



## Insights

### **‘It’s an Extraordinary Amount, but the Law Is Clear’: Daniel Zaheer with WIPR on Propel’s Damages Quest**

March 12, 2025

Publication: *World IP Review*

In a US \$604.9 million verdict in October 2024, the Alameda County Superior Court in California ruled that Phillips 66 willfully and maliciously misappropriated trade secrets from Kobre & Kim client Propel Fuels. On March 4, 2025, Propel and Phillips 66 met again to address how much in damages Propel should ultimately receive. Kobre & Kim’s Daniel Zaheer sat down with *World IP Review* to discuss the exemplary damages hearing.

The case comes at a time when trade secret damages awards in the U.S. are increasingly in the spotlight. In recent years, there have been staggering amounts both awarded and reversed. Now, all eyes are on Propel and how it could potentially influence the scale of damages awarded in future trade secret disputes. “Everybody understands there’s a lot of money at stake. The issues are important because this is one of the largest misappropriations that’s ever been found to have occurred by any court,” Mr. Zaheer explained.

“There’s a very big issue before Judge Michael Markman—whether to award punitive damages or exemplary damages on top of the jury’s \$605 million award. We’re asking him to award the maximum amount, which would be \$1.2 billion,” he shared. “Of course, we recognize that that’s an extraordinary amount of money, but the law is fairly clear. And this is the argument we presented before the judge: when the magnitude of the theft is so large, the appropriate punishment has to be proportionate to that.”

“This case fits within the mold of those cases where courts found that [the award] should be either two times the jury award or one time the jury award as an appropriate punishment,” Mr. Zaheer went on. “So we do think that there’s lots of precedent that sustains these kinds of awards, but we also appreciate the fact that—because there’s a lot of money at stake—the other side is going to do their level best to find any error that may have occurred during the trial, and try to use that as a lever to get a reversal. However, we feel very confident that the evidence supports the jury’s conclusions, and that there haven’t been any legal errors that would require a reversal of the jury’s award.”

“I think it’s a remarkable case because of the amount, but it’s not a remarkable case in terms of just applying the law. The law says that the appropriate method of punishment is up to two times what the jury awarded,” Mr. Zaheer concluded. “So we’re just asking for an appropriate application of the law.”

[Click here to read the full article.](#)