

Mayo Wins Trade Secrets Verdict Against Ex-Employee

By **Megan Stride**

Law360, New York (April 27, 2011, 7:54 PM ET) -- A federal jury in Minnesota sided with The Mayo Clinic on Wednesday in the medical facility's suit accusing one of its former doctors of breaching a contract by delivering trade secrets regarding natural language processing software to Merck & Co.

The jury found that Dr. Peter L. Elkin breached his employment contract with Mayo, misappropriated at least one of the clinic's trade secrets and committed other offenses alleged in the complaint that the clinic launched in February 2009 after Elkin teamed up with Merck on an NLP project and subsequently left his post at Mayo.

The verdict follows U.S. District Judge David S. Doty's ruling on Monday — stipulated by both parties — that Mayo is the lawful and exclusive owner of the software and source code at issue in the suit.

"We are very pleased with both the court and jury decisions in this matter," Steve Van Nurden, Chair of Mayo's Office of Intellectual Property, said in a company statement.

Elkin did win the jury's favor on his counterclaim, with the panel finding that Mayo also breached its employment agreement with the doctor and awarding him \$143,000 in damages to cover royalties that accrued before the suit was filed.

According to the complaint, Elkin worked with a team of researchers during his 12-year tenure at the clinic to develop NLP software, which has a variety of functions such as managing insurance billing and tracking infectious diseases.

Mayo formed a joint venture called Conceptual Health Solutions to commercialize that software and a license agreement with medical technology company Cerner Corp. to govern its use, the clinic said.

In its suit, Mayo alleged Elkin violated that license agreement by working on an NLP project with Merck and refusing to share information about the software in preparation for leaving Mayo.

Elkin left Mayo to work for the Mount Sinai School of Medicine in August 2008. Since then, the complaint said, he has "made numerous, ongoing attempts to commercialize the NLP software in violation of the license agreement."

The jury found that Elkin breached his employment contract with Mayo and directly caused harm to the clinic by doing so, that he intentionally interfered with a contractual relationship between Mayo and Cerner, and that he willfully and maliciously misappropriated one or more of Mayo's trade secrets.

The jury also decided that Elkin breached a fiduciary duty he owed to Mayo and that he intentionally exercised control over Mayo's technology contrary to the clinic's right over that technology.

Elkin and Mayo had both sought to avoid taking the case to trial, but Judge Doty largely denied summary judgment to Mayo and Dr. Peter L. Elkin in March 2010, ruling that a jury needed to decide most of the dispute.

An attorney for Elkin did not immediately respond to a request for comment Wednesday.

Fish & Richardson PC represents Mayo.

The Law Office of W. Patrick Judge PLLC represents Elkin.

The case is Mayo Foundation for Medical Education & Research et al. v. Elkin M.D., case number 0:09-cv-00322, in the U.S. District Court for the District of Minnesota.

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