

GOODYEAR FOUND LIABLE FOR MISAPPROPRIATING INVENTOR'S IDEA

Hodgson Russ Intellectual Property Litigation Alert
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Goodyear learned a tough lesson about working with outside inventors when a jury recently found that it misappropriated an idea for self-inflating tires.

The Complaint. An inventor alleged that Goodyear Tire & Rubber Co. and its now-retired employee stole his ideas for self-inflating tires. Frantisek Hrabal of Coda met with Goodyear employees about a possible partnership to put his self-inflating tire into production. Goodyear entered into a non-disclosure agreement where it agreed to keep the ideas secret and to use only what employees saw in meetings if it agreed to partner with Coda. At subsequent meetings, Goodyear employees viewed presentations, testing methods, performance results, and a functional prototype.

Goodyear did not enter into a partnership. But according to Hrabal, Goodyear took his information and started working on its own self-inflating tires. Goodyear then developed a portfolio of patents for self-inflating tires which Hrabal claimed were based on his ideas. Hrabal sued against Goodyear and its employee for misappropriation of trade secrets and correction of inventorship on Goodyear's patents. Goodyear claimed that the information was not a trade secret because others had come up with similar ideas before Hrabal and Coda and that the trade secrets had been publicly disclosed in public statements, presentations, and patent applications.

Trial. The jury – after a nearly two-week trial – agreed with Hrabal and Coda and found that Goodyear misappropriated trade secrets. The jury also determined that Goodyear acted maliciously and awarded \$61.2 million in punitive damages and \$2.8 million in compensatory damages. Based on evidence produced at trial, and other briefing, the court will next determine whether Goodyear's patents should be corrected to include Hrabal and Coda.

Takeaways. Inventors and manufacturers must ensure protections are in place before engaging in discussions about ideas. That may be a patent application or a non-disclosure agreement with teeth. We can help. Hodgson Russ's intellectual property team helps clients protect their intellectual property rights by prosecuting and defending claims of ownership. Hodgson Russ can also help secure trademarks, copyrights, and other protections for businesses and individuals. For more information, please contact [Jodyann Galvin](#) (716-848-1520) or any member of our [Intellectual Property Litigation](#) Practice Group.

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