

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

**HKM Enterprises, Inc. d/b/a Adaptive Launch Solutions v. Parsons
Government Services, Inc., Parsons Corporation**

HKM Enterprises · No. 2:23-cv-10592-MEMF-PD · Decided February 25, 2025

SUMMARY

The United States District Court for the Central District of California granted in part Defendants’ motion to dismiss the First Amended Complaint. The court dismissed without leave to amend the alleged 30% workshare breach-of-contract theory and the implied joint venture/partnership claim, while granting leave to amend other deficient claims, including contract, trade-secret, declaratory-relief, unjust-enrichment, and related claims. The court found that the fraud claim was adequately pleaded and granted Defendants’ request for judicial notice of a United States patent.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Maame Ewusi-Mensah Frimpong
JURISDICTION	United States District Court for the Central District of California
DECIDED	February 25, 2025
DOCKET	2:23-cv-10592-MEMF-PD
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff filed a first amended complaint asserting claims for breach of contract, breach of an implied joint venture or partnership agreement, fraud, breach of the implied covenant of good faith and fair dealing, violation of California's Unfair Competition Law, declaratory relief, trade-secret misappropriation under California and federal law, and unjust enrichment. Defendants moved to dismiss under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and views them in the light most favorable to the plaintiff, but need not accept legal conclusions couched as factual allegations. The complaint must contain sufficient factual matter to state a facially plausible claim for relief.

TOPICS

motions to dismiss

trade secrets

contract interpretation

breach of contract

civil procedure

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the first amended complaint adequately pleaded claims for breach of contract based on an alleged 30% workshare obligation, misuse of intellectual property, and breach of confidentiality.
2. Whether the first amended complaint adequately pleaded an implied joint venture or partnership agreement despite the express independent-contractor and integration provisions of the written contract.
3. Whether the fraud claim adequately pleaded justifiable reliance and damages.
4. Whether the claims for breach of the implied covenant of good faith and fair dealing adequately pleaded contractual obligations and non-speculative harm.
5. Whether the UCL, declaratory-relief, CUTSA, DTSA, and unjust-enrichment claims were adequately pleaded.

HOLDINGS

1. The IDIQ contract unambiguously did not require defendants to award HKM 30% of the workshare or any specific amount of work; the breach-of-contract theory based on that alleged obligation was dismissed without leave to amend.
2. The claims were inadequately pleaded because HKM alleged only speculative damages, but the court granted leave to amend to provide plausible factual allegations describing the resulting harm.
3. The implied joint venture or partnership claim failed because the written IDIQ contract expressly established an independent-contractor relationship, disclaimed a joint venture or partnership, and contained an integration clause.
4. The fraud claim could proceed because HKM adequately alleged reliance and damages based on defendants' pre-contract conduct.
5. The court dismissed the challenged theories in whole or in part. The implied-covenant theories failed for lack of a qualifying contractual obligation or non-speculative harm; the UCL claim failed for lack of adequately alleged economic injury and standing; declaratory relief failed because no actual controversy remained; the CUTSA and DTSA claims required more specific identification of the trade secrets; and unjust enrichment was not an independent cause of action under California law.

KEY QUOTATIONS

“To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” (at 3)

“These words are unambiguous and make plain that the IDIQ Contract does not require Parsons Government to award ALS a 30% workshare or any other specific amount.” (at 4)

“Because the IDIQ Contract expressly establishes that there is an independent contractor relationship between the parties, and not an implied venture/partnership, the Court finds that ALS’s claim for breach of implied agreement fails on this basis.” (at 12)

“There is no cause of action in California for unjust enrichment. Unjust enrichment is synonymous with restitution.” (at 22)

FACTUAL BACKGROUND

HKM Enterprises, doing business as Adaptive Launch Solutions, alleged that it entered an indefinite-delivery, indefinite-quantity subcontract with Parsons-related defendants concerning work for an Air Force contract. HKM alleged that the agreement required a 30% workshare, restricted defendants' use and disclosure of HKM's intellectual property and confidential information, and required defendants to complete past-performance evaluations. HKM further alleged that defendants advertised or offered HKM-related technology for sale, failed to provide the asserted workshare, failed to complete evaluations, and misappropriated trade secrets.

PROCEDURAL HISTORY

HKM Enterprises, Inc. filed the action on December 18, 2023. The court previously granted in part and denied in part defendants' motions to dismiss and allowed amendment. After plaintiff filed its first amended complaint, defendants again moved to dismiss. The court granted the renewed motion in part, dismissed some claims without leave to amend, dismissed others with leave to amend, allowed the fraud claim to proceed, granted defendants' request for judicial notice of a patent, and ordered plaintiff to file a trade-secret information statement before filing another amended complaint.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Park v. Thompson, 851 F.3d 910, 918 (9th Cir. 2017)
- Lee v. City of L.A., 250 F.3d 668, 679, 689 (9th Cir. 2001)
- MGIC Indem. Corp. v. Weisman, 803 F.2d 500, 504 (9th Cir. 1986)
- Manzarek v. St. Paul Fire & Marine Ins. Co., 519 F.3d 1025, 1031 (9th Cir. 2008)
- Willard, Sutherland & Co. v. United States, 262 U.S. 489, 493-94 (1923)

- *Macom Tech. Sols. Holdings, Inc. v. Infineon Techs. AG*, 2016 WL 6495373, at *22 (C.D. Cal. Oct. 31, 2016), *aff'd* in relevant part, 881 F.3d 1323 (Fed. Cir. 2018)
- *Richman v. Hartley*, 224 Cal. App. 4th 1182, 1186 (2014)
- *Vestar Dev. II, LLC v. Gen. Dynamics Corp.*, 249 F.3d 958, 962 (9th Cir. 2001)
- *Retired Emps. Assn. of Orange Cnty., Inc. v. Cnty. of Orange*, 52 Cal. 4th 1171, 1181 (2011)
- *Lever Your Bus. Inc. v. Sacred Hoops & Hardwood, Inc.*, No. 5:19-cv-01530-CAS(KKx), 2020 WL 2465658, at *4 (C.D. Cal. May 11, 2020)
- *Engalla v. Permanente Med. Grp., Inc.*, 15 Cal. 4th 951, 974 (1997)
- *City Sols. v. Clear Channel Communs., Inc.*, 365 F.3d 835, 840-41 (9th Cir. 2004)
- *Careau & Co. v. Sec. Pac. Bus. Credit, Inc.*, 222 Cal. App. 3d 1371, 1395 (1990)
- *Racine & Laramie, Ltd. v. Dep't of Parks & Recreation*, 11 Cal. App. 4th 1026, 1031 (1992)
- *Am. Ad Mgmt., Inc. v. Gen. Tel. Co. of Cal.*, 190 F.3d 1051, 1059 (9th Cir. 1999)
- *Chesebrough-Pond's, Inc. v. Faberge, Inc.*, 666 F.2d 393 (9th Cir. 1982)
- *Sharpe v. Puritan's Pride, Inc.*, 466 F. Supp. 3d 1066, 1071 (N.D. Cal. 2020)
- *Kwikset Corp. v. Superior Court*, 51 Cal. 4th 310
- *Sargent Fletcher, Inc. v. Able Corp.*, 110 Cal. App. 4th 1658, 1665 (2003)
- *DVD Copy Control Assn. v. Bunner*, 116 Cal. App. 4th 241, 251 (2004)
- *InteliClear, LLC v. ETC Glob. Holdings, Inc.*, 978 F.3d 653, 657, 660 (9th Cir. 2020)
- *Levine v. Blue Shield of Cal.*, 189 Cal. App. 4th 1117, 1138
- *State Farm Auto. Ins. Co. v. Coates*, 933 F.2d 1015, 1991 WL 89977, at *1
- *Doe v. United States Dep't of Justice*, 753 F.2d 1092, 1104 (D.C. Cir. 1985)