

Rare economic espionage case going to trial

October 21 2009, By JORDAN ROBERTSON , AP Technology Writer

(AP) -- Two men accused of stealing computer chip blueprints - and trying to tap the Chinese government to help launch a startup built on the contraband - are becoming the first defendants charged with economic espionage to have their case heard by a jury.

The rare charge of economic espionage involves the theft of trade secrets with the intent to benefit a foreign [government](#). That government doesn't have to be part of the plot for the charge to stick, though authorities say they sometimes suspect foreign officials know about a theft, even if that can't be proved in court.

The outcome of the case against Lan Lee, an American citizen, and Yuefei Ge, a Chinese national, could be a gauge of how seriously the public considers a crime that until now has been handled only by judges.

Lee and Ge are former employees of a [Silicon Valley](#) company called NetLogic Microsystems Inc., which makes chips for computer-networking equipment. They are accused of downloading top-secret technical descriptions of an upcoming chip in 2003, and then trying to secure venture funding from China to start a company based on the stolen designs.

Prosecutors say they have evidence of the theft and contacts with the "863 program," which they say is a funding plan run by the [Chinese government](#) to support the creation of technologies for the Chinese military. There is no mention in court documents about whether any Chinese officials knew the information was stolen.

Lee and Ge each face up to 65 years in prison if convicted. Defense lawyers for the two men didn't return calls from The Associated Press. Jury selection in the case began Tuesday in federal court in San Jose.

Six similar economic espionage cases have settled before trial since the Economic Espionage Act was passed in 1996. The law was designed to fight the theft of information from private companies that have government contracts to develop technologies for U.S. military and space programs.

Only one case has gone to trial, but that was heard by a judge and not a jury. In that case, Dongfan "Greg" Chung, 73, a former engineer for Boeing Co. and Rockwell International, was convicted of relaying secrets about the space shuttle and military weaponry to China. The Chinese-born Chung could face more than 90 years in prison when he is sentenced in November.

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