

Jury Awards \$58.7 Million for Trade Secret Misappropriation After Technology Disclosure Pursuant to NDA

March 11, 2015

On March 6, in a U.S. District Court for the Eastern District of Texas case, Texas Advanced Optoelectric Solutions (TAOS) Inc. obtained a verdict against Intersil Corp. (Nasdaq: ISIL) for trade secret misappropriation, breach of contract, patent infringement, and tortious interference. The jury found that Intersil used TAOS's patented technology for dual-diode ambient light sensors without consent. The jury also found that the defendant used TAOS's business trade secrets to obtain a competitive advantage. The verdict included \$48.7 million for trade secret misappropriation and \$10 million in punitive damages for trade secret misappropriation and tortious interference. In 2004, Intersil sought to purchase TAOS to enter the light sensor market. Both companies executed non-disclosure agreements. TAOS shared details about its technology and business secrets including vendor information and pricing details. After receiving the information Intersil failed to go forward with the purchase. A year after the talks ended, Intersil entered the light sensor market and undercut TAOS to win major supply contracts.

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