

Latham Supplies Legal Juice to Battery Suppliers

The firm scores IP wins for Shenzhen, China's Senior Technology and Korea's LG Chem against competitors in the fast-growing lithium-ion battery market.

By Scott Graham

The allegations follow a familiar pattern. A Chinese-born scientist worked many years at an American technology company, then returned home, allegedly bringing stolen trade secrets with him.

Celgard v. Shenzhen Senior Technology Material, a dispute over lithium-ion battery components, has an additional twist. The American company (now Japanese owned) claims that its former employee even changed his name to throw his former employer off the scent.

“When he joined Senior, Dr. Steven Zhang assumed a pseudo-name in China, Dr. Bin Wang, in his position of CTO of Senior, so that Celgard would not be able to locate him,” Celgard contended in a 33-page motion for preliminary injunction filed last fall in the Northern District of California.



Kevin Wheeler, with Latham & Watkins.

Zhang “had access to, and accessed Celgard’s trade secrets and confidential information,” which helped Senior optimize its battery separators and steal a multimillion-dollar contract from a California-based supplier of electric vehicle batteries, Celgard’s attorneys at Robins Kaplan alleged.

Senior’s attorneys at Latham & Watkins have hotly contested the allegations. They say Celgard has produced no evidence of misappropriation, and that the design and manufacturing process of its accused separators was finalized before Zhang’s arrival. Senior asked Zhang “to introduce himself

as Bin Wang” because it knew of Celgard’s litigious history. “Senior believed (correctly) that Dr. Zhang’s work for Senior would motivate Celgard to target Senior in costly and uncalled-for litigation,” they argued in December in an opposition brief signed by Latham partner **Kevin Wheeler**.

Senior cautioned that a preliminary injunction would “crush Senior’s business and collaterally damage some of the world’s largest lithium-ion battery manufacturers,” plus consumer electronics and electric vehicle companies.

Now, for the time being at least, Senior has short-circuited Celgard’s attack. U.S. District Judge Jon Tigar of the Northern District of California has dismissed Celgard’s suit on the ground that Celgard failed to show sufficient contacts between Senior and California to establish personal jurisdiction.

“Because Celgard has not met its burden of establishing personal jurisdiction over Senior-China,” Tigar wrote, “the court denies Celgard’s motion for preliminary

injunction with respect to this defendant.”

His order, unsealed Wednesday, gave Celgard 21 days to amend its complaint. Along with Wheeler, Latham’s team was led by partners **Gregory Sobolski**, **Matthew Walch** and **Hui Xu**.

It’s the second win this month for Latham in the fast-growing battery space. On Feb. 14 an International Trade Commission judge granted Korea-based LG Chem’s and Latham’s motion for a default judgment and sanctions against Korean rival SK Innovation Co. Ltd. LG Chem accused SKI of hiring many dozens of its employees and incorporating LG Chem’s trade secrets in its lithium-ion battery products.

Administrative Law Judge Cameron Elliot’s order and much of the briefing in the case is under seal. But according to public filings, LG Chem had accused SKI of widespread spoliation of evidence. Just before LG Chem filed its suit, SKI leaders allegedly asked employees to delete any unnecessary documents “such as resumes and documents that may potentially trigger unnecessary

misunderstanding.” Meeting minutes reflected that the “purpose is to prevent in advance problematic issues should a legal dispute arise with a competitor.”

Commission staff had supported LG Chem’s motion for a default judgment. SKI argued that it had in fact produced the relevant documents that LG Chem described as deleted, but Elliott apparently wasn’t persuaded. SKI, which is represented at the ITC by Covington & Burling, has said it will ask the full ITC to review the order, warning that it could have “an adverse impact on significant investment and jobs tied to the domestic manufacturing plant SKI is building in Georgia,” not to mention the U.S. auto industry.

Latham’s ITC team was led by partners **Bert Reiser**, **David Callahan**, **Gabriel Gross** and **Jeffrey Homrig**, along with counsel **Joseph Lee** and **Sarah Gragert**.

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