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Ninth Circuit Holds DTSA Does Not Require Plaintiffs to Identify Trade Secrets with Particularity Before Discovery, but Courts Retain Broad Discretion to Manage Trade Secret Discovery

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In *Quintara Biosciences Inc. v. Ruifeng Biztech Inc.*, the Ninth Circuit held that, unlike certain state trade secret statutes, the federal Defend Trade Secrets Act (DTSA) "does not require a plaintiff to identify with particularity its alleged trade secrets from the start," while reaffirming a district court's "broad discretion and ample alternatives . . . to manage the disclosure of trade secrets in discovery." --- F. 3d ----, 2025 WL 2315671, at **2, 8 (9th Cir. 2025).

After their business relationship soured, Quintara sued Ruifeng for misappropriation of nine categories of trade secrets, asserting a single claim under the DTSA. *Id.*, at *2. Notably, despite filing its complaint in California, Quintara did not assert a claim for violation of the California Uniform Trade Secret Act (CUTSA). *See id.* Invoking CUTSA's requirement that a plaintiff "identify the trade secret with reasonable particularity" before commencing discovery, Ruifeng insisted that Quintara serve a trade secret disclosure. *Id.* When the disclosure that followed was no more specific than the allegations in the complaint, Ruifeng moved for a protective order under CUTSA and Federal Rule of Civil Procedure 26 (FRCP 26) to stop discovery until Quintara further specified its trade secrets. *Id.* at **2-3. Citing CUTSA, the district court ordered Quintara to describe the alleged trade secrets with greater specificity. *Id.* When it subsequently failed to do so, the district court granted Ruifeng's motion to strike the amended disclosure as insufficient, effectively dismissing Quintara's misappropriation claim as to nine of its 11 alleged trade secrets. *Id.* at *3.

On appeal, the Ninth Circuit found that the district court had abused its discretion in striking Quintara's trade secrets. First, the Court held that, although the DTSA requires a plaintiff to identify a trade secret with "sufficient particularity," *id.* at *4, it "does not require a plaintiff to [do so] from the start." *Id.* at **2, 5. Rather, "[d]iscovery in a trade-secret case" may "require[] an 'iterative process where requests between parties lead to a refined and sufficiently particularized trade secret identification.'" *Id.* at *4. Throughout this process, the district court retains "broad Rule 16 pretrial

management powers" as well as the "specific authority [under FRCP 26] to order that trade secrets 'be revealed only in a specified way.'" *Id.* "For example, the district court could have granted a protective order limiting discovery to whether Quintara had identified its trade secrets with 'sufficient particularity' before permitting additional discovery." *Id.* at *7. If, after the opportunity to conduct discovery, a plaintiff still fails to identify the alleged trade secrets with sufficient particularity, the claim may be dismissed on summary judgment or evidence of certain alleged trade secrets may be excluded at summary judgment or trial. *Id.* However, according to the Court, "a DTSA trade-secret claim will rarely be dismissible as a discovery sanction" for failure to specify trade secrets with particularity at an early stage of the case. *Id.* at *8.

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