



---

## *pleasrdao v. shkrel*: wu-tang clan album may be considered a trade secret

---

Written by Constance Kang  
*MSK Client Alert*

October 6, 2025

Can a rare musical work constitute a trade secret? In a novel application of trade secret law to a Wu-Tang Clan album, a federal judge in the Eastern District of New York has answered "yes." U.S. District Judge Pamela Chen's September 25 order emphasized the unusual nature of this analysis, as musical works do not fit squarely within traditionally protected categories of trade secrets such as customer lists or proprietary formulae. See *PleasrDAO v. Shkreli*, No. 24-CV-04126 (September 25, 2025).

The lawsuit centers around Wu-Tang Clan's album "Once Upon a Time in Shaolin." The album has never been released publicly, and one physical copy of the album exists. Martin Shkreli, former hedge fund and pharmaceutical executive, purchased the album in 2015 for \$2 million, making it the most expensive record ever sold. The restrictive purchase agreement governing the sale prevents any buyer from copying or exploiting the album beyond certain permitted uses, such as exhibition within relatively private venues, for a period of 88 years.

In 2021, PleasrDAO, a self-identified collective of NFT collectors and digital artists that collects and displays culturally significant media, purchased the album for \$4 million. Following the sale, Shkreli played the album on social media livestreams and has stated publicly that his self-made copies of the album are hidden in safes around the world. In response, PleasrDAO sued Shkreli for several violations, including misappropriation of trade secrets. The district court granted a preliminary injunction enjoining the defendant from possessing, using, disseminating, or selling any interest in the Album. Shkreli later moved to dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief could be granted.

In considering PleasrDAO's trade secret claim, the court recognized that trade secrets include "all forms and types of business information," so long as the requisite criteria pertaining to "reasonable measures" to maintain secrecy and

### attorneys

Constance Kang

### practice areas

intellectual property



## *pleasrdao v. shkrelis: wu-tang clan album may be considered a trade secret*

---

"independent economic value" derived from that secrecy are met. The court noted that this definition was broad and that Shkreli seemed to concede that the trade secret statutes might apply to material such as the musical work at issue.

The court proceeded to apply the factors under New York case law that help determine whether information qualifies as a trade secret—the first two of which involved the extent to which the album was known outside of and within PleasrDAO's business. The court found that these factors were satisfied, as the complaint adequately alleged that the album's contents remained unknown to the public at large and that the distribution of the album was restricted.

Third, the court considered the extent of measures taken to guard the album's secrecy. The court found that the complaint plausibly alleged that PleasrDAO had taken reasonable protective measures such as armed security guards, video surveillance, and checks on the album's condition.

Fourth, the court found that the album derived independent economic value from its secrecy, as Wu-Tang Clan has produced only one non-public copy of the album, which came with stringent usage and distribution restrictions. The court distinguished other authorities that declined to equate unreleased songs with trade secrets, as PleasrDAO's unique business model aims to use the album to create an "experience" that its competitors cannot provide, rather than facilitating a traditional public commercial release of music. The court further noted that the album's restrictions preserved the special intention of its producers to protest the devaluation of music in the digital era, although the court did not elaborate on how an "experience" in pursuit of this goal might manifest. (For its own part, PleasrDAO has purported to have digitized and encrypted the album, such that fans may access excerpts and speed up the album's public release date by purchasing an NFT of the work.[1] and has hinted at plans to play the album at ticketed exhibitions.[2])

Finally, the court considered the ease or difficulty with which the album could be properly acquired or duplicated by others. The court found that the complaint sufficiently alleged that the album was "cloaked" with a "substantial element of secrecy," as, for example, the album could only be exhibited in limited settings.

As the court emphasized throughout its order, this application of trade secret doctrine to musical works is uncharted territory. And the court's exact analysis may be unique, given the historic nature of and the iconic artistry behind the album. Nevertheless, the case may provide a hook for creators and collectors of other exclusive artistic works to consider whether those works might merit protection under trade secret law as well as copyright. In particular, the court's analysis of the intrinsic value derived from the album's quintessential secrecy appears particularly useful for the still-expanding world of NFTs and other digital assets with limited access. As the valuation of creative assets changes, so may the law. As Wu-Tang Clan themselves prophetically put it, "Cash Rules Everything Around Me"—even the parameters of trade secret protections.

[1] <https://pitchfork.com/news/wu-tang-clan-once-upon-a-time-in-shaolin-turned-into-nft/>

[2] <https://www.rollingstone.com/music/music-features/wu-tang-nft-album-once-upon-time-shaolin-1244859/>