

Local Attorney Wins Case Involving Theft of Company's Trade Secrets

A Washington lawyer successfully represented a high-tech Missouri company in a case involving the theft of trade secrets.

Attorney Steve Kuenzel represented Brewer Science of Rolla in a lawsuit against one of the company's former employees, Hai Xuan, his wife, Hong Sheng, and Best Tools LLC.

Brewer Science manufactures coatings used for microchips and also makes spin coater machines, Kuenzel said.

"They (Brewer Science) had an employee who was highly educated and highly trained in all of their equipment and processes and capabilities who the judge found to have misappropriated a lot of their trade secrets, predominantly concerning these spin coaters and having gone to China and linked up with a manufacturer and distributor there and started making these spin coaters in direct competition to Brewer Science," Kuenzel said.

The case was in Franklin County Circuit Court.

This type of trade secret litigation is unusual in this area, Kuenzel said, adding that it was a "calculated methodology of getting these trade secrets . . ."

There were "a lot of games" played in the lawsuit when it came to the defendants producing documents, Kuenzel said. The defendants failed to appear for trial, and the judge ruled in favor of Brewer Science.

"(The defendants) pretty well thumbed their nose at this judge



Steve Kuenzel

and thumbed their nose at the American court system," Kuenzel said.

Brewer Science was awarded damages of \$1.6 million to cover the cost of the products sold by the competing company and research and development costs.

In addition, 20th Judicial District Associate Circuit Judge Robert D. Schollmeyer awarded punitive damages of \$8.4 million.

But Kuenzel said he thinks it is unlikely that the defendants will pay the damages.

"You've got to remember it's very hard to enforce an American judgment in China," Kuenzel

said. "People who in today's world want to play these kind of games they just hop to another country, and a lot of other governments are not very inclined, they don't see this conduct as being inappropriate."

Even though Kuenzel's clients won the case, he said he thinks the Chinese manufacturer will continue to make the product with Brewer Science's technology.

"My clients are elated with the outcome although they have probably won the battle but lost the war because it is virtually impossible to go to China and stop the manufacturer of the knock-offs," Kuenzel said.

The competing product made by the Chinese manufacturer is inferior to Brewer Science's product, Kuenzel said.

The defendants took Brewer Science's design, trade secrets, customer list, product instructions, and training materials, and sold the product across the world over the Internet, Kuenzel said.

It took Brewer Science at least 20 years to develop its product whereas the other company was probably operating in less than a year by taking the ideas, Kuenzel said.

"It truly does cost American jobs when this kind of thing is done," Kuenzel said.

The high amount of punitive damages will hopefully deter others from taking a company's trade secrets, Kuenzel added.

The defendants could not be reached for comment.