

Case Summary

LeJuene v. Coin Acceptors, Inc.

2004 WL 1067795 (Md. 2004)

Computer Forensic Expert Uncovers Employee's Attempt to Download Employer's Confidential Documents

The plaintiff filed a motion for a temporary injunction to enjoin the defendant from using trade secrets that the plaintiff believed the defendant had misappropriated. The defendant claimed that any "trade secrets" that he had copied were coincidental. He claimed that he was attempting to copy personal photos that were in the "my documents" folder of the hard drive; since he didn't know how to separate out files, he copied the whole "my documents" folder. The plaintiff's hired a computer forensic expert who was able to refute the statement by the defendant; not only had the defendant copied one of the plaintiff's files that was not in the "my documents" folder, but the defendant had also attempted to erase the record of the file transfer.

Decision

The trial court ruled, and the appellate court affirmed, that this was a misappropriation of "trade secrets" under the Maryland Uniform Trade Secrets Act. The trial court granted the plaintiff's motion for the preliminary injunction based on the doctrine of "inevitable disclosure".

However, the appellate court disagreed with this part of the ruling, vacated the injunction, and remanded the case for further proceedings. The appellate court did not agree with the trial court's ruling on the issue of "inevitable disclosure" for the following reasons: (1) the doctrine permits an employer to enjoin the former employee without proof of the employee's actual or threatened use of trade secrets based upon an inference (based in turn upon circumstantial evidence) that the employee will use his or her knowledge of those trade secrets in the course of his new employment. The result is not merely an injunction against the use of trade secrets, but an injunction which restricts employment; (2) if "inevitable disclosure" were recognized in this case, then the plaintiff would benefit from a non-compete agreement even though it never negotiated one with the defendant; finally, (3) the adoption of the doctrine would permit the court to infer "inevitable disclosure" from the employee's mere exposure to trade secrets.

Recovered Computer Forensic Evidence