

German Prosecutors Press Criminal Charges Against an Employee for Sending Trade Secrets to China

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According to a [Reuters article](#), German prosecutors recently indicted a former employee of German chemicals manufacturer, Lanxess, for stealing trade secrets and exploiting them in China.

Starting in 2011, a senior engineer at Lanxess with access to mass company data began e-mailing a non-employee, “Mr. U,” who German prosecutors named as a co-defendant, information about a Lanxess chemical reactor. Years later, the defendants erected a 400 ton-per-year, rival reactor in China and founded several companies to export copycat products. They advertised globally and heralded themselves as future suppliers to Lanxess customers. After discovering the theft and firing the engineer, Lanxess brought a civil suit in Dusseldorf early last year, in which an appellate court awarded Lanxess about €167,000 in damages and ruled defendants liable for future harms stemming from the theft. Now German prosecutors have brought criminal charges against both defendants, each carrying a maximum prison sentence of four years.

China has been eager to join the high-tech products market, and according to Reuters, German intelligence agencies suspect that Chinese entities could resort to theft for entrance. This suspicion echoes concerns that now-former United States Attorney General, Jeff Sessions, articulated when he recently announced the Department of Justice’s [new China Initiative](#).

TIP: Companies should be wary that their employees abroad may be working with international competitors and that their employees at home may be sending private information abroad. They may find some relief, however, as prosecutors in various countries are increasing their efforts to curb trade secret theft.

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