v. Franzen, 260 Cal. App. 2d 244, 250-53 (1968). *See also* Victoria A. Cundiff, *How to Identify Your Trade Secrets in Litigation*, 574 PLI/Pat 557, 572 (1999) ("[T]o hold off a motion to dismiss, plaintiffs can recite in the complaint that a more detailed specification of the secrets will be provided once the protective order is issued."). Cundiff's PLI lesson is an excellent resource on trade secret specification requirements.

[38] Compuware Corp. v. Health Care Serv. Corp., No. 01C0873, 2002 WL 485710, at *7-*8 (N.D. Ill. Apr. 1, 2002).

[39] *See generally* JAGER, *supra* note 2, at §5:32.

[40] Twin Vision Corp. v. BellSouth Communications Sys., Inc., No. 97-55231, 1998 WL 385135, at *2 (9th Cir. June 22, 1998).