CASE LAW REVIEW #XXX

Caudill Seed & Warehouse Co. v. Jarrow Formulas, Inc.

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| Not given, Not given  Judge Karen Nelson Moore  Case: [XX-XX-00000-XXX](about:blank) | SUMMARY  In Caudill Seed & Warehouse Co. v. Jarrow Formulas, Inc., the dispute centered around the trade secret misappropriation by Jarrow Formulas. Caudill alleged Jarrow misused its trade secret related to broccoli seed extract production, leading to a trial focusing on damages for misappropriation, including research and development costs, and unjust enrichment. The jury’s instructions allowed considerations beyond mere development costs, incorporating the defendant’s profits from the trade secret use. |

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| DECISION | The jury found Jarrow Formula’s misappropriation of Caudill’s trade secret to be willful and malicious, awarding compensatory damages, and unjust enrichment. The district court upheld these awards, and on appeal, the decision to award $404,605 in unjust-enrichment damages and exemplary damages of $1,000,000 plus attorney fees was affirmed. |
| LEGAL SIGNIFICANCE | This case underscores the flexible approach courts may take in calculating damages in trade secret misappropriation cases, considering both the unjust enrichment of the defendant and the actual losses of the plaintiff. It highlights trade secret laws’ adaptability to varying factual circumstances and the significance of willful and malicious behavior in awarding exemplary damages. |
| FINANCIAL JUDGMENT | $404,605 in unjust-enrichment damages, $1,000,000 in exemplary damages, and $3,254,303.50 in attorney fees were awarded. |
| KEY TAKEAWAYS | The verdict demonstrates the courts’ willingness to consider broad measures of damages in trade secret misappropriation cases, focusing on both the plaintiff’s losses and the defendant’s unjust gains. The emphasis on willful and malicious misappropriation as a basis for exemplary damages serves as a stern warning against trade secret theft. |