

Ben Hodges Underscores IP Theft Risks for Startups in Zunum Aero's Trade Secrets Lawsuit Against Boeing in *Law360* Midyear Report

Media Mention
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IP & Technology attorney Ben Hodges was quoted in *Law360*'s midyear report of the "Biggest Washington Decisions of 2024" to examine the high-profile case between shuttered electric aviation startup Zunum Aero Inc. and global aerospace company Boeing, a case that highlights critical considerations for startups when striking deals with industry giants.

Washington-based Zunum Aero had sought to bring new aviation technology to the market that could electrify commercial jets; however, in a May 2024 trial, Zunum Aero told a federal jury that Boeing grounded these ambitions by stealing valuable trade secrets and deterring potential investors, claiming that these actions ultimately led to the startup's demise.

Ben elaborates on the legal risks and challenges faced by startups when disclosing trade secrets, even under the protection of nondisclosure agreements. He notes, "If you're looking at it from Zunum Aero's angle, it's the danger of what happens when you let your trade secrets go — even if you have an [nondisclosure agreement] in place, you have the fear that someone is just going to disregard the NDA."

Although the trial concluded with a favorable verdict for Zunum Aero, Ben points out the rarity of such outcomes for startups, especially those that have faced significant operational challenges. "While they got a \$72 million verdict, they've already laid people off. They've been impacted. So how much this will correct that is yet to be seen," he said.

Contact

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The case is *Zunum Aero Inc. v. The Boeing Co. et al.*, case number 2:21-cv-00896, in the U.S. District Court for the Western District of Washington.