DuPont Awarded 20-Year Ban in Trade Secrets Case

By: Sheldon Mak & Anderson

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DuPont Co. was recently awarded a 20-year permanent injunction in a <u>trade secrets</u> <u>misappropriation case</u> involving its Kevlar technology. The court order bans Korean textile maker Kolon Industries Inc. from making a competing high-strength fiber.

The court order illustrates the severity of the remedies available in a trade secrets case. Kolon was already ordered by a federal jury to pay DuPont \$919.9 million in damages last September.

The lawsuit involved the theft of 149 trade secrets relating to DuPont's high-strength synthetic fiber, which is used in bulletproof vests, military helmets, <u>tires</u>, brakes and fiber-optic cables. DuPont alleged that Kolon recruited its former employees and used DuPont's proprietary business information to create its competing product, Heracron fiber.

In instituting the lengthy injunction, U.S. District Judge Robert Payne noted that the damages award would not prohibit Kolon from using the stolen trade secrets at DuPont's expense. As detailed by <u>Reuters</u>, Payne further stated that DuPont might have to go to South Korea to enforce the judgment.

"That Kolon found it necessary as a matter of corporate policy to misappropriate DuPont's trade secrets to augment the knowledge and efforts of its own research staff illustrates that, left to its own devices, Kolon simply would not have developed the trade secrets it misappropriated," Payne wrote. Kolon has requested that the injunction be stayed pending an appeal.

This case demonstrates the significant economic impacts of trade secret misappropriation. The ruling in this case, if upheld, will likely have a significant impact on the future success and failure of both companies involved.

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