

CLIENT SUCCESS

Winston Secures Tremendous Victory in Jury Trial of High-Stakes Contract and Trade Secrets Dispute

OCTOBER 28, 2022

Plaintiffs **Versata Software, Inc. f/k/a Trilogy Software, Inc.; Versata Development Group, Inc.; and Trilogy, Inc.** (collectively, “Versata”) sued Ford Motor Co. in 2015, alleging the car manufacturer misappropriated Versata’s trade secret technology to create a “like-for-like” replacement of the software and breached the parties’ licensing agreement.

In the 1990s, Ford entered into an agreement to license Versata’s automotive-configuration software, referred to as “ACM.” After some renegotiations, the parties entered into a subscription agreement in 2004 that, through multiple renewals, granted Ford the ACM license for a decade. Versata accused Ford of misappropriating its trade secrets and breaching the licensing agreement when, in 2014, it learned that Ford had internally developed its own software to replace ACM.

The litigation lasted over seven years, culminating in a three-week October 2022 jury trial. Versata brought both trade secret misappropriation and breach of contract claims against Ford, seeking damages for each; Ford in turn brought a breach of contract claim against Versata.

After deliberating for a day-and-a-half, the eight-person jury was unanimous in ruling that Ford breached the parties’ licensing agreement and misappropriated Versata’s trade secrets. In so ruling, the jury determined that over US\$80M in damages compensated Versata fairly for its breach of contract claims and that over US\$20M in damages compensated Versata fairly for Ford’s misappropriation of three of its trade secrets. The jury also rejected Ford’s breach of contract claim. Our team was featured by *Am Law* in its [Litigator of the Week](#) column on October 28, 2022.

Ford moved for judgment as a matter-of-law post-trial. The court denied Ford’s motion as to liability but overturned the jury’s findings on damages. Versata will appeal.

IMPACT

Securing a verdict (let alone one of over US\$100M) against Ford Motor Co. in Detroit, “the Motor City,” is no easy task; however, we did just that. The contentious litigation lasted for over seven years and the outcome provides valuable lessons for businesses and practitioners alike. This outcome shows the importance of having a strong contract geared toward protecting intellectual property rights and it illustrates how critical it is for a corporation to implement sufficient compliance measures in licensing those rights to others. Further, this case demonstrates that

trade secret software protection under federal and state statutes is and should be robust, extending to the underlying concepts and functionality of trade secret software.

(Versata Software Inc. v. Ford Motor Co. (Case No. 2:15-cv-10628, U.S. District Court for the Eastern District of Michigan))
2 Min Read

Related Capabilities

- Trade Secrets, Non Competes & Restrictive Covenants
- Litigation/Trials
- Commercial Litigation & Disputes
- Automotive & Mobility
- Technology, Media & Telecommunications

Related Professionals



Dan Webb



Matthew Carter



Brian Nisbet



Kelly M. Ellis



John Drosick



Samuel M. Zuidema



Patrick G. Simonaitis