



quinn emanuel trial lawyers

quinn emanuel urquhart & sullivan, llp

Trade Secret Litigation

We have an exceptionally strong record in trade secret misappropriation actions. We have represented companies of all sizes in such cases, including General Motors, Shell Oil, Motorola, Northrop Grumman, Avery Dennison, Disney, Hughes, IBM, Mattel, easyJet Airlines and many others. In 2010, *The American Lawyer* ranked us “Top IP Litigation Department of the Year.”

In today's competitive environment, employee and executive mobility is on an upswing. Coupled with the relative easy transfer of technology and information, this heightens the risk of misappropriation of confidential information. We take pride in our ability to act against misappropriators quickly, producing high-quality legal work – even overnight. We have obtained temporary restraining orders (with and without notice) as well as preliminary injunctions. And we have an excellent record defending our clients in diverse areas of technology.

Capitalizing on our experience in trade secret litigation, one of our partners, David Quinto, co-authored *Trade Secrets: Law and Practice* (Oxford University Press 2009), a comprehensive guide to avoiding, preparing for, prosecuting and defending trade secret misappropriation claims. The book analyzes on a state-by-state basis such topics as the applicability of the "inevitable disclosure" doctrine, the requirement that a plaintiff identify the trade secrets in suit before commencing discovery, pre-emption of other state- and federal-law claims, defenses unique to trade secret claims, and the enforceability of non-compete agreements. It also addresses in detail potential criminal law remedies and means to avoid misappropriation claims. The book has been endorsed by, among others, a former dean of the Columbia Law School and president of the American Law Institute, a former American Bar Association president, and the author of a leading trade secret law treatise.

REPRESENTATIVE TRADE SECRET CLIENTS

Anti Defamation League
Avery Dennison
Brøderbund Software
Callidus Software
Corbis
Data East
Disney
Electronic Arts
Fox
FremantleMedia
Google

HBO
Hallmark
Home Depot
IBM
Intuit
INVISTA/Koch Industries
Mattel
Motorola
MTV
Multiply.com
Napster

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RECENT REPRESENTATIONS

- INVISTA S.à r.l., INVISTA Technologies S.à r.l., INVISTA North America S.à r.l. v. Rhodia S.A. (Third Circuit Court of Appeals) On behalf of Koch Industries subsidiaries **INVISTA S.à r.l., INVISTA Technologies S.à r.l., INVISTA North America S.à r.l. (collectively, “INVISTA”)**, Quinn Emanuel obtained a dismissal of an appeal by French chemicals firm Rhodia S.A. (“Rhodia”) from a district court’s denial of Rhodia’s motion to dismiss or stay an action filed by INVISTA in Delaware state court. Weeks before oral argument, defendant Rhodia attempted use a ruling issued in a parallel arbitration proceeding to bolster its appeal before the Third Circuit. However, Quinn Emanuel was able to capitalize on the ruling to convince the Court to dismiss the appeal as moot. The Third Circuit held that a defendant may not obtain a stay of litigation in favor of a foreign arbitration pursuant to the Federal Arbitration Act (the “FAA”) when the arbitral tribunal has already rejected the defendant as a party to the foreign arbitration. The decision allowed INVISTA’s claims against Rhodia to move forward in Delaware state court while the foreign arbitration, involving two Rhodia affiliates and one of the three INVISTA plaintiffs, proceeds simultaneously.
- Coty Inc. v. Harvey P. Alstodt; Bruce C. Kowalsky; Diversified Beauty Products (f/k/a MBA Beauty, Inc.); and Harvey P. Alstodt Associates, Inc. (N.Y. State Supreme Court 2010). We obtained a TRO against two former executives of client **Coty, Inc.**, stopping them from violating their covenant not to compete by marketing a nail polish line which, “coincidentally,” consisted of many colors identical to Coty’s line.
- Rudamac, Inc. v. Daniel Chambers, Thousand Oaks Printing & Specialties, Inc. and Consolidated Graphics, Inc. (L.A.S.D. 2009). We represented a **printing company** in a case it brought against a former employee and his new employer alleging misappropriation of trade secrets, breaches of fiduciary duty and interference with economic advantage. We were substituted in as counsel several months before trial. After a month-long trial straddling the holidays, we won a jury verdict for \$5.7 million in compensatory damages and over \$8 million in punitive damages.
- SPS Technologies v. Motorola (Fla. Cir. Ct. 2008). We were retained by **Motorola** for the retrial of a theft of trade secret action following a mistrial. The plaintiff sought to wage a classic "David versus Goliath" battle, claiming that his small, defunct technology company was driven out of business by Motorola to facilitate the theft of its trade secrets valued at \$10 billion. After aggressively challenging the

claims in pretrial motion practice, the case favorably settled days before the retrial was to commence.

- Think Partnership v. Nelson (D. Utah 2008). We represented various individuals accused by their employer of forming a competing company using the employer's trade secrets while working for the employer. We negotiated a favorable settlement for our clients.
- Rent IT v. Home Depot (C.D. Cal. 2008). After the Ninth Circuit partially reversed a summary judgment we won on behalf of **Home Depot** in a suit filed by a disgruntled software vendor alleging theft of trade secrets and breach of a non-disclosure agreement, we prevailed at trial, obtaining a complete defense verdict on all claims.
- Bancorp v. Hartford (E.D. Mo. 2002). We represented **Bancorp Services** in a suit against the Hartford Insurance Company for stealing trade secrets and breaching a confidentiality agreement. After a two-week trial requiring that we explain sophisticated financial products to jurors, the St. Louis jury deliberated for less than a day and unanimously awarded Bancorp \$118 million.
- 3M v. Avery Dennison (D. Minn. 2002). After **Avery** hired three of its scientists, 3M filed suit and spent tens of millions trying to prove its trade secret misappropriation claims, seeking a nine-figure recovery. After we demonstrated that the claimed trade secrets were unprotectable, the case settled very favorably to Avery.
- Broadcom v. Sarnoff (C.D. Cal., 9th Cir. 2002). We obtained summary judgment in favor of our client, a General Electric/RCA spinoff, on trade secret misappropriation claims involving QAM modem technology. The judgment was affirmed by the Ninth Circuit.
- Avery Dennison v. Four Pillars (N.D. Ohio 2000). A Taiwanese competitor collaborated with an Avery Dennison employee to steal trade secrets. On behalf of **Avery Dennison**, we worked with the FBI and the Department of Justice to catch the thieves. A sting operation videotaped the competitor accepting trade secrets. The defendants were arrested that night, and served with a complaint and a temporary restraining order the next morning. A Cleveland jury ultimately awarded \$80 million.
- Litton v. Honeywell, 234 F.3d 358 (Fed. Cir. 2000). One of our partners represented **Litton** (now **Northrop**) in an action alleging Honeywell caused an ex-Litton employee to breach agreements obligating him to protect trade secrets. The jury awarded Litton \$1,200,000,000. The parties settled the case for \$440,000,000 in 2000.
- 3M v. Avery Dennison (Orange County Super. Ct. 1999). We represented **Avery Dennison** when it hired a salesperson from 3M who, unbeknownst to Avery, brought

3M documents with him. Alleging trade secret misappropriation, 3M sued both Avery and the employee. Although the documents came to light when a 3M marshal raided the employee's house, we persuaded the jury that Avery had no knowledge of the employee's activities. After a 3-month jury trial we obtained a complete defense verdict.

- Lasergraphics, Inc. v. CalComp, Inc. (Orange County Super. Ct. 1999). We represented **CalComp** in a two-month trial involving multiple claims of misappropriation of trade secrets, fraud and breach of contract involving the computer protocol for high-speed color printers, obtaining a directed verdict on 5 of 6 of the claims at the close of the plaintiff's case.
- Celeritis v. Rockwell and AT&T, 150 F.3d 1354 (Fed. Cir. 1998). Representing **Celeritis** in an action involving the misappropriation of trade secrets needed to enable the cellular transmission of data, one of our partners recovered a judgment of \$65 million. The total recovery was over \$70 million.
- Litton v. Ssangyong, 109 F.3d 30 (Fed. Cir. 1997). On behalf of **Litton** (now **Northrop**), following judgment and remand on appeal, one of our partners negotiated a settlement involving an 8-figure payment and the defendant's withdrawal from the market place based on evidence that the defendant had misappropriated exported trade secrets needed to make the fine control radar for the F-16 fighter plane.
- General Motors v. Lopez de Arriortua (E.D. Mich. 1997). We represented **General Motors** against Volkswagen and GM's former head of sourcing in Detroit for stealing secret GM documents. Working closely with inside lawyers from GM, we amassed devastating evidence and defeated all Volkswagen's jurisdictional and substantive motions. On the eve of the Volkswagen chairman's deposition, we obtained a \$1.1 billion settlement.
- Coyle v. Atari (C.D. Cal. 1989). One of our partners represented **Coyle** in a trade secret misappropriation and patent infringement action involving the misappropriation of technology that was later patented. He obtained a 7-figure settlement.
- Litton v. Sundstrand (C.D. Cal. 1988). In an action involving the trade secrets needed to make laser gyroscopes, one of our partners on the first day of trial obtained an 8-figure settlement and secured the defendant's withdrawal from the market place.

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