

Company sued ex-employee for disclosing trade secrets

Defendant emailed self valuable IP during last week with plaintiff

By: Michigan Lawyers Weekly Staff in Verdicts & Settlements April 1, 2015

An employee of plaintiff Walbridge Industrial Process LLC left to join a competitor of plaintiff, defendant Atlas Industrial Contractors LLC. As a result of that employee and his new employer showing up to bid on the same jobs the employee had bid on for plaintiff, an investigation was conducted into the former employee's use of plaintiff's computer systems prior to his departure.

Forensic reconstruction and examination of the employee's email account with plaintiff revealed that the employee had spent the better part of his last week of his employment emailing himself documents and electronic spreadsheets to an outside email account he had created. Included in the documents emailed to himself were some of the plaintiff's most valuable intellectual property.

Suit was thereafter filed for violation of the Michigan Uniform Trade Secrets Act, conversion and other claims.

Forensic examination of the outside email account, as well as the former employee's laptop computer at his new employer, Atlas, revealed that he had forwarded the emails to himself at Atlas, and thereafter began circulating the plaintiff's materials to others at Atlas.

The trial court thereafter established a protocol for permanent deletion of all files found on the Atlas systems. Hard copies of certain materials had also been taken and were returned during the pendency of the case.

The case was tried over six full trial days. A Wayne County Circuit Court jury deliberated for a little over three hours before returning the verdict in favor of the plaintiff, awarding all of the damages sought. The jury awarded \$5.3 million and allocated 30 percent against the former employee and 70 percent against the new employer.

Post-trial discussions with jurors revealed that they were particularly troubled with the lack on any action on the part of the new employer to stop the activity when the former employee first began circulating materials belonging to the plaintiff.

Keefe A. Brooks, co-counsel for plaintiff, provided case information.

Type of action: Misappropriation of trade secrets

Type of injuries: Economic

Name of case: *Walbridge Industrial Process LLC v. Atlas Industrial Contractors LLC*

Court/Case no./Date: Wayne County Circuit Court; 13-003711-CK; March 25, 2015

Tried before: Jury

Name of judge: Hon. Susan D. Borman

Demand: \$5.3 million

Highest offer: \$200,000

Verdict amount: \$5.3 million

Case evaluation: \$200,000

Most helpful expert: J. Stott Matthews, computer forensics and digital discovery, Franklin

Attorneys for plaintiff: Keefe A. Brooks, Michael R. Turco

Attorney for defendant: Thomas G. Cardelli

Tagged with: BUSINESS LAW JUDGE SUSAN D. BORMAN WAYNE COUNTY CIRCUIT COURT

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