

SUPREME COURT OF THE STATE OF IDAHO

La Bella Vita, LLC v. Shuler

158 Idaho 799 (2015) · No. 42092 · Decided July 13, 2015

SUMMARY

The Idaho Supreme Court reviewed a trade-secret misappropriation and confidentiality-agreement dispute between competing salon and spa businesses. It upheld the striking of an unauthorized supplemental brief but reversed summary judgment for the defendants, holding that genuine disputes of material fact existed regarding whether client information was confidential, constituted a trade secret, and was misappropriated. The court remanded the case and vacated the award of attorney fees and costs.

CASE DETAILS

COURT	Supreme Court of the State of Idaho
WRITING FOR THE COURT	W. Jones, J.; Burdick, C.J.; Eismann, J.; J. Jones, J.; Horton, J.
JURISDICTION	Idaho
DECIDED	July 13, 2015
DOCKET	42092
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	La Bella Vita appealed the district court's grant of summary judgment for Shuler and Eikova on claims under the Idaho Trade Secrets Act and a confidentiality agreement, the striking of supplemental summary-judgment briefing and affidavits, and the award of attorney fees and costs.
STANDARD OF REVIEW	The Supreme Court applies an abuse-of-discretion standard to the admissibility of testimony offered in connection with summary judgment and reviews summary judgment under the same standard as the district court, viewing the record in the light most favorable to the nonmoving party. An appellant's failure to challenge an independent ground supporting a ruling is fatal to the appeal.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	La Bella Vita, LLC v. Amanda Shuler, Eikova Salon and Spa, LLC

TOPICS

trade secret misappropriation

trade secrets

summary judgment

attorney fees

appellate procedure

PRACTICE AREAS

trade secret misappropriation

intellectual property

commercial litigation

contracts

civil procedure

QUESTIONS PRESENTED

1. Whether the district court abused its discretion by striking La Bella Vita's supplemental opposition brief and affidavits.
2. Whether genuine disputes of material fact concerning the confidential or trade-secret nature of La Bella Vita's client information and alleged misappropriation precluded summary judgment.
3. Whether the district court's award of attorney fees and costs to Shuler and Eikova could stand after reversal of summary judgment.
4. Whether Shuler and Eikova were entitled to attorney fees and costs on appeal.

HOLDINGS

1. The order striking the supplemental brief and affidavits stands because La Bella Vita failed to challenge the independent ground that the filings violated the parties' agreement and the district court's order permitting supplementation only without additional argument.
2. Summary judgment was improper because genuine disputes of material fact existed regarding whether La Bella Vita's client information was confidential and constituted a trade secret and whether Shuler and Eikova misappropriated or used that information.
3. The award of attorney fees and costs to Shuler and Eikova was vacated because reversal of summary judgment meant they were no longer the prevailing parties.

KEY QUOTATIONS

“an appellant’s failure to address an independent ground for a grant of summary judgment is fatal to the appeal.” (at 8)

“There are genuine factual disputes regarding the nature of the information at issue in this case, specifically whether it qualifies as confidential and trade secret.” (at 10)

“Thus, the testimony of Shuler and Dalley demonstrates that the baby shower list was at least partially derived from La Bella Vita’s official client list and also used as a primary source in the creation of Eikova’s client list.” (at 20)

“The law is settled that these sorts of factual disputes defeat a motion for summary judgment.” (at 24)

FACTUAL BACKGROUND

La Bella Vita operated a salon and spa in Pocatello, Idaho. In February 2011, Shuler and several other employees left La Bella Vita and Shuler opened the competing Eikova salon nearby. La Bella Vita alleged that confidential client lists, scheduling information, and related client information were used to establish and promote Eikova. A

baby-shower invitation list was derived at least partly from La Bella Vita's client list and was later used in creating or supplementing Eikova's client list, but the parties disputed whether La Bella Vita authorized the list's use and whether its client information was adequately protected.

PROCEDURAL HISTORY

La Bella Vita sued former employee Amanda Shuler, Eikova Salon and Spa, LLC, and others, alleging misappropriation of confidential client information and breach of a confidentiality agreement. After discovery, La Bella Vita dismissed all defendants except Shuler and Eikova and proceeded only on the Idaho Trade Secrets Act and confidentiality-agreement claims. The district court struck supplemental briefing, granted summary judgment for Shuler and Eikova, denied reconsideration, and awarded fees and costs. The Idaho Supreme Court affirmed the order striking the supplemental filings, reversed summary judgment, vacated the fee award, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further consideration consistent with the opinion, including resolution of the factual disputes concerning the confidential or trade-secret nature of the client information and alleged misappropriation. The award of attorney fees and costs to Shuler and Eikova was vacated.

CASES CITED

- Gibson v. Ada County, 138 Idaho 787, 790, 69 P.3d 1048, 1051 (2003)
- Campbell v. Kvamme, 155 Idaho 692, 696, 316 P.3d 104, 108 (2013)
- Fragnella v. Petrovich, 153 Idaho 266, 271, 281 P.3d 103, 108 (2012)
- Gem State Insurance Co. v. Hutchison, 145 Idaho 10, 15, 175 P.3d 172, 177 (2007)
- O'Connor v. Harger Construction, Inc., 145 Idaho 904, 909, 188 P.3d 846, 851 (2008)
- Wesco Autobody Supply, Inc. v. Ernest, 149 Idaho 881, 890, 898, 243 P.3d 1069, 1078, 1086 (2010)
- Silicon International Ore, LLC v. Monsanto Co., 155 Idaho 538, 544, 314 P.3d 593, 599 (2013)
- Smith v. Meridian Joint School District No. 2, 128 Idaho 714, 718-19, 918 P.2d 583, 587-88 (1996)
- McPheters v. Maile, 138 Idaho 391, 394, 64 P.3d 317, 320 (2003)
- Van v. Portneuf Medical Center, 147 Idaho 552, 556, 212 P.3d 982, 986 (2009)
- Basic American, Inc. v. Shatila, 133 Idaho 726, 734-35, 992 P.2d 175, 183-84 (1999)
- Weisel v. Beaver Springs Owners Association, Inc., 152 Idaho 519, 525-26, 272 P.3d 491, 497-98 (2012)
- Andersen v. Professional Escrow Services, Inc., 141 Idaho 743, 746, 118 P.3d 75, 78 (2005)
- Petricevich v. Salmon River Canal Co., 92 Idaho 865, 868-69, 452 P.2d 362, 365-66 (1969)

