

Calif. Co. Used Stolen Trade Secrets In Ad Platform, Suit Says

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By **Ethan Beberness**

Law360 (June 21, 2021, 5:36 PM EDT) -- Result Marketing Group has accused California-based brand marketing company Quotient Technology of using trade secrets stolen from Result to develop a sales and management platform worth millions for a grocery store holding company.

Southeastern Grocers, a holding company that owns the supermarket chains Winn-Dixie, Fresco y Más and Harvey's, contracted with Quotient after pulling out of a \$59 million deal with Result and allegedly giving Result's plans to Quotient to use as a project blueprint.

Quotient should have never seen those plans because Southeastern signed a nondisclosure agreement before its meetings with Result about possibly developing an ad-selling program for its stores, according to a complaint filed in Delaware federal court on Sunday.

Result is now seeking compensation from Quotient for the canceled contract and resulting lost business, asking the court to award it \$59 million in compensatory damages plus treble damages.

Result, which is based in the UK, says it flew its executives to the United States for the week of meetings and provided Southeastern with its entire plan for developing the platform, which Result refers to as a "Retail Media Hub."

Result alleges that Southeastern took that document, shared it with Quotient and used the plan laid out by Result to develop a copycat "SEG Media Hub."

Result alleges that it developed both the specific type of ad-sales platform at the center of this dispute and the concept of "Retail Media," a strategy for using a company's established communication paths with customers to sell ad space. When combined with Result's proprietary platform, this allows retailers to maximize the profits made from each communication channel between the company and its shoppers, according to Result's complaint.

For grocery stores, such as those owned by Southeastern, Result's platform is meant to allow the stores to maximize ad sales in printed and digital advertisements, store posters, shopping cart ad spaces and in-store audio recordings.

Result says former Southeastern marketing director Sharry Cramond initially sought to retain Result's services for Southeastern after working with Result in Australia.

According to Result, its concept of retail media did not exist in the United States before Cramond discovered it in Australia while working for an unaffiliated grocery chain called Coles Supermarkets under the terms of another confidentiality agreement.

Result also alleges that Southeastern did not have any intention to develop an ad-sales platform of this kind until after Cramond introduced the concept to the grocery company.

After Cramond made contact, Result provided an introductory presentation to Cramond and Southeastern executives Brett Mauser and Brooke Bowman.

During the fact-finding period, Result says its executives also met with over twenty members of Southeastern's senior management.

It wasn't until 2018 — two years after Result presented its plan to Southeastern — that Result became aware, through a news story, of the platform Southeastern developed with Quotient.

Result also says it was told by Southeastern executives Brandon Benedicto and Mario Mijares that Southeastern was working with Quotient-owned Coupons.com to provide support for Southeastern's electronic coupons. The company does not say whether it suspected that the relationship between Southeastern and Quotient was not limited to those support services.

Result alleges that Quotient violated the Defense of Trade Secrets Act and the Florida Uniform Trade Secrets Act, and accuses Quotient of civil theft under Florida law, tortious interference with a contract and a prospective business relationship and, lastly, unjust enrichment. The company seeks \$177 million in treble damages from Quotient.

Counsel for Result declined to provide further comment when contacted on Monday, instead referring Law360 back to the complaint.

Counsel for Quotient did not respond to requests for comment on Monday.

Result Marketing Group is represented by Mark M. Billion of Billion Law and by Matthew J. Press and Jason M. Koral of Press Koral LLP.

Counsel information for Quotient Technology was not available on Monday.

The case is Result Marketing Group Ltd. v. Quotient Technology Inc. et al., case number 1:21-cv-00876, in the U.S. District Court for the District of Delaware.

--Editing by Rich Mills.

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