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$30 Million Message: Jury Awards Substantial Punitive Damages for Trade Secret Theft

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A nearly decade-long legal battle in the U.S. District Court for the Northern District of Illinois recently concluded with a significant jury verdict, underscoring the potentially severe consequences of trade secret theft claims. In *Sonrai Systems, LLC v. Anthony M. Romano and The Heil Co. d/b/a Environmental Solutions Group*, Case No. 16-cv-03371, a jury awarded Sonrai Systems, LLC ("Sonrai") nearly $29 million in actual damages and an additional $30 million in punitive damages after determining that its confidential information had been misappropriated.

The conflict began with a failed business relationship between Sonrai, a technology company specializing in automation and data collection for the waste hauling industry, and The Heil Company ("Heil"), a manufacturer of garbage trucks. In 2014, the two companies entered into a confidentiality agreement to explore integrating Sonrai's proprietary "Vector" technology into Heil's fleet. Vector is a vehicle information tool that allows a garbage truck fleet operator to monitor relevant data from trucks in real time. After negotiations, Heil and Sonrai were unable to reach a deal for use of the technology. Instead, Heil acquired another company, which it used to develop and launch a competing product called "Enhance." Sonrai alleged that this new product was developed using its confidential information.

During the negotiations, the then-Executive Vice President of Sonrai worked with Heil to evaluate and demonstrate Sonrai's technology. He later resigned from Sonrai and joined Heil, where Sonrai claimed he used misappropriated confidential information to aid in the development of Heil's competing product.

Sonrai filed suit in 2016, asserting claims under the Defend Trade Secrets Act, the Illinois Trade Secrets Act, breach of contract, and various torts. After nearly nine years of litigation, the case went to a multi-week jury trial. The jury found that Heil had willfully and maliciously misappropriated Sonrai's trade secrets and breached its contractual obligations, awarding Sonrai $28.9 million in damages. The jury also awarded $30 million in punitive damages against Heil.

This case highlights the need for diligent protection of trade secrets through contracts and internal controls. It sends a resounding message about the high cost of corporate misconduct in the competitive world of industrial technology.

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