

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Praecipio Consulting, LLC v. Howser

No. 25-cv-02927-JST (N.D. Cal. Apr. 10, 2025) · No. 25-cv-02927-JST · Decided April 10, 2025

SUMMARY

The United States District Court for the Northern District of California granted Plaintiffs’ request for expedited discovery in an action involving alleged trade-secret misappropriation and breach of contract by former employees. The Court ordered forensic examination of the defendants’ personal electronic devices and authorized specified written discovery, depositions, and third-party subpoenas before a forthcoming preliminary-injunction hearing. The Court declined to require a trade-secret disclosure under California law or assess the validity of the challenged noncompete clause at that stage.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jon S. Tigar
JURISDICTION	United States District Court for the Northern District of California
DECIDED	April 10, 2025
DOCKET	25-cv-02927-JST
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs sought expedited discovery before the Rule 26(f) conference in connection with a forthcoming motion for a preliminary injunction in an action alleging violations of the Defend Trade Secrets Act and breach of contract. The court granted the request and ordered forensic examination, written discovery, depositions, and third-party subpoenas.
STANDARD OF REVIEW	Good cause and reasonableness standard for expedited discovery sought before the Rule 26(f) conference.
PRECEDENTIAL VALUE	unpublished district court order; persuasive only
PARTIES	Praecipio Consulting, LLC, Gaia Praecipio Buyer, Inc. v. Nicholas Howser, James Areias, catworkx GmbH

TOPICS

discovery dispute civil procedure trade secrets misappropriation of trade secrets restrictive covenants

PRACTICE AREAS

civil procedure intellectual property trade secret misappropriation contracts commercial litigation

QUESTIONS PRESENTED

1. Whether plaintiffs established good cause for expedited discovery before the Rule 26(f) conference in connection with a forthcoming preliminary-injunction motion.
2. Whether the court should require plaintiffs to disclose their trade secrets under California Code of Civil Procedure section 2019.210 before allowing expedited discovery on a DTSA claim.
3. Whether the validity and enforceability of the agreements' noncompete clause should be resolved before allowing expedited discovery.

HOLDINGS

1. Plaintiffs established good cause for expedited discovery because the requested discovery was directed toward developing the factual record for a preliminary-injunction hearing, was sufficiently limited and important, and defendants failed to substantiate their overbreadth and burden objections.
2. The court declined to require plaintiffs to make a trade-secret disclosure under California Code of Civil Procedure section 2019.210 before obtaining expedited discovery because plaintiffs asserted a DTSA claim rather than a CUTSA claim, and defendants identified no authority requiring such disclosure before expedited discovery preceding a preliminary-injunction hearing.
3. The court declined to assess the validity or enforceability of the noncompete clause before granting expedited discovery.

KEY QUOTATIONS

“A party seeking expedited discovery in advance of a Rule 26(f) conference has the burden of showing good cause for the requested departure from usual discovery procedures.” (at 2)

“The good cause standard may be satisfied where a party seeks a preliminary injunction, it is not automatically granted merely because a party seeks a preliminary injunction.” (at 2)

“this reliance may be particularly appropriate in cases in which a plaintiff raises both federal DTSA and state law trade secrets claims” (at 5)

“This argument “put[s] the cart before the horse.”” (at 5)

FACTUAL BACKGROUND

Praecipio Consulting, LLC and Gaia Praecipio Buyer, Inc. sued former employees Nicholas Howser and James Areias, who were working for competitor catworkx GmbH, alleging trade-secret misappropriation under the DTSA and breach of contract. Plaintiffs sought forensic examination of the defendants' personal electronic

devices and limited written discovery, depositions, and third-party subpoenas to prepare for a preliminary-injunction hearing. Plaintiffs alleged that, after receiving an evidence-preservation notice, Areias destroyed two Praecipio-owned laptops; defendants did not rebut that allegation.

PROCEDURAL HISTORY

Plaintiffs filed the action and moved for a temporary restraining order and expedited discovery on March 28, 2025. After a status conference, the parties reached agreement on most temporary relief and filed a stipulated temporary restraining order, which the court entered. The parties submitted simultaneous briefs concerning the remaining dispute over the scope and sequence of expedited discovery, and the court granted plaintiffs' request.

DISPOSITION

other

CASES CITED

- Qwest Commc'ns Int'l, Inc. v. WorldQuest Networks, Inc., 213 F.R.D. 418, 419 (D. Colo. 2003)
- Am. LegalNet, Inc. v. Davis, 672 F. Supp. 2d 1063, 1066-68 (C.D. Cal. 2009)
- Disability Rights Council of Greater Wash. v. Wash. Metro. Area Transit Auth., 234 F.R.D. 4, 6 (D.D.C. 2006)
- Apple Inc. v. Samsung Elecs. Co., No. 11-CV-01846-LHK, 2011 WL 1938154, at *1 (N.D. Cal. May 18, 2011)
- Semitool, Inc. v. Tokyo Electron Am., Inc., 208 F.R.D. 273, 276 (N.D. Cal. Apr. 19, 2002)
- Anthony v. Iron Mountain Inc., No. 20-CV-5932 AB (ASX), 2021 WL 12310802, at *3 (C.D. Cal. Oct. 4, 2021)
- N. Am. Co. for Life & Health Ins. v. Philpot, No. 08-CV-0270, 2009 WL 10672468, at *4 & n.2 (S.D. Cal. June 1, 2009)
- Clear-View Techs., Inc. v. Rasnick, No. 13-CV-02744-BLF, 2015 WL 3453529, at *2 (N.D. Cal. May 29, 2015)
- In re Apple Inc. Device Performance Litig., No. 5:18-MD-02827-EJD
- Yeiser Rsch. & Dev., LLC v. Teknor Apex Co., No. 17-cv-1290-BAS-MSB, 2019 WL 2177658, at *4-5 (S.D. Cal. May 20, 2019)
- Calendar Research LLC, No. 2:17-cv-04062-SVW-SS, 2020 WL 4390391 (C.D. Cal. May 13, 2020)
- Blockchain Innovation, LLC v. Franklin Resources, Inc., No. 21-cv-08787-AMO (TSH), 2023 WL 4045234, at *2-3 (N.D. Cal. June 15, 2023)