

Trade secrets paper

Business



Misappropriation of Trade Secret In the case of Dana Ltd v. American Axle, Dana accused the American Axle against misappropriation and stealing of trade secrets through its employees that had left Dana to work at American Axle. The three employees who left Dana downloaded Dana's files, which they carried with them to American Axle, and due to this Dana claimed that they carried the company's secrets to another company that makes the same products (Dana Ltd. v. American Axle and Mfg. Holdings, Inc. 1).

However, the fact was that it was unclear whether the files downloaded by the employees carried valuable secrets. In addition, there was no policy at Dana that prevents the employees from copying files for personal use.

History of such case shows that the plaintiff must prove misappropriation of trade secrets by the employees. In addition, some cases base their arguments on the doctrine of inevitable disclosure to protect employees from accusations of misuse of company secrets (Lang 467).

Several questions arose before the court, and these were was the American Axle an aggressive competitor of Dana Ltd, did employees misuse the trade secrets, did American Axle use the trade secrets, and finally, were the employees poached from Dana or they were laid off? The court ruled in American Axle's favor by noting that the case for misuse or misappropriation was not proved (Dana Ltd. v. American Axle and Mfg. Holdings, Inc. 1). In addition, American Axle demonstrated that they were not competitors of Dana, and thus, they would not need to use their secrets to further their business. Finally, there was no policy at Dana Ltd that prevented employees from copying files for personal use. I agree with the ruling because there was insufficient evidence to prove misuse or misappropriation of company secrets by the employees.

<https://assignbuster.com/trade-secrets-paper/>

Works Cited

Dana Ltd. v. American Axle and Mfg. Holdings, Inc. No. 1: 10-CV-450.

Southern Division, United States District Court. 11 May 2011. Web.

Lang, Jon. " The Protection of Commercial Trade Secrets." E. I. P. R. (2003):
462-470. Print.