

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

**PRAXIS PRECISION
MEDICINES, INC.,**

Plaintiff,

v.

**DAVID B. GOLDSTEIN AND
ACTIO BIOSCIENCES, INC.,**

Defendants.

Court No. 1:25-cv-01256-JCG

OPINION AND ORDER

[Denying Defendants' Motion to Dismiss in a Trade Secret case.]

Dated: September 3, 2026

Anthony D. Raucci, Jeremy A. Tigan, and Megan E. Dellinger, Morris, Nichols, Arsht & Tunnell LLP, of Wilmington, DE; Keith R. Hummel, Sharonmoyee Goswami, Jonathan D. Mooney, and Geoffrey G. Hu, Cravath, Swaine & Moore LLP, of New York, N.Y. Attorneys for Plaintiff Praxis Precision Medicines, Inc.

Nathan R. Hoeschen and Karen E. Keller, Shaw Keller LLP, of Wilmington, DE; W. Chad Shear and Reem Gerais, Cooley LLP, of San Diego, CA; Daniel J. Knauss and HanByul Chang, Cooley LLP, of Palo Alto, CA; Brittany N. Cazakoff, Cooley LLP, of Washington, D.C. Attorneys for Defendants David B. Goldstein and Actio Biosciences, Inc.

Choe-Groves, Judge: Before the Court is Defendants' Motion to Dismiss Plaintiff's Complaint Under Fed. R. Civ. P. 12(b)(1) and/or 12(b)(6) brought by Defendants David B. Goldstein ("Goldstein") and Actio Biosciences, Inc.

(“Actio”) (collectively, “Defendants”). Defs.’ Mot. Dismiss Pl.’s Compl. Fed. R. Civ. P. 12(b)(1) & 12(b)(6) (“Defendants’ Motion”) (D.I. 16); see Defs.’ Opening Br. Supp. Mot. Dismiss Pl.’s Compl. Fed. R. Civ. P. 12(b)(1) & 12(b)(6) (“Defs.’ Br.”) (D.I. 17). Plaintiff Praxis Precision Medicines, Inc. (“Praxis” or “Plaintiff”) filed the Complaint alleging Trade Secret Misappropriation Under the U.S. Defend Trade Secrets Act (Against All Defendants) (Count I), Trade Secret Misappropriation Under the Delaware Uniform Trade Secrets Act (Against All Defendants) (Count II), Breach of Contract for Violation of Section 6 of the Master Advisory Agreement (Against Goldstein) (Count III), and Breach of Contract for Violation of Section 5 of the Master Advisory Agreement (Against Goldstein) (Count IV). See Compl. Demand Jury Trial (“Compl.”) (D.I. 6).¹ The Court held oral argument on August 5, 2026. See Oral Order (July 14, 2026) (D.I. 29).

For the following reasons, the Court denies Defendants’ Motion to Dismiss.

BACKGROUND

Praxis is a Delaware corporation with its principal place of business in Boston, Massachusetts. Compl. at ¶ 8. Praxis is a clinical-stage biopharmaceutical company that translates insights from research about the genetics of epilepsies into therapies for central nervous system disorders that are characterized by neuronal

¹ Citations to the Complaint relate to the redacted public version (D.I. 6). The Court notes that a sealed version of the Complaint was filed. See Compl. Demand Jury Trial (D.I. 2).

excitation-inhibition imbalance. Id. Goldsten is a founder and the Chief Executive Officer of Actio and resides in San Diego. Id. at ¶ 9. Actio is a Delaware corporation with its principal place of business in San Diego, California. Id. at ¶ 10. The Complaint alleges that Actio describes itself as a company that develops drugs for rare diseases, including epilepsies. Id.

Plaintiff contends that prior to the founding of Praxis, scientists Steven Petrou (the now current Chief Scientific Officer of Praxis) and Goldstein had been collaborating on research relating to the genetics of epilepsy. Id. at ¶ 15. The Complaint states that in 2014, Goldstein visited Petrou at the Florey Institute in Australia, while Petrou's lab was performing research that demonstrated that certain genetic mutations implicated in epilepsy cause a marked increase in the activity of the sodium-activated potassium channel of the central nervous system. Id. at ¶ 16. The Complaint states that in April 2014, Petrou and his colleagues published the results of that research and included Goldstein as an author, attracting funding from biotech investors, who provided funding to start Praxis' predecessor company, EpiPM Therapeutics, Inc. ("EpiPM"), in September 2015.² Id. at ¶¶ 16–17. Plaintiff asserts that EpiPM was formed for the purpose of developing the research of Petrou and Goldstein into clinical products to treat

² The Complaint states that on October 25, 2016, EpiPM changed its name to Praxis Precision Medicines, Inc. and Goldstein continued in his role as scientific advisor. Id. at ¶ 18.

patients with epilepsy, with Goldstein becoming a shareholder and a scientific advisor to EpiPM. Id. at ¶ 17.

The Complaint asserts that Petrou and Goldstein’s research focused on the role of the specific gene Potassium Channel Subfamily T, member 1 (“KCNT1”), which provides genetic instructions for making the sodium-activated potassium channels responsible for transmitting electrical signals from neurons to other neurons, muscles, or glands. Id. at ¶¶ 19–20. Mutations in the KCNT1 gene can lead to severe neurological disorders and intractable childhood epilepsies. Id. at ¶ 21. Praxis has pursued development of orally active, selective inhibitors of the sodium-activated potassium channel as potential therapeutics for KCNT1 related epilepsies (“KCNT1 inhibitors”) through its program PRAX-020. Id. at ¶ 23.

Praxis alleges that through years of research, development, and investment, Praxis developed confidential information and trade secrets relating to its KCNT1 inhibitor development program, including the identity, formula, structure, properties, and KCNT1-inhibiting activities of each compound of Praxis’ non-public candidate KCNT1 inhibitor compounds. Id. at ¶ 30. The Complaint contends further that the non-public results of assays and comparative analyses of candidate KCNT1 inhibitor compounds and non-public know-how also constitute Praxis’ confidential information and trade secrets. Id. Praxis avers that its

confidential information and trade secrets provide Praxis and its licensee with a competitive advantage over their competitors in the KCNT1 space. Id. at ¶ 33.

The Complaint states that Goldstein served as Lead Scientific Founder and Chairman of the Scientific Advisory Board of Praxis from its founding until he resigned in 2022, and that Goldstein had executed a Founder and Scientific Advisory Board Agreement (the “FSABA”) with Praxis. Id. at ¶¶ 44–45. Praxis alleges that through this leadership and advisory role, Goldstein had unfettered access to Praxis’ confidential and proprietary data, trade secrets, business plans, and other Praxis information of a confidential or proprietary nature. Id. at ¶ 50. Praxis avers that Goldstein was bound by strict confidentiality agreements, which required him to protect the confidentiality of Praxis’ confidential information and trade secrets, not to disclose them, and not to use them for any purpose other than Praxis’ business activities. Id. at ¶ 51. The Complaint alleges that Goldstein’s confidentiality obligations under the FSABA applied during his time on the Scientific Advisory Board through 2027. Id. at ¶ 54. As for trade secrets, Praxis avers that the FSABA states that “the non-disclosure obligations imposed by this letter agreement with respect to trade secrets included in the Confidential Information will continue for as long as the Company continues to treat such Confidential Information as a trade secret.” Id.

The Complaint contends that on March 3, 2021, Goldstein and Praxis entered into the Master Advisory Agreement (“MAA”), under which Goldstein would continue to provide consulting and advisory services to Praxis. Id. at ¶ 55. Praxis alleges that Goldstein’s confidentiality obligations under the MAA run for the term of the MAA and through 2027, and extend to trade secrets. Id. at ¶ 58. The Complaint states that in April 2022, Goldstein notified Praxis that he would no longer serve as a Scientific Advisor to Praxis, and the MAA was terminated on May 8, 2022. Id. at ¶ 61. Praxis alleges that during his time at Praxis, Goldstein was planning to launch Actio as a competing company in the KCNT1 development space. Id. at ¶ 62. The Complaint states that Actio was incorporated by Goldstein and John G. McHutchison in Delaware on July 20, 2021 (more than half a year before Goldstein notified Praxis of his intent to terminate the MAA), with Goldstein serving as Chief Executive Officer since Actio’s formation. Id. at ¶ 63.

DISCUSSION

I. Motion to Dismiss Under Federal Rule of Civil Procedure 12(b)(1)

A. Legal Standard

An action may be dismissed under Federal Rule of Civil Procedure 12(b)(1) for “lack of subject matter jurisdiction.” Fed. R. Civ. P. 12(b)(1). “A challenge to subject matter jurisdiction under Rule 12(b)(1) may be either a facial or a factual attack.” Davis v. Wells Fargo, 824 F.3d 333, 346 (3d Cir. 2016). A facial attack

“challenges subject matter jurisdiction without disputing the facts alleged in the complaint, and [] requires the court to ‘consider the allegations of the complaint as true.’” Id. (quoting Petruska v. Gannon Univ., 462 F.3d 294, 302 n.3 (3d Cir. 2006) (citation omitted)). A factual attack challenges the “factual allegations underlying the complaint’s assertion of jurisdiction, either through the filing of an answer or ‘otherwise present[ing] competing facts.’” Id. (alteration in original) (quoting Constitution Party of Pa. v. Aichele, 757 F.3d 347, 358 (3d Cir. 2014)). Factual challenges allow “a court [to] weigh and consider evidence outside the pleadings.” Constitution Party of Pa., 757 F.3d at 358 (internal quotation omitted). When a factual challenge is made, “the plaintiff will have the burden of proof that jurisdiction does in fact exist,” and the Court “is free to weigh the evidence and satisfy itself as to the existence of its power to hear the case.” Mortensen v. First. Fed. Sav. & Loan Ass’n, 549 F.2d 884, 891 (3d Cir. 1977). “[N]o presumptive truthfulness attaches to [the] plaintiff’s allegations[.]” Id.

B. Factual Challenge to Jurisdiction

In Count I of the Complaint, Praxis asserts a claim pursuant to the Defend Trade Secrets Act of 2016 (the “DTSA”). Compl. at ¶¶ 87–98; see 18 U.S.C. § 1836(b)(1). 18 U.S.C. § 1836(b)(1) provides that an owner of a trade secret “that is misappropriated may bring a civil action under this subsection if the trade secret is related to a product or service used in, or intended for use in, interstate or foreign

commerce.” 18 U.S.C. § 1836(b)(1).

Pursuant to the DTSA, the term “trade secret” applies to various categories of information if “the owner thereof has taken reasonable measures to keep such information secret,” and “the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information[.]” 18 U.S.C. § 1839(3). The U.S. Court of Appeals for the Third Circuit has stated that the DTSA requires a plaintiff to demonstrate:

(1) the existence of a trade secret, defined generally as information with independent economic value that the owner has taken reasonable measures to keep secret[;] (2) that is related to a product or service used in, or intended for use in, interstate or foreign commerce[;] and (3) the misappropriation of that trade secret, defined broadly as the knowing improper acquisition, or use or disclosure of the secret[.]

Oakwood Lab’ys LLC v. Thanoo (“Oakwood Lab’ys”), 999 F.3d 892, 905 (3d Cir. 2021) (citations omitted). At the pleading stage, a plaintiff must identify its trade secrets with enough specificity to place a defendant on notice of the basis of the claim against it. Id. at 906. A plaintiff is not required to provide enough detail that it risks disclosing its protected information but must use sufficient particularity to separate the information “from matters of general knowledge in the trade or of special knowledge of those persons who are skilled in the trade[.]” Id. (citation omitted). Determining whether a plaintiff has met its pleading burden for a trade

misappropriation claim is a fact-specific question to be decided on a case-by-case basis. Id. (citation omitted).

The Complaint identifies two Actio patent applications published by the World Intellectual Property Organization on June 5, 2025: International Application Publication Nos. WO 2025/117662 A1 (the “’662 Application”) and WO 2025/117677 A1 (the “’677 Application”). Compl. at ¶ 65. The Complaint asserts that the ’662 Application claims priority to Actio’s previously non-public U.S. Provisional Applications 63/604,173 (the “’173 Application”), filed on November 29, 2023, and 65/553,526, filed on February 14, 2024. Id. at ¶ 66. The Complaint contends that the ’677 Application claims priority to Actio’s previously non-public U.S. Provisional Application 63/604,176, filed on November 29, 2023. Id. at ¶ 67.

Praxis alleges that the KCNT1 inhibitors disclosed in Actio’s ’173 Application “closely resemble compounds that Praxis discovered but that Praxis had not publicly disclosed.” Id. at ¶ 68 (emphasis omitted). Praxis contends that the confidential structure of those Praxis compounds and their favorable properties as KCNT1 inhibitors were disclosed to Goldstein during his tenure as Lead Scientific Advisor at Praxis and member of its Scientific Advisory Board. Id. The Complaint provides a side-by-side comparison of Praxis’ confidential compounds and compounds that appear in Actio’s patent filings and asserts that there are

“striking similarities between the confidential [] compounds and the Actio copycat compounds.” Id. at ¶¶ 69–70. Praxis contends that the modification of the Actio compounds is a “commonplace variation in a chemical structure, often requiring only the formation of a single chemical bond between carbon atoms to form the ‘ring[.]’” Id. at ¶ 72. The Complaint states that in the context of these molecules, “this simple modification is a step that would naturally occur to a medicinal chemist performing development work.” Id.

Defendants contend that dismissal is required under Federal Rule of Civil Procedure 12(b)(1) because Praxis has no trade secret claim to establish subject matter jurisdiction. Defs.’ Br. at 2, 12–16. Defendants argue that Praxis’ allegations show that Praxis cannot establish subject matter jurisdiction through a DTSA protectable trade secret because the alleged trade secrets are readily ascertainable from Praxis’ publicly-disclosed compounds. Id. at 12. Defendants present a factual attack challenging Plaintiff’s allegation that Praxis possesses a DTSA protectable trade secret by presenting evidence of a March 2021 article published by Praxis titled “Discovery of the First Orally Available, Selective K_{Na}1.1 Inhibitor: *In Vitro* and *In Vivo* Activity of an Oxadiazole Series” and evidence of International Application Publication No. WO 2020/227101 A1, titled “KCNT1 Inhibitors and Methods of Use,” published on November 12, 2020 (the “’101 Patent”). Id. at 5–6; see Decl. W. Chad Shear Supp. Mot. Dismiss Pl.’s

Compl. Fed. R. Civ. P. 12(b)(1) & 12(b)(6) (“Shear Decl.”) (D.I. 18) at Ex. 1 (“Griffin Article”) (D.I. 18-1), Ex. 2 (“KCNT1 Patent Application”) (D.I. 18-2). Defendants contend that Praxis intentionally omitted the Griffin Article and the patent application from the Complaint. Defs.’ Br. at 5–6.

Defendants argue that the Griffin Article publicly revealed “at least 34 related KCNT1 inhibitor compounds and provided extensive experimental data for each compound and information useful to drug developers such as solubility, bioavailability, and other characteristics.” Id. at 5. One of the compounds that Defendants allege to have been disclosed is “Compound 31.” Id. Defendants aver that the Griffin Article disclosed “many modifications that can be made to the structure of Compound 31, including variations of the atoms in the central ring, and changes to the functional groups of the rings on the left and righthand sides of the compounds.” Id. at 5–6 (citing Griffin Article at Tables 1–3, 595–97). Defendants also cite to Praxis’ KCNT1 Patent Application, which Defendants allege “disclosed the same ‘series’ of compounds taught in [the Griffin Article], including the structure of Compound 31, and provided extensive disclosures of modifications to be made at a multitude of locations on these compounds.” Id. at 6 (citing KCNT1 Patent Application). Defendants argue that the Griffin Article and the KCNT1 Patent Application render Praxis’ alleged trade secrets “readily ascertainable through proper means.” Id. at 12–16.

The Court concludes that Defendants have presented a factual attack that challenges the “factual allegations underlying the complaint’s assertion of jurisdiction” by presenting competing facts. Davis, 824 F.3d at 346 (internal quotation omitted). Factual challenges allow “a court [to] weigh and consider evidence outside the pleadings.” Constitution Party of Pa., 757 F.3d at 358 (internal quotation omitted). Accordingly, the burden is on Praxis to establish that jurisdiction exists and that the Court “is free to weigh the evidence and satisfy itself as to the existence of its power to hear the case.” Mortensen, 549 F.2d at 891.

Praxis asserts that Defendants’ arguments regarding whether the trade secrets are “readily ascertainable” “[go] to the merits of a DTSA claim, not the court’s jurisdiction to hear a DTSA claim.” Pl.’s Answering Br. Opp. Defs.’ Mot. Dismiss (“Pl.’s Resp. Br.”) at 8–9 (D.I. 24)³ (emphasis omitted). Praxis contends that Defendants failed to identify any pleading failures that would justify dismissal under Federal Rule of Civil Procedure 12(b)(1) and avers that technical factual questions cannot be resolved under Rule 12(b)(1). Id. at 11. Plaintiff asserts that Defendants “falsely equate the minor modifications that Praxis alleges Actio made to Praxis’ trade secret compounds with the far more significant modifications that

³ Citations to Plaintiff’s brief relate to the redacted public version (D.I. 24). The Court notes that a sealed version of Plaintiff’s brief was filed. See Pl.’s Answering Br. Opp’n Defs.’ Mot. Dismiss (D.I. 23).

would be required to move from the public Compound 31 to Praxis' trade secret compounds." Id. at 9. Defendants reply that Plaintiff "attempts to recast Defendants' arguments as a factual dispute raising 'contested, highly technical questions.'" Defs.' Reply Br. Supp. Mot. Dismiss Pl.'s Compl. Fed. R. Civ. P. 12(b)(1) & 12(b)(6) ("Defs.' Reply Br.") at 3 (D.I. 25) (quoting Pl.'s Resp. Br. at 9). Defendants contend that Defendants' Motion to Dismiss is based solely on Praxis' own public disclosures and Praxis' own allegations that "chemists routinely make various structural modifications to improve the activity of promising lead compounds." Id. Defendants assert that there is "nothing in the pleadings that separate the 14 alleged trade secret compounds from what, according to Praxis, are the commonplace modifications that a chemist would make to the undisputedly generally known KCNT1 inhibitor compounds." Id.

The Court notes that the Complaint identifies 14 confidential Praxis compounds that bear a "striking structural resemblance" to Actio's compounds. See Compl. at ¶¶ 69–70. Defendants argue specifically that two of Actio's compounds are readily ascertainable from the public Compound 31 disclosed in the Griffin Article, but do not specify how the other 12 confidential compounds identified in the Complaint are also readily ascertainable. See generally Defs.' Br. In refuting Defendants' factual attack on jurisdiction, Plaintiff provided examples of how the two Praxis compounds, PRX-6720 and PRX-5525, are not readily

ascertainable from the public Compound 31 and how the trade secret compounds and the public Compound 31 are not similar. Pl.’s Resp. Br. at 14–17. Plaintiff also provides a comparison between the Praxis compound PRX-5525 and Actio’s compound I-42a to show that the only difference between the two is a “ring closure.” Id. at 16.

Defendants assert that each molecule in the trade secret Praxis compounds in the Complaint “has nearly all of its structure in common with Compound 31 (or in common with one of the other related compounds disclosed in the [Griffin Article] and/or Praxis’ [KCNT1 Patent Application]).” Defs.’ Br. at 15. However, although information disclosed publicly through a patent disclosure does not constitute protectable trade secrets, “patent holders are not necessarily precluded from cultivating trade secrets that go beyond the corpus of the patent or that refine the patent’s process in some proprietary way.” Mallet & Co. Inc. v. Lacayo, 16 F.4th 364, 383 (3d Cir. 2021) (internal quotation and citation omitted). The Court is not persuaded that the Griffin Article and Praxis’ KCNT1 Patent Application disclosed the trade secret compounds such that the trade secrets are readily ascertainable through proper means. Whether Praxis’ confidential compounds are readily ascertainable from the publicly disclosed Compound 31, as argued by Defendants, is a factual issue that should not be decided by the Court at the motion to dismiss stage.

Accordingly, the Court concludes that dismissal under Federal Rule of Civil Procedure 12(b)(1) is improper because Praxis has established the existence of trade secrets entitled to protection under the DTSA at this preliminary stage of the litigation. The Court concludes that it has subject matter jurisdiction over this case pursuant to 28 U.S.C. § 1331 and 18 U.S.C. § 1836(c), and supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

II. Motion to Dismiss Under Federal Rule of Civil Procedure 12(b)(6)

Federal Rule of Civil Procedure 8(a) requires that pleadings contain a short and plain statement of the claim showing that the pleader is entitled to relief. Fed. R. Civ. P. 8(a)(2). If pleadings fail to state a claim, in whole or in part, on which a court may grant relief, a defendant may seek to dismiss a complaint under Federal Rule of Civil Procedure 12(b)(6). Fed. R. Civ. P. 12(b)(6). “To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” Ashcroft v. Iqbal (“Iqbal”), 556 U.S. 662, 678 (2009) (quoting Bell Atl. Corp. v Twombly (“Twombly”), 550 U.S. 544, 570 (2007)). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” Id. Plausibility requires “more than a sheer possibility that a defendant has acted unlawfully.” Id. In considering a motion to dismiss, the Court must assume the factual allegations contained in the

complaint to be true and draw all reasonable inferences in favor of the non-moving party. Twombly, 550 U.S. at 555–56. However, “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice” to state a claim. Iqbal, 556 U.S. at 678; see Donald J. Kochan, While Effusive, “Conclusory” is Still Quite Elusive: The Story of a Word, Iqbal, and a Perplexing Lexical Inquiry of Supreme Importance, 73 U. Pitt. L. Rev. 215, 307 (2011) (“‘[C]onclusory’ sets a standard that requires a certain degree of case-by-case, contextual analysis.”).

A. Trade Secret Misappropriation Under the DTSA and DUTSA (Counts I and II)

Plaintiff alleges that Defendants misappropriated Praxis’ trade secrets under the DTSA and the Delaware Uniform Trade Secrets Act (“DUTSA”). Compl. at ¶¶ 87–110; 6 Del. C. § 2001 et seq. Defendants move to dismiss Plaintiff’s DTSA and DUTSA claims under Rule 12(b)(6), arguing that the alleged trade secret compounds do not qualify for trade secret protection and that the Complaint fails to state a claim for misappropriation. See Defs.’ Br. at 16.

Count I of the Complaint alleges that Praxis’ confidential information related to compounds used in the development of KCNT1 inhibitors, including the structure and therapeutic characteristics of particular compounds, qualifies as trade secrets under the DTSA and asserts that Goldstein misappropriated Praxis’ trade secrets by disclosing and misusing them by disclosing them to Actio, and using

them in the development of Actio's compounds. Compl. at ¶¶ 88, 93. The Complaint avers that Actio misappropriated Praxis' trade secrets by knowingly using and benefiting from them with knowledge that Goldstein acquired them under circumstances giving rise to a duty to maintain their secrecy. *Id.* at ¶ 93. Defendants argue that Praxis failed to plausibly allege the existence of compounds entitled to trade secret protection and that Praxis failed to plausibly state a claim for misappropriation. Defs.' Br. at 16–19. Praxis contends that Defendants' motion should be denied because Defendants raise factual disputes and not pleading deficiencies. Pl.'s Resp. Br. at 11–20.

As stated previously, to survive a motion to dismiss, the DTSA requires a plaintiff to demonstrate:

(1) the existence of a trade secret, defined generally as information with independent economic value that the owner has taken reasonable measures to keep secret[;] (2) that is related to a product or service used in, or intended for use in, interstate or foreign commerce[;] and (3) the misappropriation of that trade secret, defined broadly as the knowing improper acquisition, or use or disclosure of the secret[.]

Oakwood Lab'ys, 999 F.3d at 905 (internal quotation and citation omitted). At the pleading stage, a plaintiff must identify trade secrets with enough specificity to place a defendant on notice of the basis of the claim against it and must use sufficient particularity to separate the information “from matters of general knowledge in the trade[.]” *Id.* at 906 (citation omitted).

Similarly, under the DUTSA, the plaintiff must establish: “(1) the existence

of a trade secret; (2) the communication of a trade secret by [the] plaintiff to the defendant; (3) which was pursuant to an express or implied understanding that secrecy of the matter would be respected; and (4) the secret information has been improperly used or disclosed by the defendant to harm the plaintiff.” Dow Chem. Can. Inc. v. HRD Corp. (“Dow Chem.”), 909 F. Supp. 2d 340, 346 (D. Del. 2012), aff’d, 587 F. App’x 741 (3d Cir. 2014) (citing Savor, Inc. v. FMR Corp., 2004 WL 1965869, at *5 (Del. Super. 2004)).

The Complaint states that Plaintiff has trade secret information “relating to its non-public candidate KCNT1 inhibitor compounds, including the identity, formula, structure, properties and KCNT1-inhibiting activities of each such compound.” Compl. at ¶ 30. The Complaint alleges that the “non-public results of assays and comparative analyses of candidate KCNT1 inhibitor compounds also constitute Praxis’ confidential information and trade secrets . . . [a]nd Praxis possesses non-public know-how that constitutes additional confidential information and trade secrets.” Id. Under the appropriate standard for a motion to dismiss under Rule 12(b)(6), the facts alleged in the Complaint are viewed as true in favor of the nonmovant. Accordingly, the Court concludes that Plaintiff identified the trade secrets with enough specificity and particularity pursuant to the DTSA and DUTSA to place Defendants on notice of the bases of the claims. See Oakwood Lab’ys, 999 F.3d at 906; Dow Chem., 909 F. Supp. 2d at 346.

The Complaint states that this information is not readily ascertainable by proper means by other persons because the information was the result of years of confidential development work. Compl. at ¶¶ 90–91. Plaintiff asserts that it made efforts to maintain the secrecy of the information by “binding all recipients of trade secrets—internal and external to Praxis—to confidentiality agreements, thoroughly classifying sensitive data, training its employees on confidentiality, specifying how to handle secret information through a Code of Conduct, and implementing strict IT security precautions.” *Id.* at ¶ 103. Plaintiff alleges that Defendant Goldstein acquired trade secret information “under circumstances giving rise to a duty to maintain their secrecy because this information was disclosed to him under the FSABA and MAA[.]” *Id.* at ¶¶ 92, 104. Praxis asserts that Goldstein misappropriated the trade secret information when he disclosed the information to Actio for use in the development of Actio’s compounds. *Id.* at ¶¶ 93, 105. Viewing the facts alleged in the Complaint as true in favor of the nonmovant, the Court concludes that the Complaint sufficiently states that Praxis has taken reasonable measures to keep its trade secrets confidential and the expectation of confidentiality surrounding the trade secrets was conveyed to Goldstein under the DTSA and DUTSA. *See Oakwood Lab’ys*, 999 F.3d at 905; *Dow Chem.*, 909 F. Supp. 2d at 346.

The Complaint alleges that Actio misappropriated Praxis’ trade secrets “by

knowingly using and benefiting from them with knowledge that Goldstein acquired them under circumstances giving rise to a duty to maintain their secrecy[.]” and that Defendants misappropriated Praxis’ trade secrets by trying to claim patent rights over compounds developed by Praxis and by publishing them in the Actio’s patent applications. Id. at ¶¶ 93–94, 105–06. Plaintiff avers that “Defendants’ misappropriation of Praxis’ trade secrets was willful and malicious . . . [and] intentionally caused injury to Praxis.” Id. at ¶¶ 95–107. The Complaint provides information that Plaintiff considers trade secrets relating to its non-public candidate KCNT1 inhibitor compounds, and specifies the measures taken to protect this information. Praxis offers a side-by-side comparison of Praxis’ non-public candidate KCNT1 inhibitor compounds and the compounds disclosed in Actio’s patent applications. See id. at ¶¶ 69–80. Accordingly, under the appropriate standard for a motion to dismiss pursuant to Rule 12(b)(6) and viewing the facts alleged in the Complaint in the light most favorable to the nonmovant, the Court concludes that Praxis has sufficiently alleged misappropriation of its trade secrets through Goldstein’s disclosure and Actio’s use of the trade secrets under the DTSA and DUTSA. See Oakwood Lab’ys, 999 F.3d at 905; Dow Chem., 909 F. Supp. 2d at 346.

At the motion to dismiss stage, viewing all facts in favor of the non-movant, the Court concludes that Plaintiff has sufficiently pled its trade secret

misappropriation claims to defeat a motion to dismiss under Iqbal/Twombly and to progress to the discovery and fact-finding stage of litigation. Accordingly, the Court denies Defendants' Motion to Dismiss as it relates to Counts I and II.

B. Breach of Contract for Violation of the MAA (Counts III and IV)

In Counts III and IV of the Complaint, Praxis alleges breach of contract against Goldstein for violations of Sections 5 and 6 of the MAA. Compl. at ¶¶ 111–26. Defendants move to dismiss Counts III and IV of the Complaint, arguing that Praxis fails to plausibly allege breach of contract by Defendant Goldstein. Defendants also move to dismiss Counts III and IV on the basis that there is no jurisdictional reason that such claims could not be pursued in the proper state forum because Counts III and IV are based solely on a supplemental jurisdiction basis. Defs.' Br. at 19–20. Having concluded that dismissal under Federal Rule of Civil Procedure 12(b)(1) is improper because the Complaint plausibly established the existence of a trade secret and misappropriation under the DTSA and DUTSA, the Court addresses Defendants' Motion to Dismiss Counts III and IV under Rule 12(b)(6).

In order to survive a motion to dismiss for failure to state a breach of contract claim, the plaintiff must demonstrate: (1) “the existence of the contract, whether express or implied;” (2) “the breach of an obligation imposed by that contract;” and (3) “the resultant damages to the plaintiff.” VLIW Tech., LLC v.

Hewlett-Packard Co., 840 A.2d 606, 612 (Del. 2003) (citation omitted). Plaintiff's Complaint contends that the MAA is governed by Delaware law, and that under Delaware law, the MAA is a valid contract that is binding upon Praxis and Goldstein. Compl. at ¶¶ 112, 120. The Complaint contends that on March 3, 2021, Goldstein and Praxis entered into the MAA, under which Goldstein would continue to provide consulting and advisory services to Praxis. Id. at ¶ 55. Drawing all reasonable inferences in favor of Plaintiff under the Iqbal/Twombly pleading standard, the Court concludes that the Complaint plausibly pled the existence of a contract between Praxis and Goldstein.

Praxis alleges that the MAA restricts Goldstein's use of Praxis' confidential information and trade secrets because Goldstein agreed to:

- (i) hold in confidence all Confidential Information, and not disclose Confidential Information without the prior written consent of Praxis;
- (ii) use Confidential Information solely in connection with the Services;
- (iii) treat Confidential Information with no less than a reasonable degree of care; (iv) reproduce Confidential Information solely to the extent necessary to provide the Services, with all such reproductions being considered Confidential Information; and (v) notify Praxis of any unauthorized disclosure of Confidential Information promptly upon becoming aware of such disclosure.

Id. at ¶ 56. The Complaint contends that Goldstein also agreed to "use Praxis Materials only as necessary to perform the Services," "not transfer or make available to any third party the Praxis Materials without the express prior written consent of Praxis," and "return to Praxis any and all Praxis Materials upon

request.” Id. Praxis avers that the MAA broadly defines “Confidential Information” to mean “(a) any scientific, technical, business or financial information or trade secrets in whatever form (written, oral or visual) that is furnished or made available to [Goldstein] by or on behalf of Praxis, (b) all information contained in or comprised of Praxis Materials []; and (c) all Work Product.” Id. at ¶ 57. The Complaint defines “Praxis Materials” to include “[a]ll documents, data, records, materials, compounds, apparatus, equipment and other physical property furnished or made available by or on behalf of Praxis to [Goldstein] in connection with this Agreement.” Id.

Praxis contends that the MAA also requires Goldstein “to assign to Praxis all rights in the United States and throughout the world to Work Product,” in which “Work Product” is defined to mean:

all inventions, discoveries, improvements, ideas, concepts, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, trade secrets, know how, information, data, documentation, reports, research, creations and other products arising from or made in the performance of (solely or jointly with others) the Services (whether or not patentable or subject to copyright or trade secret protection).

Id. at ¶ 59.

Plaintiff alleges that Section 5 of the MAA required that Goldstein assign to Praxis all work product developed by Goldstein, and that Goldstein represented and warranted that he had and would have the right to transfer and assign to Praxis

ownership of all work product, and would take all actions needed to confirm Praxis' rights. Id. at ¶ 122. The Complaint avers that Goldstein breached these obligations by misappropriating Praxis' confidential information to assist Actio in filing patent applications claiming Praxis' intellectual property. Id. at ¶ 123.

Praxis contends that Actio's patent applications cover "compounds derived from work product covered by the MAA, notwithstanding Goldstein's agreement that all work product developed by Goldstein pursuant to the MAA is or would be assigned to Praxis." Id. The Complaint asserts that Praxis has suffered damages as a direct and proximate result of Goldstein's breaches of Section 5 of the MAA because Goldstein's breaches deprived Praxis of its right to its inventions, which Goldstein is obligated to assign to Praxis under Section 5 of the MAA. Id. at ¶¶ 124–25.

Plaintiff contends that Section 6 of the MAA prohibits Goldstein from disclosing any confidential information that he received from Praxis and using Praxis' confidential information for any purposes other than in connection with the services for which Praxis retained Goldstein to provide. Id. at ¶ 114. The Complaint alleges that Goldstein breached these obligations "at least by disclosing Praxis' confidential information to Actio, including the structure of Praxis' KCNT1 inhibitors . . . and by using Praxis' confidential information to assist Actio to develop KCNT1 inhibitors." Id. at ¶ 115. The Complaint avers that Praxis has

suffered damages as a direct and proximate result of Goldstein's breaches of Section 6 of the MAA because Goldstein's breaches destroyed the value of Praxis' confidential information and facilitated the development of products that will compete with Praxis and its licensee. Id. at ¶¶ 116–17.

At this preliminary stage of the litigation, and drawing all reasonable inferences in favor of Plaintiff under the Iqbal/Twombly pleading standard, the Court concludes that the Complaint plausibly states a claim for breach of contract based on the obligation imposed on Goldstein by the MAA and the subsequent alleged breach by Goldstein. The Complaint sufficiently identifies damages that Praxis has suffered as a direct and proximate result of Goldstein's alleged breaches of the MAA. Defendants' Motion to Dismiss as it relates to Counts III and IV of the Complaint is denied.

CONCLUSION

Accordingly, upon consideration of Defendants' Motion to Dismiss (D.I. 16), and all other papers and proceedings in this action, it is hereby

ORDERED that Defendants' Motion to Dismiss (D.I. 16) is denied; and it is further

ORDERED that on or before October 5, 2026, the Parties shall meet and confer and file a joint proposed Scheduling Order in this action consistent with the applicable form Scheduling Order of Judge Connolly, which is posted at

<https://www.ded.uscourts.gov/> (see Chambers, Chief Judge Colm F. Connolly), along with a cover letter requesting the Court to enter the joint proposed Scheduling Order (if there are no disputes or other issues concerning scheduling that the Court needs to address) or to schedule the Scheduling Conference. If the Parties are unable to agree upon a proposed Scheduling Order, each Party shall file a proposed Scheduling Order by the deadline and contact my Case Manager, Steve Taronji, by telephone at (212) 264-1611 or via e-mail at steve_taronji@cit.uscourts.gov, to arrange a conference with the Court.

IT IS SO ORDERED this 3rd day of September, 2026.

/s/ Jennifer Choe-Groves

Jennifer Choe-Groves
U.S. District Court Judge*

*Judge Jennifer Choe-Groves, of the United States Court of International Trade, sitting by designation.