

Green iron battle: Fortescue raided former staff to investigate 'IP theft'

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Body

<u>Fortescue Ltd (ASX:FMG)</u> claims it would be impossible for rival green iron venture, Element Zero, to deliver an operational green iron prototype without the mining giant's proprietary technology.

The Andrew Forrest-led mining giant has accused former employees, CFO Michael Masterman and scientists Bart Kolodziejczyk and Bjorn Winther-Jensen, of intellectual property theft, arguing the defendants relied on its proprietary technology to advance Element Zero.

In May, *Fortescue* obtained secret court orders to raid the scientists' homes and Element Zero's office and factory units.

Following a suppression order battle, the Federal Court last week released documents that include affidavits filed by *Fortescue* as the company prepared for the surprise raids.

Those affidavits include two from Paul Dewar, the principal lawyer at <u>Fortescue</u>'s representatives, Davies Collison Cave Law. Dewar disclosed that <u>Fortescue</u> had instructed Lancasters Investigations to conduct surveillance on Kolodziejczyk, Winther-Jensen and a third individual to establish their identities and locations.

The surveillance included detailed observations, such as Winther-Jensen watering his garden and following a woman into a shopping centre. Despite a search order granted by Justice Melissa Perry permitting raids on Kolodziejczyk's home, Dewar's affidavit revealed that the investigators also spied on properties owned by Michael Masterman, who was not targeted by the search orders.

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An affidavit from a solicitor for Element Zero, Kolodziejczyk and Masterman, highlighted concerns over the invasive nature of the surveillance and the extensive data capture during the search orders. Williams said around three terabytes of data were seized, containing confidential and privileged information that was unrelated to the case.

Upon discovering the surveillance, *Fortescue* founder Andrew Forrest expressed his surprise and warned the FMG legal team.

A new affidavit, from mining and engineering consultant Wayne McFaull, asserts that Element Zero's rapid progress could only be attributed to having access to *Fortescue*'s design documents from January 2023.

McFaull claims that Element Zero's \$5 million research fund was not enough for the level of research and development they achieved. He said, "Projects in the nature and complexity of the *Fortescue* project and the Element Zero project take a great deal of trial and error."

Element Zero has denied <u>Fortescue</u>'s claims and is challenging the private search and seizure orders. A preliminary hearing in the Federal Court was set for today, with the full hearing scheduled from August 18.

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