

MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PRISM ANALYTICS, INC.,

Plaintiff,

Case No. 22-CV-09874

v.

MEMORANDUM OF LAW IN SUPPORT OF
VECTOR DATA SYSTEMS, LLC, DEFENDANT'S MOTION FOR SUMMARY
Defendant. JUDGMENT

PRELIMINARY STATEMENT

Defendant Vector Data Systems, LLC ("Vector Data") respectfully submits this memorandum in support of its motion for summary judgment pursuant to Federal Rule of Civil Procedure 56.

Summary judgment is warranted because Plaintiff Prism Analytics, Inc. ("Prism") cannot establish a genuine dispute of material fact on any of its claims.

STATEMENT OF FACTS

Prism alleges that Vector Data misappropriated Prism's proprietary data analytics methodology and incorporated it into Vector Data's competing "DataPulse" platform. The undisputed record shows otherwise:

1. Vector Data independently developed DataPulse beginning in Q1 2020 -- before any contact with Prism -- as evidenced by git commit logs, engineering design documents, and testimony from Vector Data's engineering team.
2. Prism's asserted trade secret -- its "weighted confidence interval methodology" -- was disclosed in Prism's 2019 white paper published openly on its website and in a peer-reviewed academic journal, destroying any trade secret protection.
3. The functionality Prism identifies as allegedly misappropriated (adaptive threshold calibration) is covered by Vector Data's U.S. Patent No. 11,234,567, filed in March 2020.

LEGAL STANDARD

Summary judgment is appropriate when "there is no genuine dispute as to any material fact

and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a); see Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). The non-moving party must present "significant probative evidence" to defeat a properly supported motion. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986).

ARGUMENT

I. PRISM'S TRADE SECRET CLAIMS FAIL BECAUSE THE ALLEGED SECRET WAS PUBLICLY DISCLOSED

To prevail on a trade secret misappropriation claim under the Defend Trade Secrets Act (18 U.S.C. § 1836), a plaintiff must demonstrate that the information constituted a trade secret at the time of misappropriation. A trade secret must be kept reasonably secret by its holder. Prism's publication of its methodology in 2019 -- with full technical detail -- destroyed any trade secret protection before Prism and Vector Data ever discussed a partnership.

II. VECTOR DATA INDEPENDENTLY DEVELOPED DATAPULSE

Even if Prism's methodology had retained trade secret status, independent development is a complete defense under 18 U.S.C. § 1839(6)(B). The undisputed engineering records establish that Vector Data's team independently arrived at similar techniques through their own research.

III. PATENT PREEMPTION

Prism's state-law unfair competition claim is preempted to the extent it is based on the same conduct as the patent misappropriation claim. See Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 156 (1989).

CONCLUSION

For the foregoing reasons, Vector Data respectfully requests that this Court grant summary judgment in its favor on all counts, and award Vector Data its reasonable attorneys' fees and costs as the prevailing party under 18 U.S.C. § 1836(b)(3)(D).

Respectfully submitted,

MORRISON & HARTWELL LLP

By: /s/ Katherine A. Morrison

Katherine A. Morrison

Counsel for Defendant Vector Data Systems, LLC

Date: November 10, 2022