

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
VIRGINIA, RICHMOND DIVISION

MST & Associates, Inc. and Rue Enterprises, LLC v. Brenda
Withrow and Medical Equipment Solutions LLC

Civil Action No. 3:25-cv-00540 · No. Civil Action No. 3:25-cv-00540 · Decided January 20, 2026

SUMMARY

The United States District Court for the Eastern District of Virginia denies defendants’ Rule 12(b)(6) motion to dismiss claims arising from alleged misuse of customer information by a former employee and her company. The court holds that the complaint plausibly alleges a trade secret under the Defend Trade Secrets Act, computer trespass under the Virginia Computer Crimes Act, defamation, and tortious interference with business relations. The opinion addresses only the sufficiency of the pleadings and does not resolve the merits of the claims.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia, Richmond Division
JURISDICTION	United States District Court for the Eastern District of Virginia, Richmond Division
DECIDED	January 20, 2026
DOCKET	Civil Action No. 3:25-cv-00540
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the claims for violation of the Defend Trade Secrets Act, violation of the Virginia Computer Crimes Act, defamation, and tortious interference with business relations. The court denied the motion.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in favor of the nonmoving party, and determines whether the complaint states a facially plausible claim for relief. Legal conclusions and threadbare recitals of claim elements need not be accepted as true.
PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown

TOPICS

motions to dismiss trade secret misappropriation defamation intentional interference with expectancy
civil procedure

PRACTICE AREAS

civil procedure intellectual property trade secret misappropriation defamation commercial litigation

QUESTIONS PRESENTED

1. Whether the complaint plausibly alleged the existence of a trade secret, including reasonable measures to maintain secrecy and independent economic value, under the Defend Trade Secrets Act.
2. Whether the complaint plausibly alleged a civil claim for computer trespass under the Virginia Computer Crimes Act based on deletion and copying of computer data.
3. Whether the complaint plausibly alleged the intent element of a defamation claim under Virginia law.
4. Whether the complaint plausibly alleged a valid business expectancy, including ongoing contractual relationships, for purposes of a Virginia tortious-interference claim.

HOLDINGS

1. The complaint plausibly alleged that MST's customer information was a trade secret because MST restricted access to the information, instructed employees to keep it confidential, and the information had independent economic value from being secret.
2. The complaint adequately pleaded computer trespass under Virginia Code §§ 18.2-152.4(A)(3) and (A)(6) by alleging that Withrow deleted data from a company-issued phone and copied private customer data by forwarding work emails to her personal account.
3. The complaint adequately pleaded the intent element of defamation by alleging that Withrow knew her statement that MST was not paying its bills was false.
4. The complaint adequately alleged a valid business expectancy because it identified ongoing contractual relationships with hospital systems and medical facilities and described current customers extending business offers.

KEY QUOTATIONS

“Because the complaint sufficiently alleges facts that satisfy the elements of all claims, the Court will deny the motion to dismiss.” (Part II)

“At this stage, such an allegation sufficiently pleads the existence of reasonable measures.” (Part II.A.1)

“Accordingly, the Court denies the motion to dismiss the tortious interference with a business expectancy claim.” (Part II.D)

FACTUAL BACKGROUND

MST provided medical-equipment disposal services and maintained customer information and account records, access to which was restricted and which employees were instructed to keep confidential. Before resigning, Withrow allegedly created MES, forwarded MST customer emails to her personal account, contacted MST customers, and arranged business involving medical equipment for herself or MES. After resigning, she allegedly failed to return confidential information, deleted company data from a company-issued phone, and told an Inova Alexandria employee that MST was not paying its bills, despite knowing that statement was false.

PROCEDURAL HISTORY

MST initially filed the action asserting five federal and state-law claims. Rue Enterprises later moved to join as a plaintiff, and the court allowed it to join with defendants' consent. Defendants then moved to dismiss four claims under Rule 12(b)(6); the court concluded that the complaint adequately pleaded each challenged claim and denied the motion in its entirety.

DISPOSITION

other

CASES CITED

- *dmarcian, Inc. v. dmarcian Europe BV*, 60 F.4th 119, 141 (4th Cir. 2023)
- *Short v. Harman*, 87 F.4th 593, 603 (4th Cir. 2023)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)
- *MicroStrategy Inc. v. Bus. Objects, S.A.*, 331 F. Supp. 2d 396, 416–17 (E.D. Va. 2004)
- *Trans-Radial Sols., LLC v. Burlington Med., LLC*, No. 2:18cv656, 2019 WL 3557879, at *16–17 (E.D. Va. Aug. 5, 2019)
- *OROS, Inc. v. Dajani*, No. 1:19cv351, 2019 WL 2361047, at *3–4 (E.D. Va. June 4, 2019)
- *Schaecher v. Bouffault*, 290 Va. 83, 91, 772 S.E.2d 589, 594 (2015)
- *Ransome v. O'Bier*, No. 3:16cv1002, 2017 WL 1437100, at *4 (E.D. Va. Apr. 20, 2017)
- *Gazette, Inc. v. Harris*, 229 Va. 1, 15, 325 S.E.2d 713, 725 (1985)
- *Priority Auto Grp., Inc. v. Ford Motor Co.*, 757 F.3d 137, 143 (4th Cir. 2014)
- *Com. Bus. Sys., Inc. v. Halifax Corp.*, 253 Va. 292, 301, 484 S.E.2d 892, 897 (1997)
- *L-3 Commc'n Corp. v. Serco, Inc.*, 926 F.3d 85, 94 (4th Cir. 2019)
- *Entri, LLC v. GoDaddy.com, LLC*, No. 1:24cv569, 2024 WL 4468488, at *10 (E.D. Va. Oct. 10, 2024)