

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

DECISIONQ CORP., <i>et al.</i> ,)	
)	
Plaintiffs/Counter-Defendants,)	
)	
v.)	Civil Action No. 1:17-cv-232 (AJT/JFA)
)	
GIGM TECHNOLOGIES, LLC, <i>et al.</i> ,)	
)	
Defendants/Counter-Plaintiffs.)	
_____)	

ORDER

This matter comes before the Court on cross-summary judgment motions with respect to the majority of the fifteen causes of action in this case [Doc. Nos. 161 and 168](collectively, the “Motions”).¹ Because genuine disputes of material fact exist regarding each of the moved-upon counts, both Motions will be DENIED. The Court does find as a matter of law, however, that the “GigM Code” is copyrightable subject matter, although genuine disputes of material fact remain as to its scope, ownership, and enforceability.

I. BACKGROUND²

This matter arises out of a series of disputes between partners working on a government contract. On January 29, 2016, Plaintiff DecisionQ Information Operations, Inc. (“DQIO”) entered into a contract with the Drug Enforcement Administration (“DEA”) for work on the DEA’s Virtual Currency Initiative (the “VCI Contract”). Statement of Undisputed Facts [Doc. No. 118] (“SUF”) ¶ 24. DQIO contracted with its parent company, Plaintiff DecisionQ, for labor

¹ Plaintiffs/Counter-Defendants DecisionQ Corporation’s and DecisionQ Information Operations, Inc’s Motion for Summary Judgment [Doc. No. 161]; and (2) GigM Technologies, LLC, Benjamin West, and Stephanie West’s Motion for Partial Summary Judgment [Doc. No. 168].

² Although the recited facts appear to be undisputed, unless otherwise indicated, this section is intended only as background for the Court’s Order and does not constitute findings of fact for any other purpose.

and management services on the VCI Contract. Defs.’ Mem. in Supp. [Doc. No. 170] SOF³ ¶ 2. The VCI Contract consisted of two parts: “back end” software and a “front end,” or web application. First Amended Complaint [Doc. No. 22] (“FAC”) ¶ 31. The front end can be further subdivided into the user interface (“UI”) and an application programming interface (“API”). Defs.’ Mem in Supp. SOF ¶ 27. DecisionQ was tasked with developing the back end. DQIO initially contracted with non-party Cabin Digital to develop the front end web application. Pls.’ Mem. in Supp. [Doc. No. 162] SOF ¶ 12.

Plaintiffs’ claims:

Briefly summarized, Plaintiffs centrally allege that Mr. and Ms. West, GigM, and other DQ employees entered into a fraudulent, conspiratorial scheme designed to obtain the UI subcontract for GigM; that in furtherance of that scheme, GigM and DQIO entered into an NDA regarding the project on May 16, 2016; and that on May 18, 2016, GigM and DQ entered into a subcontract for GigM to develop the front end (the “Subcontract”).⁴ Plaintiffs further allege that during the development of the GigM Code,⁵ “both GigM and DecisionQ employees accessed and worked on the Back End Software.” FAC ¶ 65. In connection with that work, “[t]he Source Code that was developed pursuant to the contract between DQIO and GigM was intended to be a user

³ “SOF” refers to the statement of undisputed facts included in each parties’ memoranda in support of their respective Motions as required by Local Civil Rule 56(B).

⁴ More specifically, plaintiffs allege that (1) Ms. West, a Program Manager at DecisionQ, misled DecisionQ regarding Cabin’s ability to complete the UI work on the project for the purpose of fraudulently obtaining for her husband, Mr. West, and his company, Defendant GigM Technology, LLC (“GigM”), the UI subcontract, FAC ¶¶ 39-40; (2) before Ms. West fired Cabin, in March 2016 Mr. West “volunteered his assistance in helping the DecisionQ employees work on the source code for the UI[,]” FAC ¶ 49; (3) Ms. West then convinced DQ to fire Cabin and enter into a subcontract with GigM to complete work on the UI instead, FAC ¶ 52; (4) Ms. West, Mr. West, GigM, and other DQ employees originally parties to this action entered into a conspiracy to mislead DQIO for the purpose of getting GigM the UI Subcontract; and (5) contrary to Ms. West’s representations that GigM was a proven technology company, “GigM was not created until after Benjamin West was already assisting on the Project.” FAC ¶ 54. *See also* FAC ¶ 63.

⁵ Plaintiffs in their Amended Complaint refer to the UI Source Code as simply the “Source Code,” while Defendants use the term “GigM Code.” This Order uses the term “GigM Code” to refer to the code developed pursuant to the Subcontract, i.e., the source code written for the web application user interface and the API, as distinguished from the “Back End Source Code” developed by DecisionQ.

interface that worked in conjunction with the Back End software[,]” FAC ¶ 50, and “GigM collaborated with DecisionQ employees in developing the Source Code for the UI [and d]uring the development of the Source Code both GigM and DecisionQ employees accessed and worked on the Back End software.” FAC ¶¶ 64–65.

A core dispute concerns the parties’ respective rights and obligations regarding the GigM source code. In that regard, the FAC alleges that “[p]ursuant to the subcontract agreement, at the completion of the project, GigM was to provide to DQIO a copy of the Source Code along with documented comments on the Source Code and a development ‘wiki.’” FAC ¶ 68. However, the parties dispute whether the source code was a deliverable under the Subcontract, or whether the web application was the deliverable. Although GigM finally provided the code to DQIO, as Plaintiffs claim it was required to do under the contract, Plaintiffs allege that Mr. West “encrypted portions of DQIO’s Amazon Web Service (AWS) cloud server and disallowed them access to these same servers in an attempt to extort DQIO.” FAC ¶ 104. Plaintiffs further allege that upon review of the source code “DQIO found that the product which was provided by GigM did not comply with the [DEA’s] requirements and that it was therefore incomplete pursuant to the agreement between DQIO and GigM.” FAC ¶ 105. Additionally, DQIO alleges that because it “found many errors and omissions as well as numerous security issues in the code,” GigM had failed to perform on the contract and refused to pay GigM its final installment. FAC ¶¶ 106–107.

Based on the above allegations, plaintiffs assert the following claims in the FAC:⁶

- Count I: Misappropriation of Trade Secrets (18 U.S.C. § 1836)
 - Alleging the Defendants misappropriated the Back End Code.
- Count II: Misappropriation of Trade Secrets (18 U.S.C. § 1836)

⁶ On August 9, 2017, this Court granted in part Defendants’ motion to dismiss the FAC. Order of August 9, 2017 [Doc. No. 53].

- Alleging the Defendants misappropriated the GigM Code.
- Count V: Breach of Contract
 - Alleging that the GigM Code failed to meet the requirements of the Subcontract and that GigM used unauthorized subcontractors and consultants.
- Count VI: Fraud
 - Alleging the Defendants misrepresented GigM’s history and capability to handle the UI Subcontract.
- Count VII: Tortious Interference with Contract
 - By DQIO only. Alleging Defendants interfered with DQIO’s original subcontract with Cabin for the UI.
- Count VIII: Conspiracy to Injure Another in Trade, Business or Profession (Va. Code § 18.2-500)
 - Alleging Defendants’ actions damaged Plaintiffs’ business, trade, and/or reputation.
- Count IX: Breach of Fiduciary Duty (against Ms. West only)
- Count X: Breach of Duty of Loyalty (against Ms. West only)

Defendants’ Counterclaims:

On September 13, 2017, Defendants filed their Amended Answer to First Amended Complaint for Damages and Amended Counterclaim [Doc. No. 85] (“Am. CC”). In it, Defendants allege that “GigM delivered the UI App to DQIO [and therefore] fully completed its obligations under the Subcontract[,]” Am. CC ¶¶ 93, 94; and that using GigM’s UI app, “DQIO was able to fulfill its obligation under the VCI Contract to deliver the DEA Website” and “DQIO received the final payment for the VCI Contract [from the DEA] on October 27, 2016.” Am. CC ¶¶ 96–97. DQIO, however, “refused to make a final payment to GigM in an attempt to leverage GigM and Mr. West into turning over the GigM Code.” Am. CC ¶ 99. The Amended Counterclaim also alleges that (1) Plaintiffs along with non-party Paul Campo “covertly planned a business expansion . . . which included the use of the GigM Code[,]” Am. CC ¶ 100; and (2)

“DQIO, DecisionQ, and Mr. Campo participated in pitch meetings to various entities to whom they solicited and marketed the alleged capability to sell and deliver virtual currency tracking websites similar to the DEA Website, including the UI App.” Am. CC ¶ 103. However, when “Campo realized that he did not possess the GigM Code necessary to market and sell an end-to-end software solution like the DEA Website, including the UI App[,]” Am. CC ¶ 110, he conspired with Plaintiffs to fraudulently obtain the GigM Code.

The Amended Counterclaim further alleges that as part of this scheme to obtain the GigM Code, Decision Q President and Vice President Todd Radano and Lester Young instructed Jessica Philie, the Director of Finance, to email Mr. West “ask[ing him] to submit all the source code and documentation to [the DEA], so the government can conduct a complete line by line code review with the documentation before the software is allowed to be installed on a government system.” Am. CC ¶ 118. In that regard, this email was allegedly a false representation made with the intent to defraud Mr. West and GigM into turning over the GigM Code when they had no obligation to do so, Am. CC ¶ 119, and Radano informed Ms. West that she would be put on administrative leave if Mr. West and GigM did not provide DQ with the GigM Code that day. Am. CC ¶ 120. However, Defendants claim that the DEA’s representative for the VCI Contract never requested the GigM Code and that DQIO never submitted any source code to the DEA. Am. CC ¶ 123. Finally, the Amended Counterclaim alleges that the Source Code Package (the entire source code for the project, including the GigM Code), was sent to Cabin Digital, Campo, and an advertising firm called LMO Advertising. Am. CC ¶¶ 125-26.

Based on these allegations, the Amended Counterclaim alleges seven claims against the Plaintiffs:

- Count I: Declaratory Judgment of Ownership of the GigM Code under the Copyright Act

- Count II: Fraud
 - Mr. West and GigM against all Plaintiffs. Alleging Plaintiffs falsely advised that the DEA requested and required the source code as a means to fraudulently obtain the source code for commercial use.
- Count III: Constructive Fraud
 - Mr. West and GigM against all Plaintiffs. Alleging Plaintiffs negligently falsely advised that the DEA requested and required the source code as a means to fraudulently obtain the source code for commercial use.
- Count IV: Misappropriation of Trade Secrets (18 U.S.C. § 1836)
 - Mr. West and GigM against all Plaintiffs. Alleging that the source code is a trade secret and that the Plaintiffs misappropriated it by misrepresenting that the DEA needed to review it.
- Count V: Breach of Contract
 - GigM against DQIO. Alleging DQIO's refusal to pay GigM its last installment under the contract amounts to breach.
- Count VI: Conspiracy to Injure Another in Trade or Business (Va. Code §§ 18.2-499(A) & 500)
 - Mr. West and GigM against all Plaintiffs. Alleging the Plaintiffs along with Campo (non-party) acted in concert to willfully and maliciously injure Mr. West and GigM.
- Count VII: Wrongful discharge in Violation of Public Policy
 - Ms. West against DecisionQ. Virginia common law cause of action alleging DecisionQ constructively discharged Ms. West in retaliation for her knowledge of DecisionQ's "proposed and actual unlawful conduct, including the use of a gift card to influence a government employee, improper billing of FasterAnalytics licensing fees to the DEA . . . a conspiracy with Mr. Campo . . . to injure Mr. West and GigM in their business, trade, and profession, and the fraud perpetrated on Mr. West and GigM to obtain the GigM code." Am. CC ¶ 174.

In the pending Motions, Plaintiffs move for summary judgment on Counts I, V, and VII-X of the Amended Complaint, and Counts I-VII of the Amended Counterclaim. Defendants move for summary judgment on Counts I and II of the Amended Complaint, and Counts I-V of the Amended Counterclaim.

II. LEGAL STANDARD

In reviewing a motion for summary judgment, courts must view the facts in the light most favorable to the party opposing the motion. *Porter v. U.S. Alumoweld Co.*, 125 F.3d 243, 245 (4th Cir.1997). Summary judgment is appropriate where “there is no genuine dispute as to any material fact the movant is entitled to judgment as a matter of law.” Fed.R.Civ.P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). A “genuine” dispute as to a material fact is present “if the evidence is such that a reasonable jury could ... return a verdict for the non-moving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). When a motion for summary judgment is made and supported by affidavits, an adverse party may not rest upon the mere allegations or denials of the adverse party’s pleading, but the adverse party’s response must set forth specific facts showing that there is a genuine issue for trial. Fed.R.Civ.P. 56(e). Unsubstantiated, conclusory claims without evidentiary support are insufficient to satisfy a non-moving party’s burden on summary judgment. *Carter v. Ball*, 33 F.3d 450, 461–62 (4th Cir.1994); *Goldberg v. B. Green & Co.*, 836 F.2d 845, 848 (4th Cir.1988).

III. ANALYSIS

a. Genuine disputes of material fact exist regarding the ownership of the copyright in the GigM Code (Count I of the Amended Counterclaim).

Count I of the Amended Counterclaim seeks a declaratory judgment that Mr. West and GigM are the owners of the copyright in the GigM Code.⁷ Plaintiffs rely primarily on two arguments why summary judgment should be granted in their favor as to Defendants’ declaratory

⁷ The Declaratory Judgment Act provides:

[i]n the case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.

28 U.S.C. § 2201(a).

judgment action. First, they argue that because of the inclusion of preexisting open source code and the use of auto-generated code, the GigM Code lacks sufficient originality to be copyrightable. Second, Plaintiffs argue that the terms of the Subcontract, specifically the clause providing that “no new intellectual property” would be created, prevents Defendants from establishing copyright ownership in the GigM Code.⁸

1. The GigM Code is copyrightable subject matter.

Under the Copyright Act, “[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression” 17 U.S.C. § 102(a). The owner of a copyright need not publish or register its work to obtain the protections of the Copyright Act. Instead, copyright is automatically conferred upon the fixation of an original work of authorship. Unless a work is done for a corporation for hire, the rights provided by the Copyright Act automatically vest in the author of the work upon fixation, though the author is free to license or assign their rights. 17 U.S.C. § 201(a).

Plaintiffs in their Motion for Summary Judgment argue that the GigM Code’s use of preexisting “open source” code and auto-generated code renders it, at least in part, unoriginal and therefore uncopyrightable. Pls.’ Mem. in Supp. 22; Pls.’s Resp, SOF ¶ 29.⁹ Beyond their

⁸ Although neither party challenges whether Count I presents an “actual controversy” under the Declaratory Judgment Act or a “case or controversy” under Article III, the Court has examined that issue *sua sponte* in order to confirm its subject matter jurisdiction. See *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 506 (2006). Here, an actual controversy exists regarding Count I of the Amended Counterclaim because, though Defendants have not brought an infringement action, they allege that Plaintiffs intend to use the GigM Code or a derivative work thereof commercially, see Am. CC ¶¶ 105–07; Defs.’ Mem. in Supp., SOF ¶ 68, and that Plaintiffs distributed copies of the GigM Code to Defendants’ competitors, see Defs. Mem. in Supp., SOF ¶ 61. See also *MedImmune, Inc. v. Greenwich, Inc.*, 549 U.S. 118, 127 (2007) (an action presents an “actual controversy” under the Declaratory Judgment act if “the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.”) (citation omitted).

⁹ Plaintiffs also assert that former DecisionQ employees Nathan Marshall and Tucker Moore, along with Mike Webster, a consultant used by GigM, contributed to the GigM Code. *Id.* These allegations give rise to genuine disputes of fact regarding, *inter alia*, whether these contributions actually occurred, whether these contributions were made as works for hire, and whether these contributions suffice to give rise to a joint work under 17 U.S.C. § 201(a) or a collective work under § 201(c). However, while the use of these alleged contributions is material to

assertions that the use of preexisting and auto-generated code defeats originality, Plaintiffs do not dispute that the GigM Code contains “original, independent, and creative ideas and efforts [expressed] into the literal form of words, numbers, and symbols.” Defs.’ Mem. in Supp. SOF ¶ 29. Defendants do not dispute that the GigM Code includes open source and auto-generated code. Defs.’ Reply 3–4.

The mere inclusion of preexisting open source code and automatically-generated code does not render an entire codeset unoriginal and thus uncopyrightable. Plaintiffs rely on the seminal case *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499, U.S. 340 (1991) for the proposition that the originality requirement of copyright means that a work was “independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.” *Id.* at 345. However, *Feist* does not stand for the proposition that the inclusion of some unoriginal, preexisting material renders an entire work uncopyrightable. Instead, *Feist* stands for the proposition that the existence *vel non* of copyrightable material does not depend on whether it includes preexisting and unoriginal facts, in that case the addresses and phone numbers that made up the white pages of a telephone book, but whether it contains an original or unoriginal *arrangements* of facts. For that reason, the Court in *Feist* concluded that the white pages were uncopyrightable, not because they contained material that was unoriginal and factual, and therefore uncopyrightable in and of itself, but because the presentation of that information did not exhibit the necessary modicum of creativity, recognizing that had it done so, the resulting work would have been copyrightable. *See Feist*, 499 U.S. at 362 (holding that “[t]he selection, coordination, and arrangement of Rural’s white pages do not satisfy the minimum constitutional standards for copyright protection.”).

ownership of the copyright in the GigM Code, it does not destroy the copyrightability of the GigM Code for all the reasons discussed regarding preexisting and auto-generated code.

The Copyright Act itself is explicit that compilations and derivative works that use preexisting works are nonetheless copyrightable subject matter. 17 U.S.C. § 103(a). The only limitation on such works is that their copyright, like all copyrights, extends only as far as the author's original expression, and therefore the use of a preexisting work in an original way creates a copyright in the use, but not the preexisting work. 17 U.S.C. § 103(b). These principles, applied here, lead to the conclusion that while individual lines of the GigM Code might not be original expression subject to copyright, Mr. West and GigM's use of such unoriginal lines in combination with their own original code can result in copyrightable subject matter.¹⁰

At oral argument Plaintiffs argued that because the preexisting code used in the GigM Code was open source and the GigM Code was developed using an open-source platform, called Ruby on Rails, the resulting code must also be open source. As an initial matter, even were this true, whether or not code is "open source" is a matter of licensing, not copyrightability or assignment. Indeed, the need for the license derives from the existence of the copyright, not its absence.¹¹ Open source licenses, also called "[p]ublic licenses . . . , are used by artists, authors, educators, software developers, and scientists who wish to create collaborative projects and to dedicate certain works to the public." *Jacobsen v. Katzer*, 535 F.3d 1373, 1378 (Fed. Cir. 2008). However, using open source code does not necessarily render any resulting derivative work or compilation open source. An open source license may require, as a condition precedent to use, that any resulting compilation or derivative work be subject to the same license. *See, e.g., id.* at 1379 n.2 ("For example, the GNU General Public License . . . prohibits downstream users from

¹⁰ Defendants' declaratory judgment counterclaim does not seek a declaration regarding the scope of the copyright, only its ownership. Similarly, Defendants have not brought an infringement claim, but instead only a claim that Plaintiffs intend to use all or some unidentified portion of the GigM Code in a future venture. Accordingly, the dispute between the parties regarding whether the copyright in the GigM Code extends to certain lines of the GigM Code is immaterial to the limited declaration sought in Count I of the Amended Counterclaim.

¹¹ Neither party has moved for declaratory judgment or relief of any kind that requires the Court to determine what, if any, licenses exist concerning the GigM Code.

charging for a license to the software.”) (citation omitted); *but see* Michael A. Epstein, *et al.*, Drafting License Agreements § 18.03 (“The non-protective open source licenses apply minimal restrictions on the distribution of derivative works because they do not protect the code from being used in non-open source applications.”). Such a condition is a matter of interpreting the contractual terms of the license, and there is no evidence in the current record to indicate that such a term was included in any of the open source licenses on the preexisting code that went into the GigM Code or the license for the Ruby on Rails platform. Therefore, the fact that the preexisting code used in the GigM Code was open source neither defeats copyrightability of the GigM Code nor subjects the GigM Code to an open source license.

2. *Genuine issues of material fact exist with respect to the parties’ intent regarding the “no new intellectual property” clause of the Subcontract.*

There are genuine disputes of material fact regarding the parties’ intent with respect to the “no new intellectual property” clause in the Subcontract. The clause states in full that “[t]he Parties agree that no new Intellectual Property will be created under this agreement.” Verdi. Aff., Ex. 12, ¶ 14. The Court has already held in ruling on the motions to dismiss that the “no new intellectual property” clause is ambiguous.

Plaintiffs assert that “the Parties agreed that neither party would create *any* intellectual property pursuant to the Subcontract,” and that “[i]f no new intellectual property is created, there is nothing to copyright.” Pls.’ Resp. 18; *see also* Pls.’ Resp., SOF ¶¶ 21, 22. In sum, Plaintiffs argue that the Parties, by contract, intended to prevent the attachment of any copyright interest in the first place. However, under the Copyright Act, rights vest in the author of a work immediately, as a matter of law, upon fixation of an original work of authorship without any requisite “intent to copyright” by the author. For this reason, Plaintiffs’ position is essentially that Mr. West and GigM, by agreeing to the Subcontract and its “no new intellectual property”

clause, abandoned their copyright interest in the GigM Code. “It is well settled that rights gained under the Copyright Act may be abandoned. But abandonment of a right must be manifested by some overt act indicating an intention to abandon that right.” *Micro Star v. Formgen, Inc.*, 154 F.3d 1107, 1114 (9th Cir. 1998) (citation omitted); *see* 4 Nimmer on Copyright § 13.06 (“Abandonment occurs only if there is an intent by the copyright proprietor to surrender rights in his work. There is, moreover, strong authority holding that an overt act evidencing such an intent is necessary to establish abandonment.”).

Defendants, by contrast, argue that the no new IP clause reflects the parties’ intent that “the Subcontract does not create *new* intellectual property rights in any technology created under the agreement (the default intellectual property rules apply) and the parties would not create any *new* joint intellectual property.” Defs.’ Mem. in Supp. 21. In support of this reading, Defendants cite the drafting history of the Subcontract. Originally, the Subcontract contained a work for hire provision, whereby the copyright in the GigM Code would vest in DQIO. *Id.* at SOF ¶ 26. During the negotiations of the Subcontract, Defendants allege, Mr. West and GigM “expressed their clear intent to *not* transfer any intellectual property rights to DQIO without additional consideration.” *Id.* at 21 (citing *id.* at SOF ¶¶ 20–23). In light of this drafting history, Defendants argue that the parties intended the no new IP clause to mean that “(1) GigM would retain intellectual property rights to technology it developed; (2) DQIO would retain intellectual property rights to property it developed; and (3) no new joint intellectual property would be created under the Subcontract.” *Id.*

As reflected above, genuine disputes of fact exist regarding, *inter alia*, (1) whether the parties intended the clause to disclaim any transfer of copyright interests; and (2) whether the parties intended the clause to memorialize their intent to abandon their copyright interests; and if

so, (3) whether Mr. West and GigM committed an overt act sufficient to effect abandonment of their copyright interests. Accordingly, neither party is entitled to summary judgment on Count I of the Amended Counterclaim.

b. Genuine disputes of material fact exist with respect to all other causes of action.

As the Court noted at the oral argument on the Motions, genuine disputes of material fact exist with respect to all other causes of action. For example, the parties dispute whether the DEA actually requested the GigM Code. This dispute is material to Counts II, III, and IV of the Amended Counterclaim alleging fraud, constructive fraud, and misappropriation of the GigM Code, respectively. Additionally, a genuine dispute of fact exists regarding whether Mr. West's posting of the GigM Code to a public GitHub repository destroys the "secrecy" element of Defendants' misappropriation of trade secrets claim (Count IV of the Amended Counterclaim).¹²

Further, each claim for misappropriation of trade secrets (Counts I and II of the Amended Complaint and Count IV of the Amended Counterclaim) involves factual disputes regarding whether the underlying code meets the statutory requirements for trade secret protection.

¹² While causes of action based on copyright and trade secrets both concern the GigM Code, the claims are distinct and the resolution of one does not necessarily dictate the resolution of the other. Copyright requires the putative owner to demonstrate (1) originality of the work; (2) authorship; and (3) fixation in a tangible medium. *See* 17 U.S.C. § 102(a). On the other hand, to demonstrate that something is a trade secret requires a showing that "(A) the owner thereof has taken reasonable measures to keep such information secret; and (B) the information derives independent economic value . . . from not being generally known . . ." 18 U.S.C. § 1839(3). The requirement that a trade secret be subject to reasonable measures of secrecy is not an element of copyright. Indeed, prior to 1978, proving copyright required that the work be published, and therefore a copyright could never be a trade secret. 1 *Nimmer on Copyright* § 4.01(A). Nor must a trade secret be fixed in any tangible medium. Additionally, the two areas of intellectual property cover different, if potentially overlapping, subject matters. A trade secret could include an unoriginal list of client names or a functional process, neither of which would be copyrightable. *See, e.g., Feist*, 499 U.S. 340 (holding that an unoriginally arranged compilation of names and addresses is uncopyrightable); *Lotus Dev. Corp. v. Borland Intern., Inc.* 49 F.3d 807 (1st Cir. 1995), *aff'd by an equally divided court*, 516 U.S. 233 (1996) (holding that a computer program menu tree is a useful article and therefore uncopyrightable). While the same set of code could include both a trade secret (the function of the code) and a copyright (its unique expression), the copyright by definition would not extend to the functional articles covered by the trade secret. *See Computer Assocs. v. Altai, Inc.*, 982 F.2d 693, 705 (2d Cir. 1992) ("[T]hose elements of a computer program that are necessarily incidental to its function are . . . unprotectable."). For these reasons, the GigM Code could be subject to either or both copyright and trade secret protection, with a determination as to one not necessarily dispositive as to the other.

Count I of the Amended Complaint, which alleges that Defendants downloaded the Back End onto their Amazon Web Service servers, raises factual issues concerning whether any of the Back End was downloaded to the servers, and if so, how much of the code was downloaded, as well as Plaintiffs' contention that Defendants spoliated evidence relevant to this claim. Additionally, the parties' intent with respect to the "no new intellectual property" clause of the Subcontract is material to all of the claims for misappropriation of trade secrets. For example, if, as Plaintiffs argue, the clause reflects the parties' intent that nothing created under the Subcontract would be intellectual property, the parties may have likewise intended that nothing created under the Subcontract would qualify as a trade secret, or that to the extent it did, the parties intended to waive their rights as to any trade secrets.

As to the Parties' breach of contract counts (Count V of the Amended Complaint and Count V of the Amended Counterclaim), genuine issues of material fact exist regarding the parties' respective performances under the terms of the Subcontract. Similarly, factual disputes exist regarding whether Cabin was satisfactorily complying with its contract with DQIO before Mr. West and GigM took over the project, something material to Count VII of the Amended Complaint, alleging that Defendants tortuously interfered with the Cabin contract.

As to Count VIII of the Amended Complaint, alleging conspiracy to injure another in trade, business, or profession, genuine issues of material fact exist regarding each element of the cause of action. Under Virginia law, conspiracy to injure another in trade, business, or profession requires a showing of (1) an attempt to conspire; (2) legal malice towards the plaintiff; and (3) damages caused by the conspiratorial actions. *Multi-Channel TV Cable Co. v. Charlottesville Quality Cable Operating Co.*, 108 F.3d 522, 527 (5th Cir. 1997). Defendants admit that they discussed working with Moore and Marshall in the digital currency space, but assert that these

communications largely took place after Ms. West, Moore, and Marshall were no longer working at DQ. There is a factual dispute whether Defendants ever actually approached the DEA about digital currency contracting opportunities, as well as the timing and coordination of the conduct plaintiffs' claim evidence the conspiracy.

In Counts IX and X of their Amended Complaint, Plaintiffs seek summary judgment on Counts IX and X of the Amended Complaint, alleging that Ms. West breached her fiduciary duty and duty of loyalty to DQ. However, the substance of Plaintiffs' fiduciary duty claims is that she breached her duties by misappropriating DQ's trade secrets. Because factual issues exist as to Plaintiffs' trade secrets claims, those same factual issues, *inter alia*, preclude summary judgment as to these claims.

Finally, genuine issues of material fact exist regarding Count VII of the Amended Counterclaim for wrongful discharge in violation of public policy. Defendants' proffered evidence on this count centers around a transcript of a conversation between Ms. West and Gary Kaufman, her immediate supervisor at the time. Based on the present record, the Court cannot conclude as a matter of law that plaintiffs are entitled to judgment as a matter of law on Ms. West's claim that she was directed to take some action in violation of Virginia public policy.

IV. CONCLUSION

For the foregoing reasons, it is hereby

ORDERED that Plaintiffs/Counter-Defendants DecisionQ Corporation's and DecisionQ Information Operations, Inc's Motion for Summary Judgment [Doc. No. 161] be, and the same hereby is, GRANTED in part and DENIED in part. It is granted to the extent that as a matter of law the GigM Code is copyrightable and is otherwise DENIED; and it is further

ORDERED that Defendants/Counter-Plaintiffs GigM Technologies, LLC, Benjamin West, and Stephanie West's Motion for Partial Summary Judgment [Doc. No. 168] be, and the same hereby is, DENIED.

The Clerk is directed to forward copies of this Order to all counsel of record.



Anthony J. Trenga
United States District Judge

Alexandria, Virginia
February 14, 2018