



Latest developments in trade secrets strategy and enforcement

Biotech startup Trilobio's trade secret battle with former co-founder is a tale of broken trust

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A temporary restraining order (TRO) that was recently **granted** to Californian biotech startup Trilobio against one of its founders arises out of a case that underlines the financial, reputational and sometimes personal perils that bright young innovators need to navigate when leading budding startups. At the same time, it highlights the significance of meeting the demands of US trade secret laws for small companies that often rely heavily on this asset class as a way of protecting sensitive IP.

“The trade secret laws are very protective, but they require companies to actively enforce their intellectual property rights,” notes San Francisco-based boutique law firm Sideman & Bancroft partner Ronald J. Fisher, who is Trilobio's lead counsel in this dispute.

Trilobio was founded in 2021 by Roya Amini-Naieni and Maximilian Schommer – both **featured** on the list of “Forbes 30 Under 30 North America 2024” – along with defendant Keoni Gandall. The startup offers robotic lab automation modules and an app store for molecular and synthetic biology.

The startup's secrets that are being litigated in the US District Court for the Northern District of California pertain to AI biorobotics technology and the oligo pool technology used to create gene sequences. Trilobio argues that use of its trade secrets by Gandall and his newly founded company Nanala Inc – headquartered at Gandall's parent's home in Huntington Beach, California – would hurt Trilobio's market position and risk their “broader disclosure”.

According to the complaint, the source code allegedly misappropriated by Gandall was central to the company's proprietary technology.

The defendant at the centre of the suit is also a young biologist with big dreams. A proud biohacker as a teenager, Gandall already operated a fully functioning personal lab in his bedroom, winning science fairs and the attention of **national media**. “Basically, my goal is to [allow] that anyone can genetically modify any organism that they want without any prior knowledge... making [biotechnology] accessible to everyone,” he **said** in a video interview in 2018.

According to the lawsuit, Amini-Naieni and Schommer invited Gandall to be a co-founder of Trilobio, mainly due to Gandall's pledge to secure a renowned Stanford bioengineering professor, Andrew Endy, as an advisor to Trilobio – a promise they claim he failed to deliver.

As part of his job, under the September 2021 “Confidential Information and Invention Assignment Agreement”, Gandall was given access to Trilobio's trade secrets. In February of 2023, Trilobio terminated Gandall's employment, alleging he “failed to complete projects, worked on his own pet side projects instead of the mission-critical work Trilobio directed him to do... and was unproductive relative to his peers at Trilobio”.

Trilobio claims that right after his termination, Gandall accessed Trilobio's sensitive documents and data including Amini-Naieni's work email account and Google Drive. A cybersecurity professional who examined Gandall's Trilobio computer concluded that Gandall had written programs on his desktop to copy Trilobio materials to his personal cloud storage account, according to the lawsuit.

Gandall subsequently created defendant Nanala LLC. The plaintiffs allege he continued to meet with Trilobio investors under his new company and incorporated Trilobio trade secrets into Nanala investor pitches after the termination.

“Nanala LLC's business is nothing more than Gandall rebranding and using Trilobio trade secrets and intellectual property in the marketplace,” claims Trilobio's [complaint](#) that was filed on 9 September 2024, under the Defend Trade Secrets Act, the California Trade Secrets Act (CUTSA) and others.

To win the vital TRO, that now prevents Gandall and Nanala from engaging in any activity related to the allegedly misappropriated intellectual property, Trilobio had to clear high evidentiary hurdles.

As established in 2008 landmark ruling *Winter v Natural Resources Defense Council*, Trilobio had to demonstrate to the court's satisfaction that the case is likely to succeed on the merits; that it is likely to suffer irreparable harm in the absence of preliminary relief; that the balance of equities tips in its favour; and that an injunction is in the public interest.

Rejecting Gandall's claims the trade secrets are not secret at all because information about the procedures is well known and that the information does not have commercial value, Judge Jon S. Tigar's 17 October order says: “Gandall's contention that the information has no commercial value is belied by his attempts to start a company using that same technology.”

The judge also questioned the credibility of Gandall's claim that he downloaded Trilobio's proprietary oligo pool files onto his own computer following Amini-Naieni's consent: “It simply is not credible that Amini-Naieni would have given him permission to download the company's confidential information that same month” when Gandall was “in the midst of receiving a negative performance review”.

But, perhaps most crucially, the judge's analysis was unaffected by Gandall's attempt to portray the case as an attempt to create settlement leverage for an earlier employment case Gandall filed against the plaintiffs following his dismissal.

That case sheds light on a messy web of personal relationships between the three founders including an attempt to oust Gandall from the company with a \$100,000 payoff. The employment suit will be heard by the Superior Court of the State of California, County of San Francisco on 18 February 2025.

Further, the defendants' court [memorandum](#) in opposition to Trilobio's motion for TRO reveals that in early September this year, before the trade secret lawsuit was filed, Trilobio's attorney sent the “settlement demand” to Gandall, which was “first notice” over trade secret allegations.

However, commenting for IAM, Fisher does not describe sending the letter as an offer to settlement for the pending litigation, but as a standard practice to try to “resolve disputes informally”, without resorting to litigation. “In this case, Trilobio alerted Mr. Gandall and his counsel of the issues regarding the trade secret via a letter sent on September 6, 2024—weeks before the lawsuit and our motion for the TRO was filed—and asked Mr. Gandall to voluntarily comply with the law. We received no response to that letter,” he told IAM. “We then followed up via email again, and again received no response.”

It is unclear why the judge did not consider it relevant to discuss the parallel “employment litigation” and the personal aspects of the story when granting the TRO and expedited discovery to Trilobio – especially considering the timing of the filings of the two actions.

Interestingly, the court also denied Gandall's plea for placing bonds – a request frequently granted when a court issues a TRO or preliminary injunction. In this case, the court's argument for the denial was that there was “no likelihood of harm because the TRO would simply enjoin Defendants from doing something Defendants never had a right to do in the first place,” Fisher explained.

“Trade secrets are incredibly important to all emerging technology companies, including Trilobio,” CEO Amini-Naieni tells IAM.

The attorneys for Keoni Gandall and Nanala were unavailable for comment.

Documents

[Defendants' memorandum in opposition to Trilobio's motion for TRO](#)



Trilobio's complaint



Court's order on TRO



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