

# How Knobbe Martens helped jury see through trade secrets claims

**Brian Horne** reveals how his team secured a favourable damages outcome in a patent and trade secrets case involving X-ray technology

A team at **Knobbe Martens** fended off claims of willful patent infringement and trade secrets misappropriation to secure victory for X-ray company Sigray.

A jury at the US District Court for the Northern District of California delivered a verdict in favour of Sigray on September 10, rejecting certain claims by X-ray equipment supplier Carl Zeiss X-ray Microscopy.

Carl Zeiss had sued Sigray for patent infringement and trade secrets misappropriation. It sought more than \$12 million in lost profits and punitive damages.

In September 2024, the court issued a summary judgment stating that Sigray had infringed two of Carl Zeiss's patents. The patents have since expired.

Sigray sought reconsideration of the summary judgment decision in March 2025, but the motion was denied, and the case proceeded to trial.

Following a six-day trial, the jury ruled there had been no willful patent infringement and rejected Carl Zeiss's allegations of trade secrets misuse, as well as its arguments concerning damages on account of lost profits.

Carl Zeiss was awarded \$785,000 in reasonable royalty damages, far less than the \$12 million it had originally requested.



L-R: Brian Horne, Alan Laquer, Kendall Loebbaka and Nicholas Zovko

Sigray was represented by a team from Knobbe Martens comprising partner Brian Horne as lead counsel, as well as partners Craig Summers, Kendall Loebbaka, Alan Laquer, Nicholas Zovko, and Hans Mayer.

Associates Ben Shiroma, Rhett Ramsey, and Melis Tirhi also acted in the case.

Carl Zeiss was represented by a team from **Fish & Richardson**.

Managing IP sat down with Horne to discuss how the team prepared for the case, the challenges they ran into, and why the verdict is significant.

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#### How did you come to work with Sigray as a client?

Sigray has been a longtime patent prosecution client of the firm. When they were sued, Sigray asked us to handle the litigation, too. Because of our prosecution work for the company, we knew the technology exceptionally well, and that made us particularly well-suited to handle the case.

#### What strategies did you use to prepare for the hearing?

We focused on mastering the record and presenting the information to the jury as a story. That makes the information much easier to digest and understand. Also, there is no substitute for hard work and preparation.

We constantly reviewed our presentation to make sure we stayed on point and provided the right amount of detail to make the technology accessible and understandable.

#### How did you decide the team that handled the case, and how did you decide who would argue the case?

My fellow partner, Alan Laquer, had been running the case for years with a small team on a lean budget. A few months before the trial, he asked me to join the team to try the case.

Together, we built a trial team with partners who have tried cases before, as well as some of our rising star associates. Although only four people examined witnesses, every single team member significantly contributed to the win.

#### What role did Sigray's innovation story play in shaping the case narrative, and how important was this in securing the verdict?

It played a significant role.

Sigray's focus on innovating and attempting to avoid Carl Zeiss's IP demonstrated the company's good faith.

It also helped refute claims that every sale Sigray made cost Carl Zeiss a sale. We showed that customers purchased Sigray's products for novel features that Carl Zeiss couldn't provide, rather than because of the accused features of now-expired patents.

#### What is the significance of this judgment?

First, it was significant financially. Besides seeking \$12 million in lost-profits damages, Carl Zeiss sought treble patent damages, punitive trade-secret damages, and attorneys' fees.

Sigray faced tens of millions of dollars in potential liability.

Second, although the court could not enjoin Sigray for patent infringement because the patents had expired, Carl Zeiss sought an injunction for its trade secrets claims.

Finally, our client's reputation was at stake.

#### How do wins like this help the firm gain new clients and prove its credentials?

We always focus on achieving the best possible outcome for our clients, and we serve our clients with unmatched experience and dedication.

This win demonstrates our strength in patent and trade secrets litigation, our deep understanding of complex technology, the great teamwork at our firm, and our ability to provide results in the most challenging circumstances.

#### What were the greatest challenges during this case? How did you overcome them?

Before trial, the court granted summary judgment of patent infringement. Assignor estoppel prevented us from arguing that the patents were invalid. So, we began trial as an adjudicated infringer with no invalidity defense.

Also, several facts in the case could have looked or sounded bad at first review.

For example, one of our founders was a named inventor on both patents, which he sold to Carl Zeiss through the sale of a previous company. By pursuing willful patent infringement, willful and malicious trade secrets misappropriation, and punitive damages, Carl Zeiss painted our client as a bad actor.

As a defendant, it is always a challenge to convince the jury to wait until your client can tell its side of the story.

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When we finally had our chance to call our witnesses and put the facts and documents in proper context, it was clear that our founders (Sigray was founded by a father-daughter duo) are sincere and honest people who want to innovate and advance science.

#### Did anything go wrong, or is there anything you would have done differently?

Walking into trial after an adverse ruling on summary judgment was a high hurdle to navigate. I wouldn't change a thing about our team or presentation.

#### What are the next steps (if any)?

The parties may file post-trial motions at the district court. After the court rules on those motions, Sigray can appeal the adverse summary judgment ruling.

#### Is there something you would like to convey to our audience about this case?

Sigray's founder was born in China before moving to the US and becoming a citizen. He therefore has a deep respect and appreciation for the US legal system and is very grateful to be able to have had his day in court, regardless of the outcome.

It also shows what a great company Sigray is, and that its wonderful and innovative people are one of its greatest assets. It was an absolute honor to represent and obtain justice for the company.



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