Proskauer

Jury Awards $452 Million After Trade Secrets Trial

Proskauer on Trade Secrets on **January 22, 2025**

On December 3, 2024, a U.S District Court for the District of Massachusetts jury awarded Plaintiff Insulet Corporation $452 million in compensatory and punitive damages after finding Defendants willfully misappropriated Insulet's trade secrets. *Insulet Corp. v. EOFlow Co. Ltd., et al.*, Case No. 1:23-cv-11780 (D. Mass.)

Insulet is a manufacturer of tubeless insulin pump patches with its Omnipod brand of products. Insulet Omnipod products have been FDA approved since 2005. Defendant is a competitor of Insulet, manufacturing its own line of insulin pump patches, first with the EOPatch in 2011 and then the EOPatch 2 in 2018.

In its complaint, Insulet claimed that the original patch Defendant developed starting in 2011 employed "different pumping technology to deliver insulin," and "early prototypes of [Defendant's] product … looked nothing like Insulet's Omnipod products." But, in 2018, only two years after Defendant hired multiple former Insulet senior executives and other employees and entered into a joint development and collaboration contract with Insulet's primary contract manufacturer, Defendant launched a redesigned version of its product that allegedly was nearly identical in look and function to Insulet's Omnipod products.

Insulet alleged that through these actions, Defendants willfully and maliciously misappropriated Insulet's trade secrets. Specifically, the former employees that had access to and knowledge of Insulet's trade secrets as a result of their positions at Insulet allegedly stole Insulet's trade secrets and Defendant allegedly misappropriated them by hiring those former employees. Doing so allegedly allowed "[Defendant] to use the Insulet Trade Secrets to design the EOPatch as an Omnipod clone and implement the manufacturing and commercialization processes for the EOPatch that each [Insulet employee] knew would work as it did for the Omnipod product." According to Insulet, this was further compounded by Defendant's contract with Insulet's primary contract manufacturer as the contract manufacturer had access to Insulet's design specifications which further allowed Defendant to copy the Omnipod products.

After a four-week trial, the jury found that all but one defendant misappropriated Insulet's trade secrets, and at least some of the misappropriation was willful and malicious. It then awarded Insulet $170 million in compensatory damages and an additional $282 million in exemplary damages for willful and malicious misappropriation, for a total damages award of $452 million.

The sheer size of this award is in line with a recent trend we have seen in the trade secret misappropriation arena.

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