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# Massive $800 Million Verdict in Landmark Trade Secret Case

**Proskauer on Trade Secrets** on **August 14, 2025**

A California state jury awarded Propel Fuels, Inc. $604.9 million in damages after finding Phillips 66 Company liable for trade secret misappropriation. *Propel Fuels, Inc. v. Phillips 66 Co.*, Case No. 22CV007197 (Cal. Oct. 16, 2024). The jury found defendant willfully misappropriated the trade secrets after conducting due diligence in connection with a potential acquisition of the plaintiff, a low-carbon fuel company.

The dispute began when the parties entered negotiations in 2017 to explore a potential acquisition or joint venture involving plaintiff's proprietary renewable, low-carbon gasoline and diesel technology. Using a non-disclosure agreement, plaintiff shared confidential information regarding its model, sales data, and novel fuel technology. Plaintiff claimed defendant abruptly terminated negotiations in 2018, and began selling its own renewable fuel in 2019. Suspecting misuse of its trade secrets, plaintiff filed suit in 2022 under California's Unfair Competition Law.

In October 2024, a jury concluded defendant had willfully misappropriated plaintiff's trade secrets, which in turn would allow the Court to award up to double the base award in exemplary damages. And that's what the Court did in its July 30, 2025 ruling. In awarding $195 million in exemplary damages—three times the purchase price offered before defendant terminated negotiations—the Court found it more appropriate than the $1.2 billion requested. According to the Court, defendant's behavior was "reprehensible" and an abuse of its bargaining power as an "oil and gas behemoth." The Court noted that examples of this behavior include: having the same executives overseeing due diligence and defendant's independent renewable diesel efforts; assuring plaintiff things were "on track" for weeks after an executive had already decided against the deal; and "dangling the carrot" of $25 million in incentives to defendant's executive team.

The Court acknowledged the “enormous” verdict while reaffirming that this was approximately the amount of defendant’s ill-earned gains.  Likewise, the $195 million in exemplary damages was “directly tied to the real-world value of the benefit of the parties’ bargain”; defendant saved months, if not years, of research and development based off the data plaintiff had provided.

This verdict, which marks one of the largest trade secret verdicts in history, falls in line with a trend of eye-popping damage awards when juries perceive a “David verse Goliath” situation.  It suggests that companies should consider including using due diligence teams that are not comprised of its research and development personnel, particularly in the same field, maintaining consistent communications, and acting accordingly.

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