

Injunction denied in trade secrets case

Ruling a victory for Virginia-based military contractor.

BY CHRIS KAUFFMANN | STAFF WRITER

ORLANDO — Work on three military contracts involved in a trade secrets war over a disputed simulation training system will continue after a judge has refused to grant an injunction request by OSI Defense Systems LLC.

The preliminary decision on Jan. 27 by 9th Circuit Court Judge Rom W. Powell was a victory for Universal Systems & Technology Inc. — also known as Unitech — a Centreville, Va.-based defense contractor that employs 150 people in Winter Park.

The judge ruled that the work is essentially vital to the public interest because it would be detrimental for the military not to have the training systems during a time when there are ongoing wars in Iraq and Afghanistan.

At stake: Millions in contracts

The simulation contracts Universal was awarded over the last year that are currently involved in the dispute include: a \$9.8 million U.S. Army contract for controller devices; a \$14.6 million U.S. Marine contract for lifecycle maintenance of the systems; and a U.S. Army contract worth \$18.8 million for shoulder launch munitions.

Although the government did not appear at the hearing, it had previously entered a statement of interest into the record outlining its opposition to the in-

In Brief

Case No.: 05-CA-3868

Who: OSI Defense Systems LLC vs. Universal Systems & Technology Inc./13 individuals

Judge: Rom W. Powell

Plaintiff's attorneys: Roy Kobert, David Adams, Nicolette Vilmos of Broad and Cassel

Defense attorneys: Griffith J. Winthrop III, Lawrence H. Kolin of Alvarez, Sambol, Winthrop & Madson P.A.



junction request — though it did not weigh into the actual legal dispute between the two companies.

"We're pleased with the results so far," says Lawrence Kolin of Alvarez, Sambol, Winthrop & Madson P.A., the Orlando law firm representing Universal. "It speaks to the likelihood of our being victorious. So far, the court has not bought into the plaintiff's arguments."

Lawyers for OSI, which is a subsidiary of a California company that employs 55 people locally, say their fight for an injunction is not over.

"There is already an injunction that Unitech has conceded to (regarding an earlier contract) and OSI was merely seeking to expand it," says Roy Kobert of the Orlando law firm of Broad and Cassel. "OSI will still pursue a permanent injunction when we get to tell the full story of OSI's stolen trade secrets."

'Crown jewel' for plaintiff

The case is scheduled to go to trial in 2007, although Universal has a motion pending to dismiss the case.

The dispute between OSI and Universal stems from an effort by Universal to buy OSI in 2004. After signing a confidentiality agreement and going through due diligence, Universal decided not to buy the company.

OSI is accusing Universal of then soliciting OSI employees with full access to OSI's trade secrets and then stealing proprietary source code regarding the Multiple Integrated Laser Engagement Systems — also known as "MILES." Apart from Universal, OSI is suing 13 of its former employees who went to work for Universal for violating their confidentiality agreements.

In statements made during the Jan. 27 hearing, OSI attorney David Adams of Broad and Cassel referred to the source code as the "crown jewel" that allows both companies to be competitive in the marketplace.

After calling off the deal, OSI thought Universal would develop its own source code, but that didn't happen, Adams said, noting that another former OSI employee who went to work for Universal resigned after three days when he discovered OSI's source code on Universal's computers.

In response, Kolin said the reason Universal called off the deal was "we didn't like anything they had. It's all obsolete. It's old."

He added the government has expressed no interest in substitute products from OSI.