

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Paramount Tariff Services, Inc. v. Ace Tariff Solutions, Inc.

Paramount Tariff · No. 2:25-cv-03242-ODW (Ex) · Decided December 9, 2025

SUMMARY

The United States District Court for the Central District of California granted in part and denied in part Defendants’ motion to dismiss claims arising from alleged misappropriation of trade secrets. The court held that the complaint adequately identified at least one trade secret—the bond lists—with sufficient particularity to support the DTSA and CUTSA claims. The court dismissed claims for intentional interference with contractual relations, UCL violations, and breach of the duty of loyalty as preempted by CUTSA, with leave to amend.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Otis D. Wright, II
JURISDICTION	United States District Court for the Central District of California
DECIDED	December 9, 2025
DOCKET	2:25-cv-03242-ODW (Ex)
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss claims for intentional interference with contractual relations, trade secret misappropriation under the Defend Trade Secrets Act and California Uniform Trade Secrets Act, violation of California's Unfair Competition Law, and breach of the duty of loyalty.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court determines whether the complaint alleges a cognizable legal theory and sufficient facts to state a plausible claim for relief. Well-pleaded factual allegations are accepted as true and construed in the light most favorable to the plaintiff, but conclusory allegations, unwarranted deductions, and unreasonable inferences need not be accepted.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive value only

TOPICS

misappropriation of trade secrets

trade secrets

motions to dismiss

civil procedure

commercial litigation

PRACTICE AREAS

trade secrets

intellectual property

civil procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether Paramount Tariff sufficiently identified at least one alleged trade secret to state claims under the DTSA and CUTSA.
2. Whether CUTSA preempted Paramount Tariff's claims for intentional interference with contractual relations, violation of the UCL, and breach of the duty of loyalty because they arose from the same nucleus of facts as the alleged trade-secret misappropriation.
3. Whether the dismissed claims should be dismissed with leave to amend.

HOLDINGS

1. A plaintiff need not disclose every detail of a trade secret at the pleading stage, but must describe its subject matter with enough particularity to distinguish it from matters of general knowledge and to allow the court and defendant to ascertain the boundaries of the secret. Paramount Tariff sufficiently identified its bond lists by alleging that they contained customer bonds, costs, profit margins, and due dates; because at least one trade secret was adequately identified, the DTSA and CUTSA claims survived dismissal.
2. CUTSA preempts common-law and related claims when they arise from the same nucleus of facts and have the same gravamen as the alleged trade-secret misappropriation. Paramount Tariff's claims for intentional interference with contractual relations, violation of the UCL, and breach of the duty of loyalty were preempted because each was based on the alleged taking and use of the same proprietary information.
3. Dismissal of the intentional-interference, UCL, and duty-of-loyalty claims was granted with leave to amend because the court could not conclude that amendment would be futile.

KEY QUOTATIONS

"To sufficiently allege a trade secret, "a plaintiff need not spell out the details of the trade secret," but must "describe the subject matter of the trade secret with sufficient particularity to separate it from matters of general knowledge in the trade."" (at 3)

"As Paramount Tariff sufficiently identifies "at least one trade secret with sufficient particularity," its misappropriation claims survive, and the Court need not determine whether Paramount Tariff sufficiently identifies any other trade secret." (at 5)

"Thus, CUTSA preempts Paramount Tariff's fourth, seventh, and eighth causes of action." (at 6)

FACTUAL BACKGROUND

Paramount Tariff operated a confidential system for publishing tariff rates and maintained proprietary customer, financial, marketing, and bond-related data on its servers. Ray Nam, a former director of operations with access to that system, allegedly downloaded and copied company data from January 2023 through December 2024 and continued accessing the system after leaving the company. Nam allegedly used the information to form Ace Tariff Solutions and solicit at least eleven Paramount Tariff customers.

PROCEDURAL HISTORY

Paramount Tariff Services filed this action on April 11, 2025, asserting eight federal and state causes of action arising from alleged misappropriation of trade secrets. Defendants moved to dismiss the fourth through eighth causes of action under Rule 12(b)(6). The district court granted the motion as to the intentional-interference, UCL, and duty-of-loyalty claims, with leave to amend, and denied it as to the DTSA and CUTSA claims.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Balistreri v. Pacifica Police Dep't, 901 F.2d 696, 699 (9th Cir. 1990)
- Porter v. Jones, 319 F.3d 483, 494 (9th Cir. 2003)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Lee v. City of Los Angeles, 250 F.3d 668, 679 (9th Cir. 2001)
- Sprewell v. Golden State Warriors, 266 F.3d 979, 988 (9th Cir. 2001)
- Alta Devices, Inc. v. LG Elecs., Inc., 343 F. Supp. 3d 868, 877, 880-81 (N.D. Cal. 2018)
- IntelliClear, LLC v. ETC Glob. Holdings, Inc., 978 F.3d 653, 657-59 (9th Cir. 2020)
- WeRide Corp. v. Kun Huang, 379 F. Supp. 3d 834, 846 (N.D. Cal. 2019)
- Novation Sols., Inc. v. Issuance Inc., No. 2:23-cv-00696-WLH (KSx), 2023 WL 5505908, at *7 (C.D. Cal. June 27, 2023)
- National Specialty Pharmacy, LLC v. Padhye, 734 F. Supp. 3d 922, 929 (N.D. Cal. 2024)
- Genasys Inc. v. Vector Acoustics, LLC, 638 F. Supp. 3d 1135, 1151 (S.D. Cal. 2022)
- Nifty Techs., Inc. v. Mango Techs., Inc., No. 24-cv-194 JLS (AHG), 2025 WL 1826430, at *7 (S.D. Cal. July 1, 2025)
- MedImpact Healthcare Sys., Inc. v. IQVIA Inc., No. 19-cv-01865-GPC (LL), 2020 WL 5064253, at *16 (S.D. Cal. Aug. 27, 2020)
- Teva Pharm. USA, Inc. v. Health IQ, LLC, No. 8:13-cv-00308-CJC (RNBx), 2013 WL 12132029, at *5 (C.D. Cal. Apr. 29, 2013)
- K.C. Multimedia, Inc. v. Bank of Am. Tech. & Ops., Inc., 171 Cal. App. 4th 939, 961-62 (2009)
- Zayo Grp. LLC v. Hisa, No. 8:13-cv-00732-JST (JPRx), 2013 WL 12201401, at *2-6 (C.D. Cal. Sept. 17, 2013)

- Neuman v. B2 Brands, Inc., No. 5:07-cv-01025-MLG, 2010 WL 11596467, at *8 (C.D. Cal. Feb. 17, 2010)
- Manzarek v. St. Paul Fire & Marine Ins. Co., 519 F.3d 1025, 1031 (9th Cir. 2008)
- Schreiber Distrib. Co. v. Serv-Well Furniture Co., 806 F.2d 1393, 1401 (9th Cir. 1986)
- Carrico v. City & County of San Francisco, 656 F.3d 1002, 1008 (9th Cir. 2011)
- Zamani v. Carnes, 491 F.3d 990, 997 (9th Cir. 2007)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/united-states-district-court-for-the-central-district-of-california-united-states-district-court-for/2025/paramount-tariff-services-inc-v-ace-tariff-solutions-inc-fpm15bxc>