

Computer Trade Secrets

By Reg P. Wydeven
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In the business world, having even the slightest edge over your competition can mean the difference between soaring profits and bankruptcy. That's why a company's trade secrets are guarded more closely than the gold at Fort Knox. This is especially true in the cutthroat computer industry.

Internet search engine giant Yahoo Inc. recently filed a lawsuit against wireless company MForma for theft of trade secrets. An 800-employee company, MForma is best known for providing games and music applications for cell phone carriers, including Verizon Wireless, Cingular Wireless, Sprint, Vodafone, Orange and others. MForma wanted to expand its operations by providing wireless content to these carriers, such as scores and highlights of NCAA Tournament games, so it hired away an engineer from Yahoo.

Once aboard MForma, this employee then recruited six of his former Yahoo colleagues to jump ship and join MForma, which Yahoo alleges violated his contract with the company. The lawsuit further contends that the defectors took financial forecasts, business strategy documents and even source code for technologies designed by Yahoo for transmitting wireless content to cell phones.

Yahoo discovered the plot by uncovering archived instant messaging conversations between the employees containing their discussions of leaving. The conversations took place on Yahoo's company laptops, but then the employees switched to America Online software to avoid detection.

Yahoo is seeking a temporary restraining order to prevent MForma from using any of its business or technical data. Yahoo is also seeking monetary damages, however, the company wants the opportunity to evaluate how its trade secrets were used before asking for a specific amount of damages.

In an ironic twist, Yahoo was recently sued by Nuance Communications for stealing trade secrets after Yahoo hired a team of that company's employees. As part of another legal matter initiated by the federal Department of Justice, Yahoo turned over a month's worth of internet search requests from its search engine. Yahoo, in addition to AOL and MSN, provided these millions of web addresses and word searches to the DOJ to assist the agency in resurrecting a law that would make it more difficult for children to view pornography online.

Google, Inc., however, refused to comply with the DOJ's request. Much like Yahoo's quest to protect its proprietary wireless content information, Google would not cooperate with the government out of fear of jeopardizing its search engine's trade secrets. Further, Google did not want to violate its users' privacy.

In an effort to force Google's cooperation, the DOJ requested a federal district court judge to order the company to turn over the information. The judge agreed, but only ordered Google to turn over a week's worth of internet search requests, as opposed to a month's.

The government's request stems from a pornography case in Pennsylvania. The DOJ intends to re-enter the search requests to show how easy it is to get around filtering software designed to prevent children from viewing sexually explicit material on the web.

Although the government claims otherwise, Google is convinced the DOJ will be interested in the vast amount of personal information is stored on its website. Google feels if it complies with this request, the floodgates will open and the government will want make more comprehensive requests in the future.

Obviously, these cases show that in the computer world, conspiracy theories aren't so theoretical after all.

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