I recently led a three-hour workshop on intellectual property law developments in the last year to the graduating students of the class of 2010 Master of Science in Information Assurance (MSIA) program at Norwich University. One of the most startling cases – not the kind of adjective one expects to use when reviewing intellectual property issues – was the case of Michael Powell vs Home Depot.

Inventor Michael Powell had a 20-year relationship with Home Depot. In 2004, he brought the prototype of his then-unpatented finger-guard for protecting workers from radial saws to the company to help reduce injuries when cutting wood for customers. He was shocked when Home Depot simply stole his design and manufactured thousands of the devices for their own use without payment. A Home Depot executive, informed that Powell would sue for theft of trade secrets, said, “(Expletive) Michael Powell. Let him sue us.”

In May 2010, U. S. District Judge Daniel Hurley angrily ordered the company to pay the inventor $3M in punitive damages. In March, a jury had ordered a fine of $15M in restitution. The judge also ordered payment of $2.8M in legal fees and $1M a year in interest starting in 2006, the year Powell obtained his patent on the “Safe Hands” device.

The judge’s blistering ruling also included severe criticism of Home Depot’s attorneys. According to Jane Musgrave of the Palm Beach Post, “He also criticized Home Depot attorneys for their handling of the case, which he described as ‘nasty, mean litigation.’ For instance, when Powell’s attorney asked for records of injuries caused by the saws, Home Depot attorneys handed over 6,000 documents. In a spot check of 2,300 pages, Powell’s attorneys found one document that dealt with a saw injury. ‘This is the kind of activity that people look at that engenders outright disgust for the legal profession,’ Hurley said. ‘It is shameful.’”

Total settlement: $23.9M. Original bill if Home Depot had paid the inventor his asking price in 2004: $4M.

Loss of business resulting from the disgust customers will feel at Home Depot’s executives’ behavior: incalculable.

Morals of this story: (1) People shouldn’t steal other people’s ideas; (2) Arrogance and nastiness actually do sometimes get their comeuppance.

On a related note, Home Depot stores in Manhattan were among those found by undercover investigators.
17 investigators go undercover at home depot eastern mountain sports to rid nyc of
!> to be selling illegal switch blades< http://www.antiqueamericanswitchblades.com/> and

(Expletive) you indeed.

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