

Digital Forensics | IP Theft — Non-Compete

Scenario

The CFO/Controller of a small chemical company resigned his position. Within a couple of months, the company learned that this former employee had set up a competing business.

The original company became suspicious of the activity and contacted their attorney. Initially, the attorney engaged a competing digital investigations company. However as the case began unfolding she started becoming concerned about whether the job would be completed in a timely fashion and started having concerns about the competency of the original digital investigations company. With a looming deadline for the Preliminary Injunction hearing, she was referred to Vestige from another attorney within her firm who had used Vestige in a number of previous matters. She then chose to engage Vestige Digital Investigations based on their reputation for timely and thorough service.

Challenge

As egregious as the former employee's actions were, when the attorney was initially contacted by the chemical company, she was skeptical of their chances of prevailing, as the company did not have a Non-Competition Agreement in-place with the former employee. However, as they started learning more about the activities that transpired prior to the individual leaving their employment, things started looking better for the company as there were indications that this was more than just the run-of-the-mill Intellectual Property Theft/Non-Compete matter.

A large part of that change in tide for the company was due to the results of Vestige's digital forensics analysis of the former employee's work-computers – a laptop and desktop. As there was initially no suspicion of any wrong-doing when the CFO resigned, those devices were redeployed within the environment. Upon discovering that the chemical company was now in competition with this former employee, they immediately seized the devices, had digital forensic clones made of the drives and engaged Vestige to complete the forensic analysis.

Solution

Vestige was able to not only recover deleted information and analyze the relevant artifacts, but was also able to separate activity that was conducted by the former CFO as opposed to the individual(s) using the devices after the CFO's departure. The forensic analysis revealed that the former CFO had copied and accessed sensitive, confidential information from external media – such as proprietary product lists, supplier lists, technical data sheets, pictures, databases and spreadsheets all containing sensitive, proprietary information. It is important to note that neither the chemical company nor Vestige Digital Investigations had access to the external media. Vestige's expertise in identifying and analyzing relevant artifacts provided the trace evidence needed to crack the case.

Vestige Digital Investigation's Chief Technology Officer and senior Forensic Analyst, testified before an inquisitive magistrate. Vestige's vast experience testifying and their understanding of the legal discovery process, understanding of the rules of evidence, as well as their ability to convey highly technical information in a manner that brings clarity to non-technical decision-makers, allowed the magistrate to fully understand the activities and the impact that those activities had for the chemical company.

Result

Despite the rocky start of this case while in the hands of a competitor, once Vestige was engaged, they were able to provide complete analysis within their standard turnaround of two weeks—well in advance of the Preliminary Injunction hearing. The end result — Despite not having a formal non-compete agreement in place, the former CFO received an 18-month restraining order prohibiting him from competing with the original chemical company and had to pay restitution to them as well. Needless to say, the attorney and client were very pleased with Vestige Digital Investigation's digital forensic services.

Contact Vestige today to discuss your Digital Forensic matters.

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