

Massive Damages in U.S. Trade Secret Cases Signal High Stakes for Businesses

August 22, 2025

Recent U.S. trade secret verdicts have demonstrated the extraordinary financial exposure companies face under the Defend Trade Secrets Act (DTSA). Courts have awarded hundreds of millions in damages for misappropriation of proprietary information. These awards often include exemplary damages for willful misconduct and attorney's fees, making the stakes even higher.

Enacted in 2016, the DTSA provides a federal private right of action for trade secret misappropriation. It allows companies to bring lawsuits in federal court when their trade secrets—defined broadly to include financial, business, scientific, technical, and engineering information—are misappropriated in connection with products or services used in interstate or foreign commerce.

Recent Cases with Significant Verdicts

Zunum Aero, Inc. v. The Boeing Co., No. 24-5212 (9th Cir. Aug. 14, 2025)

- Verdict: \$81 million in jury-awarded damages reinstated by appellate court

Propel Fuels, Inc. v. Phillips 66 Co., Case No. 22CV007197 (Cal. Super. Ct., Alameda County)

- Verdict: \$604.9 million in compensatory damages + \$195 million in exemplary damages.

Zest Labs, Inc. v. Walmart Inc., Case No. 4:18-cv-00500 (E.D. Ark.)

- Verdict: \$72.7 million in compensatory damages + \$150 million in exemplary damages

Sonrai Systems, LLC v. Anthony M. Romano and The Heil Co., Case No. 1:16-cv-03371 (N.D. Ill.)

- Verdict: \$28.9 million in compensatory damages + \$30 million in exemplary damages

AMS-OSRAM USA Inc. v. Renesas Electronics Am. Inc., Case No. 4:08-cv-00451 (E.D. Tex.)

- Final Judgment: \$52 million

Key Strategies to Minimize Risk:

1. Use Clean Teams During Due Diligence: The use of clean teams is one of the best ways for businesses to demonstrate that they acted responsibly and in good faith when handling another party's confidential information. A clean team is a group of individuals who are isolated from the company's product development or strategic decision-making. By separating access, clean teams reduce the risk of inadvertently using another party's trade secrets in product development or business strategy.

Continued

2. Implement Strong Confidentiality Agreements: Ensure that NDAs and confidentiality clauses are clear, comprehensive, and tailored to the specific relationship. Include definitions of protected information, obligations upon termination, and remedies for breach. Regularly review and update these agreements to reflect evolving business practices and legal standards.

3. Limit Access to Sensitive Information: Restrict access to trade secrets using role-based permissions and need-to-know protocols. Maintain detailed logs of who accessed what and when and use digital rights management tools to monitor and control data sharing. This not only protects the information but also provides a defensible record in case of litigation.

4. Train Employees on Trade Secret Protocols: Educate all employees, but especially those in R&D, sales, and leadership, on what constitutes a trade secret, how to handle confidential data, and the legal consequences of misappropriation. Regular training reinforces awareness and helps build a culture of compliance.

5. Conduct Exit Interviews and Monitor Departures: During employee offboarding, remind individuals of their continuing obligations under NDAs and employment agreements. Monitor for unusual data activity before and after departure and consider disabling access to sensitive systems immediately upon notice of resignation.

6. Document Internal Safeguards: Courts look favorably on companies that can demonstrate they took reasonable steps to protect their trade secrets. Maintain written policies, audit trails, and records of training, access controls, and enforcement actions. This documentation can be critical in defending against claims or pursuing enforcement.

If you have any questions about these cases or trade secret issues more generally, please contact your Miller Canfield attorney or the authors of this alert.