

Washington Supreme Court Holds Trade Secrets Not Categorically Excluded From Disclosure Under State Public Records Act, More Stringent Injunction Standard Applies

Legal Alert
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Lyft Inc. and Rasier LLC (collectively, “Lyft”) filed suit under Washington’s Public Records Act, ch. 42.56 RCW (“PRA”), seeking to enjoin the City of Seattle from releasing quarterly zip code reports Lyft submits to the City pursuant to local ordinance. Lyft asserted that the reports are protected from public disclosure because they are trade secrets under the Uniform Trade Secrets Act, ch. 19.108 RCW (“UTSA”). The superior court entered a permanent injunction preventing release of the zip code reports, and the Washington Supreme Court accepted direct review of the court’s decision.

In a [5-4 decision](#), the Washington Supreme Court reversed the order granting injunctive relief. First, the Court determined that, while the evidence was mixed and the question was not beyond debate, substantial evidence supported the superior court’s findings that the zip code reports were trade secrets within the meaning of the UTSA.

The Court continued, however, that this does not end the inquiry because trade secrets are not categorically exempt under the PRA. The Court stated that the second step is to apply the injunction test in the PRA: whether the party seeking to enjoin disclosure has shown that disclosure (1) is clearly not in the public interest and (2) would result in substantial and irreparable harm to any person or vital governmental interest. RCW 42.56.540.

The Court held that the superior court erred by instead applying the general injunction standard of Civil Rule 65 articulated in *Tyler Pipe Industries, Inc. v. Department of Revenue*, 96 Wn.2d

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785, 792, 638 P.2d 1213 (1982). The Court therefore reversed and remanded the case to the superior court for consideration of the facts under the PRA injunction standard.

In a separate opinion, four justices dissented from the majority's conclusion that the PRA injunction standard applies and would have instead applied Civil Rule 65, noting, "The case at hand is one in which we must balance [the PRA's] mandate for disclosure with the legislature's express wish to protect trade secrets." The opinion reasoned that because the Court had never determined the proper injunction provision applicable to trade secrets that are also public records, applying CR 65 was an appropriate way to balance the competing interests at stake.

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