

Sprint Says Ex-Execs Went To Charter With Trade Secrets

By **Andrew Karpan**

Law360 (February 19, 2020, 9:48 PM EST) -- Sprint says in a new lawsuit that two of its former executives took trade secrets with them to their new jobs at a Charter Communications unit where they helped develop its knock-off internet phone technology.

The telecom giant's accusations against Charter Communications Inc. and two of its high level employees were leveled in a complaint filed in Kansas state court Tuesday. Sprint Communications LLP directly connected the work of Craig Cowden and Paul Woelk — currently vice presidents at Charter and Bright House Networks, respectively — to Sprint's \$140 million infringement win against Time Warner Cable in 2017.

Now, Sprint says Time Warner's infringing internet phone technology also relied on trade secrets that the two former high-ranking employees had taken with them to their new jobs at Bright House.

Both Time Warner and Bright House are also named in Tuesday's suit and both are Charter units.

"What happened here was not fair competition," Sprint said in its complaint.

Before 2009, Cowden and Woelk were at Sprint's headquarters in Overland Park, Kansas, where Cowden was a vice president in its network services department and Woelk was further down the ladder as a senior manager working to market its telephone technology.

This included marketing its internet phone infrastructure, the development of which Sprint says, both had supervised, allowing companies that acquired Sprint's internet phone service to sell telecom and video services to customers in "bundles."

In 2009, Cowden and Woelk left for executive positions at Bright House.

"Bright House hired these two long-time, trusted Sprint executives," Sprint alleges in its complaint, "because of the trade secret technical and financial knowledge they had regarding Sprint's VoIP network."

Last fall, Sprint says 3,500 highly confidential documents were found on Woelk's company computer at Charter. He had stored them a folder labeled "Sprint My Documents," the complaint says.

But Sprint says there's more to come.

"We have just scratched the surface on these issues," Trent Webb, an attorney for Sprint, told Law360 on Wednesday. "It wasn't until last fall that we had any suspicion of any of this."

Both executives, the complaint says, were involved in building Time Warner's competing internet phone network after their move to Bright House, which shared the same ownership as Time Warner before Charter bought both.

In particular, Sprint cites a meeting that occurred mere months after Cowden and Woelk were hired at Bright House, where Bright House representatives allegedly offered to help Time Warner "look at how we might change the Sprint deal."

Time Warner announced it would not renew its contract with Sprint in 2009 and Sprint later sued the company, among others, in 2011. It was that fight that ended with a momentous \$140 million win for Sprint, affirmed by a split Federal Circuit and followed by Time Warner's unsuccessful attempt to take it to the Supreme Court last year. Tech giants like Intel had weighed in to tell the justices that Sprint's hefty verdict would actively discourage innovation far away from the telecom world.

A representative for Charter declined to comment on the case Wednesday.

Sprint is suing Charter Communications Inc, Time Warner Cable LLC, Bright House Networks LLC as well as Craig Cowden and Paul Woelk over breach of contract and trade secret misappropriation claims.

Sprint Communications LLP is represented by Trent Webb, Rob Reckers, Ryan Schletzbaum, Aaron Hankel, Ryan Dykal, Jordan Bergsten, Lauren Douville and Thomas Patton of Shook Hardy & Bacon LLP.

Counsel information for the other parties is not yet known.

The case was filed in the District Court of Johnson County, Kansas. The case is Sprint Communications Co. LP vs. Charter Communications Inc et al. and the case number is not yet known.

--Editing by Amy Rowe.