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Client Advisory

Caught with their Hands in the Fig Jar--Pirating Companies Pay Big for a Secret Recipe in the First Jury Verdict Under the DTSA

On February 27, 2017, a federal jury in Easton Pennsylvania returned the first verdict in the country under the <u>Defend Trade Secrets Act ("DTSA"</u>). The case, Dalmatia Import Group, Inc. v. Foodmatch, Inc., et al. dealt with Plaintiff Maia Magee's secret recipe for the popular Dalmatia fig jam. According to the evidence presented, at some point in the past Dalmatia decided to replace its distributor, FoodMatch Inc., and supplier, Lancaster Fine Foods Inc. Soon thereafter, however, Foodmatch and Lancaster went into the fig-jam-making business for themselves and took with them Dalamtia's secret recipe. According to reports, the jury found that Foodmatch and Lancaster willfully misappropriated Dalmatia's trade secrets, as well as committed trademark infringement and counterfeiting, and awarded treble damages that will bring the judgment to \$5.2 million.

The bottom line from the Dalamatia case is that the DTSA may prove to be a potent tool in your business's arsenal to protect trade secrets and confidential business information, including recipes and proprietary product formulations. To read more about the DTSA and why businesses should revise their contracts to get the full benefits of the DTSA, read our previous advisory <u>here</u>.

If you have any questions about the DTSA, or would like to further explore the ways in which you can further protect your trade secrets, (particularly if you are a member of the food services industry), please contact co-chairs of the <u>Trade Secret and Non Compete Practice Group</u>, <u>Robert T. Egan, Esq.</u> or <u>Thomas A. Muccifori, Esq.</u>; or <u>Deborah A. Hays, Esq.</u>, <u>Daniel DeFiglio Esq.</u> or any member of the group in Haddonfield, N.J., at (856) 795-2121, in Princeton, N.J., at (609) 580-3700, in Hackensack, N.J., at (201) 342-6000, in Philadelphia, Pa., at (215) 963-3300, or in Wilmington, Del., at (302) 777-4350.

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