

Two Scientists Plead Guilty for Conspiring to Sell and Use GlaxoSmithKline's Trade Secrets in China

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At the end of August 2018, GlaxoSmithKline (GSK) research scientist, Dr. Yu Xue, pled guilty to conspiring to steal GSK's trade secrets. Dr. Xue took highly-valuable GSK trade secret documents and information, including research data and manufacturing data relating to drugs GSK was developing, by copying them to portable storage devices or sending emails to her personal email account. Dr. Xue shared the documents with two associates, Dr. Tao Li and Dr. Ya Mei, with whom Dr. Xue had created a company in China called "Renopharma." This company, which was financed by the Chinese government supposedly for the research and development of anti-cancer drugs, was, according to the Department of Justice, no more than a repository of information stolen from GSK. Dr. Li and Dr. Mei were indicted along with Dr. Xue in 2016. Dr. Li pled guilty on September 14. Both Dr. Xue and Dr. Li await sentencing.

In press releases relating to both Dr. Xue's and Dr. Li's guilty pleas, U.S. Attorney William McSwain described their conduct as "economic warfare" and stressed that the Department of Justice will investigate and prosecute such trade secret theft. According to the Department of Justice, the research and development costs for the types of products at issue can be in excess of \$1 billion.

TIP: Because high-ranking employees have access to—and thus can steal—highly-valuable trade secrets, companies should consider proactive measures, including using technological tools, to limit means of egress (e.g. use of remote storage devices) and alert the company of suspicious electronic behavior (e.g. downloading large amounts of data). Companies should also take steps to ensure that employees are aware of the very serious, criminal consequences of stealing protected information.

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