

Agtech Company Syngenta Scores an Early Win in Trade Secret Case Over Hybrid Seed Technology

MARCH 9, 2021

Last month, the District of Minnesota found that agricultural technology company Syngenta Seeds had plausibly stated a claim for trade secret misappropriation and denied the defendant's motion to dismiss as to that claim. *Syngenta Seeds, LLC v. Warner*, 2021 WL 679289 (D. Minn. Feb. 22, 2021). The court's opinion provides a useful illustration of allegations that satisfy the elements of a DTSA claim at the pleading stage.

Syngenta brought trade secret misappropriation claims against two former employees and their current employer, Farmer's Business Network (FBN), when FBN allegedly launched a copy-cat seed breeding program shortly after hiring defendants Warner and Sleper. *Id.* at *4. Allegedly, while Warner and Sleper were still employed by Syngenta, they sent emails to FBN with information relating to the breeding of hybrid crops to assist the development of a similar program at FBN. *Id.* at *3–4. Sleper was alleged to have used a USB device to copy sensitive data from his Syngenta-issued laptop. *Id.* at *4. The court also noted that both former employees had signed nondisclosure agreements which obligated them to keep Syngenta's trade secrets confidential and agreed to return all documents containing Syngenta's confidential information upon their termination. *Id.* at *3.

The court concluded that Syngenta had plausibly pled facts to support the elements of a DTSA claim. *Id.* at *14. First, the court found that Syngenta had described at least some of the trade secrets at issue with sufficient particularity, noting that other courts have accepted descriptions similar to "genetic maps" and "molecular marker (genotyping) data" despite their generality. *Id.* at *12. In contrast, the court found that descriptions of a PDF containing "high-level plans and budgeting for a hypothetical breeding program, but [] does not mention Syngenta ... [or] any actual breeding data or analytics" were too vague. *Id.*

Second, the court found that Syngenta had sufficiently pled misappropriation based on the fact that the employees were under a duty of non-disclosure, that Sleper had engaged in "behavior consistent with copying [the] data", and because FBN's new seed breeding program "undoubtedly would have benefitted from the types of data" alleged to be stolen. *Id.* at *14.

TIP: Companies should consider conducting a forensic analysis of the devices and accounts that were issued to outgoing employees, looking for evidence suggesting that sensitive data was copied to external storage devices or shared with competitors.

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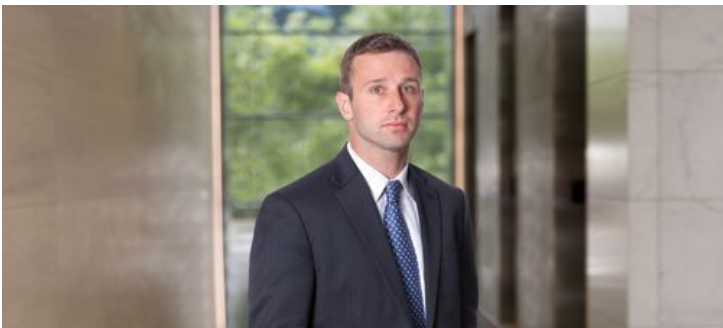
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