

Case scenario bug usa

Business



Case Scenario, BUGusa, Inc. University of Phoenix BUGusa is a company who designs, manufactures, and sells electronic recording devices.

These devices are highly sophisticated and even used by local police departments and the FBI. The devices are typically used to record sounds and noises through houses. Because these devices are highly sophisticated, BUGusa spends a lot of money in the research and development of these devices. The large investment that BUGusa spends to create such unique devices can be protected in a number of ways. These include trade secret protection, patenting their products, and even registering their trademark.

These will each be discussed in detail throughout this essay. Even when BUGusa takes caution and thinks their protected by the law, the company's own employees can turn on the company and hurt them in a large way. In this example, Steve is hired by WIRETAP, to intercept email and give that information to a competitor. We will examine his actions and decide what civil violations he may be breaking. Another incident we will examine is when Walter discovers Steve working for another company.

It appears as though he takes matters into his own hands; so we will examine this and see if BUGusa is liable in anyway. Another issue that we will surely look at then is if WIRETAP is liable for Steve's actions since they did in fact hire Steve. Finally, we will go over the recent break-ins of the vehicles and muggings of Bug employee's. These employees have been targeted at their workplace and we will identify whether or not BUGusa is liable. BUGusa's success as a business relies on them designing state of the

art microphone devices that law enforcement agencies can use to fight crime.

Law enforcement as well as the FBI chooses BUGusa's microphones because they're unique and have the ability to hear through the walls of a house. BUGusa must protect their inventions so other companies can't copy and sell similar technology. One thing the company may choose to do is patent their unique devices. According to our author, " a patent is a government sanctioned monopoly right that allows an inventor the exclusive entitlement to make, use, license, and sell their invention for a set period of time (Melvin, 2011). " Because this company's success rather relies on their developed products, patents and trade secrets are very important to their survival. This company may also want to have trade secret protection.

A trade secret is a formula, pattern, compilation, program, device, method, technique, or process that is the subject of efforts that are reasonable under the circumstances to maintain its secrecy" (Melvin, 2011). This would also be very smart for BUGusa to look into because trade secrets can be maintained as long as the secret doesn't get out. A final tip I would give to BUGusa is to register their trademark so another company can't copy it and take business that wasn't truly earned by them. The ladybug with headphones is a great trademark and I believe by having it as solely their trademark, it will encourage future business. Sometimes in business a competitor may try to get an employee on the inside of another business in order to steal ideas and any other useful trade secrets. WIRETAP has told Steve to go to work for BUGusa and send all intercepted emails back to WIRETAP.

This is an intentional act of WIRETAP trying to spy inside an organization of a competitor. This is quite unethical and the penalties of such actions can be quite stiff. As for Steve, I believe he would be guilty of the economic espionage act of 1996. Two of many things that this document covers are economic espionage and theft of trade secrets. Steve and WIRETAP were both involved in these acts and I believe each would be held accountable. The damages BUGusa could collect in court would reflect any losses that incurred because of WIRETAP and its unethical employees.

Walter may have felt he was protecting the company, but he was creating more problems. When another employee suspects someone of fraudulent behavior it is crucial to follow the proper channels. Problems are to be reported to a member of management who will be able to coordinate with human resources to investigate the situation. This way no one is accused wrongly of actions that could cost their job or their reputation. For legal purposes it is important to follow the procedure for investigating claims against another employee. Otherwise the employee could sue the BUG and be a real financial burden on the company.

Walter's decision to interrogate Steve was out of line. Even though Steve really was working for WIRETAP and sharing the company's financial and private trade information, he could get away with it by suing BUG for being threatened by Walter. Because Walter kept him in custody for six hours and threatened to physically harm him in order to give up information, Steve could claim duress. The manner in which Steve was treated was unethical and unfair and forced Steve to confess that he was guilty of working for BUG's competitor. In court he could say that he felt his life was in danger and

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was forced to admit that he was guilty. Even though he really was the guilty one, he could easily escape charges through duress.

BUG will ultimately be liable for Walter's actions. It is their responsibility to make sure that all employees are compliant with their policies and procedures. If someone is threatening another individual, they may be held responsible entirely and Steve could sue the company. In situations where someone was put in a wrongful situation, the company could try to take legal action by relieving the offender, in this case Walter, from his job. This would show the court that they have a zero tolerance policy for bad business ethics. Even though Walter's intentions were to support BUG and get a confession out of Steve, he ruined any chance they had at filing charges against him by physically threatening him. BUG is liable for the vendor and the employees that were attacked.

Obviously it was not their intention to have someone rob and attack people under their nose, but they are responsible according to "strict liability tort," (Martin, Chapter 9, 2011). This means that regardless of intention, BUG is responsible for what happens on their property. They are also liable because of negligence. They knew the lighting was poor and should have changed the light bulbs in order to deter any more thefts. Even though it wouldn't guarantee that no one would ever get robbed, it could have easily prevented the vendor being robbed. BUG should also be held responsible for the cost of the stolen chips the vendor was delivering.

The only defense BUG has is that Shady Town has had a large increase in crime. This was not their fault. It was clearly not the intention of the

company to hurt employees or any vendor conducting business with them. To be realistic, there were many things that BUG could have done to protect their assets. They should have hired more security, kept all areas well lit and made sure no one walked to their cars alone at night. They could have had safety training in order to prevent any further loss.

In order to bring a successful action against WIRETAP and Steve, BUG needs to prove that there has been a pattern of violations. During BUG's investigation they found that Steve was hired by WIRETAP to rob them of their intellectual property. Information was stolen, via email and other methods, to facilitate the transfer of information. As we can see, there is a pattern of fraudulent behavior being committed between WIRETAP and Steve on a consistent basis. Based upon the charges, state or federal charges could begin.

If BUG is successful in pursuing a civil RICO, they are allowed to receive compensation. The law allows the injured party to receive three times the amount of damages, plus legal fees. The high cost of losing a RICO case can serve as deterrence to other potential offenders. As we have seen throughout this case study, companies must always be vigilant in protecting themselves from internal and external threats. Having the proper protections such as copyrights, patents and trade secrets is extremely important.

Also there needs to be proper training as part of the internal controls. Walter ended up breaking numerous laws in his confrontation with Steve because proper procedures were not handled. However, the government has learned from past experiences by writing different laws, such as RICO, to protect

businesses and the American public. By properly understanding their material, we can better understand how to work laws into our favor, and ultimately protect ourselves. References Martin, S. P.

(2011). The Legal Environment of Business: A Managerial Approach: Theory to Practice. Retrieved from The University of Phoenix eBook Collection database.