

## NY Judge Largely Ends Trade Secrets Suit Against Fintech Co.

By Adam Lidgett

*Law360 (August 16, 2023, 6:55 PM EDT)* -- A New York federal judge on Wednesday threw out most of a suit claiming an entertainment industry payroll and payment fintech company stole a producer's idea, tossing claims for things like trade secret theft and contract breach.

U.S. District Judge Edgardo Ramos dismissed most counts of Michael Scott Vogel's suit against Wrapbook and the company's founders.

For one thing, the judge said Vogel wasn't consistent if he and two of the Wrapbook co-founders ever figured out a profit-share arrangement when talking about developing the electronic production technique at issue.

There — ruling on allegations of breach of contract and breach of a covenant of good faith and fair dealing — the judge said the complaint conflates whether there was a joint venture versus a partnership.

"But Vogel's claims fare no better as a joint venture than as a partnership," the judge wrote.

And on the misappropriation of trade secrets claim, the judge said, "Vogel has failed to plead that a joint venture or partnership agreement ... nor a quasi-contractual relationship" existed between him and two of the co-founders of Wrapbook.

Multiple claims in the case were tossed by the judge, but an unjust enrichment claim was left intact, according to the Wednesday order. The judge also gave Vogel the opportunity to amend his suit.

Vogel's suit said he met with a software programmer named Naysawn Naji — one of the defendants in the suit — years ago to work together on what Vogel said was his idea for a computer system to better handle media production, according to the judge. Some of that idea was to better manage things like payroll and costs, according to court documents.

Vogel, Naji and Hesham El-Nahhas — another defendant who was brought on to help with the coding — worked to make the things like the software code for the system Vogel wanted to call Tradekraft, according to court documents.

But eventually Naji, El-Nahhas and another defendant started Wrapbook, which "includes several features similar to those which had been planned for Tradekraft," the judge's decision said.

"We are pleased with the Court's decision dismissing plaintiff's baseless claims," Steve Feldman, an attorney for the defendants, said in a statement.

Counsel for Vogel did not immediately respond to requests for comment on Wednesday.

Vogel is represented by James M. Smedley and Curtis Brett Leitner of McCarter & English LLP.

The defendants are represented by Steven N. Feldman and Jason R. Burt of Latham & Watkins LLP.

The case is Vogel v. Takeone Network Corp. et al., case number 1:22-cv-03991, in the U.S. District Court for the Southern District of New York.

--Editing by Patrick Reagan.