THE NATIONAL LAW JOURNAL

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THE TOP 100 VERDICTS OF 2015

The National Law Journal's VerdictSearch affiliate scoured the nation's court records in search of 2015's biggest verdicts, also consulting with practitioners and reviewing reports by other ALM Media LLC publications. The amounts listed here represent jury awards—they do not account for judicial reductions, offsets or appeals.

RANK	AMOUNT	TYPE	NAME/COURT/DATE	LEAD PLAINTIFFS' ATTORNEY(S)/FIRM(S)	LEAD DEFENSE ATTORNEY(S)/FIRM(S)
45.	$42,500,000	Intentional Interference with a Contract	**MJC America Ltd. v. Gree Electric Appliances Inc.,** C.D. Calif., 2:13- CV-04264-SJO-CW, 5/15/2015	**Neal R. Marder** and **Ian C. Eisner,** Winston & Strawn, LLP, Los Angeles	**Mark C. Zebrowski** and **Ellen N. Adler, Morrison & Foerster,** San Diego
64.	$30,000,000	Intellectual Property	**FieldTurf USA Inc. v. Astroturf LLC,** E.D. Mich., 2:10-CV-12492-SJM-MJH, 10/9/2015	**Michael L. Brody** and **Derek J. Sarafa,** Winston & Strawn LLP, Chicago	**Thomas E. Bejin,** Bejin Bieneman PLC, Detroit; **Martin F. Gaynor III,** Manion, Gaynor & Manning LLP, Boston
84.	$24,500,000	Intellectual Property	**Suncoast Post-Tension Ltd. v. Scoppa,** S.D. Texas, 4:13-CV-03125, 10/13/2015	**John R. Keville** and **Erin C. Villaseñor,** Winston Strawn, Houston	**Gregory N. Ziegler** and **William I. Gardner,** Macdonald Devin P.C., Dallas

INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

Suit: Manufacturer intended to financially ruin joint venture

VERDICT **$42,500,000**

CASE MJC America, Ltd. dba Soleus International, Inc. and MJC America Holdings Co., Inc., and MJC Supply, LLC v. Gree Electric Appliances, Inc. of Zhuhai and Hong Kong Gree Electric Appliances Sales Ltd., and Does 1 through 10, Inclusive, No. 2:13-cv-04264-SJO-(CWx)

COURT United States District Court, Central District, Los Angeles, CA

JUDGE S. James Otero

DATE 5/15/2015

RANK 45

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Ellen N. Adler, Morrison & Foerster, San Diego, CA
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FACTS & ALLEGATIONS In July 2012, plaintiff MJC America Ltd., which was doing business as Soleus International Inc., a maker of comfort products for the home, began to receive complaints from its customers about dehumidifiers that it sold through a joint venture with the manufacturer, Gree Electric Appliances Inc. of Zhuhai, an appliance maker.

MJC and Gree Electric previously formed a joint venture, Gree USA Inc., in April 2010. Under their agreement, MJC transferred all its customer accounts, including those with major hardware stores – such as The Home Depot Inc. and Lowe's Cos. Inc. – to the newly formed entity. MJC then intended to market the Gree Electric-manufactured products to its customer base and sales and service networks under the brand name "SoleusAir Powered By Gree." However, in July 2012, MJC's customers began to complain that the Gree-manufactured dehumidifiers were prone to catching fire. MJC claimed that when it insisted that Gree Electric report the defects to the United States government, Gree Electric retaliated by attempting to terminate the joint venture by stopping the production of its appliances, raising prices, and then attempting to take away its biggest customers, all of which MJC claimed caused Gree USA, the joint venture, to lose out on lucrative contracts.

MJC America Ltd. (doing business as Soleus International Inc.), MJC America Holdings Co. Inc., and MJC Supply, LLC sued Gree Electric Appliances Inc. of Zhuhai and Hong Kong Gree Electric Appliances Sales Ltd. The MJC entities alleged that the Gree Electric entities' actions constituted fraud, intentional interference with a business contract, and intentional interference with prospective economic advantage.

MJC voluntarily dismissed its derivative claims, and its claims for breach of contract, breach of fiduciary duty, breach of the covenant of good faith and fair dealing, and two trademark claims. The court then dismissed MJC's remaining trademark claim and denied MJC's claim for unfair business practices.

Gree Electric subsequently filed a separate action against MJC in California Superior Court, seeking to recover nearly $30 million that it alleged that MJC took from the joint venture on the eve of filing suit, as well as other damages to Gree Electric and the joint venture. That case was set for trial in October 2015, and evidence regarding MJC's alleged conduct was excluded from the federal trial.

During the federal trial, MJC claimed that it warned Gree Electric about the defect with the Gree-manufactured dehumidifiers, but that Gree Electric insisted that only a small batch of its dehumidifiers had been made using non-fire-retardant plastic and that the material was used by many appliance manufacturers in China and was determined to be safe. However, MJC

hired product-testing experts to investigate, and the experts confirmed that there was a design error with the dehumidifiers produced for Gree USA and that the products built between 2010 and 2012 were made using substandard materials. As a result, MJC pulled the products off the market in November 2012, though the stop-sale did not occur until June 2013. Additionally, MJC claimed that it brought the defect to the federal government's attention, as it posed a threat to the public, and that the U.S. Consumer Product Safety Commission announced a recall of the dehumidifiers on Sept. 12, 2013.

MJC claimed that in response to the recall, Gree Electric launched a campaign to intimidate and financially ruin the American company and the joint venture, even before it brought the defect to the federal government's attention. It also claimed that Gree Electric stopped production of products sold by the partnership, which MJC had become reliant on after MJC transferred operational and intellectual property assets to Gree USA. MJC further claimed that the production freeze made it impossible for the company to deliver on a large portion of its confirmed orders. In addition, it claimed that Gree Electric refused to pay operating expenses owed to MJC and threatened to force Gree USA out of business if MJC did not acquiesce to its demands.

Gree Electric argued that MJC's claims lacked legal and factual merit.

Counsel for Gree Electric contended that Gree Electric and MJC jointly reported the product issue to the Consumer Product Safety Commission in March 2013, and that Gree Electric initiated a voluntary recall of the dehumidifiers on Sept. 12, 2013.

Gree Electric's counsel argued that the joint venture failed not because of any product issues, but because it was unprofitable as a result of MJC taking all the profit out of the company in the form of commissions. Counsel contended that Gree Electric's actions were not in retaliation for MJC's pressuring it to report to the Consumer Product Safety Commission. Instead, counsel contended that when Gree Electric sought to restructure the joint venture to accomplish its original agreed objectives of selling Gree-branded products, rather than "SoleusAir Powered by Gree" products, and to be a profitable company, rather than a shell company paying its profits out as commissions to MJC, that MJC resisted and surreptitiously set up its own competing endeavor, and then sued and initiated dissolution of the joint venture.

INJURIES/DAMAGES MJC's counsel asked the jury to award damages sufficient to compensate MJC for its losses, including lost profits caused by Gree Electric's alleged wrongful and intentional destruction of the joint venture.

The plaintiffs' accounting expert testified about MJC's damages, including lost profits and related topics. The plaintiffs' consumer products expert testified about reporting issues and topics related to the Consumer Product Safety Commission.

Counsel for Gree Electric disputed MJC's claim for damages based on lost profits.

RESULT The jury found for MJC on its contract interference and economic advantage claims against Gree Electric. However, it found for Gree Electric on MJC's fraud claim. The jury determined that MJC's damages totaled $42.5 million, including $12.5 million in compensatory damages and $30 million in punitive damages.

TRIAL DETAILS Trial Length: 11 days

PLAINTIFF EXPERT(S)

Alan H. Schoem, Esq., consumer goods, North Potomac, MD (CPSC reporting issues)

Michael Wallace, business interruption/lost profits, Los Angeles, CA

DEFENSE EXPERT(S)

Douglas R. Anderson, C.P.A., accounting, San Diego, CA

Richard L. Stern, mechanical, Warrenville, IL (Consumer Product Safety Commission expert)

EDITOR'S NOTE This report is based on information that was provided by plaintiffs' and defense counsel.

–Priya Idiculla

PATENTS — INFRINGEMENT

Plaintiff: Competitor infringed on its artificial turf patents

VERDICT **$30,000,000**

CASE FieldTurf USA Inc. and FieldTurf Tarkett Inc. v. Astroturf LLC, No. 2:10-cv-12492-SJM-MJH

COURT U.S. District Court for Eastern District of Michigan, MI

JUDGE Stephen J. Murphy, III

DATE 10/9/2015

RANK 64

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FACTS & ALLEGATIONS On April 20, 2004, plaintiff FieldTurf USA, a Montreal-based corporation, was issued a United States patent for a synthetic turf product incorporating woven artificial fibers over a layer of infill material. Astroturf, a Rochester, Michigan-based corporation, subsequently offered synthetic turf products for sale.

FieldTurf sued Astroturf, claiming patent infringement. Plaintiff's counsel maintained that Astroturf offers for sale at least four products that violate FieldTurf's patents. Plaintiff's counsel maintained the fiber length and the depth of the infill material in the Astroturf products are substantially identical to those in the FieldTurf patent. Plaintiff's counsel maintained the Patent Office conducted a reexamination of the validity of the patent at the request of a third party and confirmed the patent was valid. Plaintiff's counsel reported that Astroturf's president stated during cross-examination that his previous testimony had been "false" and the defense artificial turf expert stated the defense's claim that the patent was invalid was unfounded.

Astroturf denied any patent infringement and filed a counterclaim for false advertising and unfair competition under the Lanham Act. Defense counsel maintained the patent was invalid, arguing that FieldTurf had installed turf identical to the patented turf as early as 1996 and withheld this information from the patent office. Defense counsel maintained that FieldTurf's advertising materials and sales representatives have falsely claimed its products are lead-free and misrepresented the amount of infill material in its products, and that FieldTurf employees have made false claims to potential Astroturf customers that Astroturf's products violate FieldTurf's patents.

FieldTurf denied false advertising and unfair competition.

INJURIES/DAMAGES FieldTurf USA claimed patent infringement. It sought an unspecified amount in damages.

Astroturf claimed false advertising and unfair competition under the Lanham Act. It also sought an unspecified amount in damages.

RESULT The jury found Astroturf had willfully infringed FieldTurf's patent and that FieldTurf had not violated the Lanham Act. FieldTurf was awarded $20,281,000 in lost profits and $9,719,000 in reasonable royalties, for a total of $30 million.

TRIAL DETAILS Trial Length: 1 month

PLAINTIFF EXPERT(S)
Paul Hawkins, sports facilities,
Chelton D. Tanger, damage analysis, Atlanta, GA
Yoram Wind, Ph.D., marketing, Philadelphia, PA

DEFENSE EXPERT(S)
Hans J. Kolitzus, sports facilities, Fort Walton Beach, FL
Michael J. Wagner, business interruption/lost profits, Palo Alto, CA

EDITOR'S NOTE This report is based on information that was provided by plaintiff's counsel and information that was gleaned from court documents. Defense counsel did not respond to the reporter's phone calls.

–Rick Archer

INFRINGEMENT — MISAPPROPRIATION OF TRADE SECRETS

Plaintiff said employee took confidential drawings, software

VERDICT **$24,500,000**

CASE Suncoast Post-Tension, Ltd. v. Peter Scoppa, Sandeep N. Patel, The Sterling Engineering Group of Companies, PT USA, and others unknown, No. 4:13-cv-03125

COURT United States District Court, Southern District, Houston, TX

JUDGE Vanessa D. Gilmore

DATE 10/13/2015

RANK 84

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FACTS & ALLEGATIONS In 2012, Peter Scoppa was recruited away from his employer, plaintiff Suncoast Post-Tension Ltd., Houston, a supplier of post-tensioning concrete-support systems for high-rise buildings. Scoppa was an engineer and branch manager for Suncoast. He was recruited away by Sandeep Patel to be president of PT USA, a competitor of Suncoast. Patel owned PT USA, as well as The Sterling Engineering Group of Cos., a structural engineering firm that worked with PT USA and Suncoast.

Suncoast sued Scoppa, Patel, Sterling and PT USA. It also sued "others unknown," Suncoast employees who were allegedly involved in misappropriation of trade secrets, but only Scoppa, Patel, Sterling and PT USA were submitted to the jury. The causes of action were copyright infringement, breach of contract (Scoppa only), tortious interference with contract (Patel, Sterling and PT USA only), misappropriation of trade secrets, breach of fiduciary duty (Scoppa only), inducement to breach fiduciary duty (Patel, Sterling and PT USA only), unfair competition and conspiracy.

Suncoast claimed that the defendants and an employee of a Suncoast-related company in India stole design and installation drawings, as well as customized software and tools that Suncoast had spent decades building and which went into more rapid and efficient creation of the drawings.

Suncoast's computer forensic expert opined that, based in part on metadata from the drawings in the defendants' possession, they originated with Suncoast.

According to Suncoast's counsel, the defendants' trial strategy was to downplay the value of the technology and drawings.

When Suncoast hired Scoppa, he signed a "hiring form." In the lawsuit, Suncoast claimed that this form was a contract and, further, that it contained confidentiality provisions and "assignment of invention" provisions. Suncoast claimed that Scoppa breached these provisions.

Suncoast further claimed that the defendants deleted relevant emails before and during the litigation and hid the fact that they had done so. Each side retained a computer forensics expert on this issue, but the parties also agreed to retain an expert jointly to perform some analysis of the computer files. Suncoast also asked the jointly-retained expert, Andrew Frisbie, Houston, to give an opinion on whether the defendants destroyed the emails in question, and he opined that the defendants destroyed some of them.

The defendants denied that the hiring form was a contract. They also maintained that Scoppa's copy was one page only. The confidentiality and assignment-of-invention provisions on which Suncoast relied were on a second page.

The defense denied that the drawings and technology in question were trade secrets or subject to copyright protection.

The defendants' expert on post-tension engineering testified that the drawings, as well as notes, details and forms, were processes and procedures for installation methods; that they were "useful articles" with a sole practical, utilitarian function of installing post-tension cables in the field; and that they were therefore not subject to copyright or trade secret protection. He further opined that they were publicly available.

The defense also denied spoliation. Its computer forensics expert on this issue opined that nothing was permanently deleted.

At the close of the evidence, the court granted Suncoast's request for a spoliation instruction.

INJURIES/DAMAGES Suncoast argued that PT USA would not have been able to sell any post-tensioning materials without the design and installation drawings at issue. Suncoast therefore sought all of PT USA's profits as damages for copyright infringement. For misappropriation of trade secrets, Suncoast sought the replacement cost of its electronic library. Suncoast sought $15 million in actual and statutory damages, plus $15 million in punitive damages.

The defendants contended that the design and installation drawings formed only a small part of the sale of post-tensioning materials and that the drawings are easily and cheaply replicated and replaced.

The defense economist opined that, if the defendants were liable, the damages should be between $5,000 and $150,000.

RESULT The jury found that Suncoast's drawings were subject to copyright protection; that the copyright was infringed; and that the infringement was willful.

The jury also found that Scoppa breached his contract with Suncoast; that Patel, Sterling and PT USA tortiously interfered with the contract; that Scoppa, Patel, Sterling and PT USA misappropriated Suncoast's trade secrets; that Scoppa breached a fiduciary duty to Suncoast; that Patel, Sterling and PT USA induced Scoppa to do so; that Scoppa, Patel, Sterling and PT USA engaged in unfair competition that caused damages to Suncoast; and that Scoppa, Patel, Sterling and PT USA were part of a conspiracy that damaged Suncoast.

The jury also found that the harm to Suncoast resulted from Scoppa's, Patel's, Sterling's and PT USA's malice or reckless disregard for the rights of others.

The jury awarded Suncoast $24.5 million, including $13.5 million in punitive damages.

The punitive damages were apportioned as follows: $1 million against Scoppa, $5 million against Patel, $5 million against Sterling and $2.5 million against PT USA.

SUNCOAST POST-TENSION LTD.

$13,500,000 punitive damages
$8,000,000 actual damages
$3,000,000 statutory damages for copyright infringement
$24,500,000

TRIAL DETAILS

Trial Length: 5 days
Trial Deliberations: 8 hours
Jury Vote: 8-0
Jury Composition: 4 male, 4 female

PLAINTIFF EXPERT(S)

Jeff Compton, CPA, accounting, Houston, TX
David Cowen, computer forensics, Dallas, TX

DEFENSE EXPERT(S)

Chuck Eastton, computer forensics, Dallas, TX
Pawan Gupta, construction, Los Angeles, CA
Rob Hancock, CPA, accounting, Houston, TX

EDITOR'S NOTE This report is based on information that was provided by plaintiff's and defense counsel.

–John Schneider