

Rare economic espionage case ends in jury deadlock

November 24 2009, By JORDAN ROBERTSON , AP Technology Writer

(AP) -- Two men accused of the rare charge of economic espionage against the U.S. have been acquitted on two counts, but they could face a retrial on three other counts on which a jury deadlocked.

Lan Lee and Yuefei Ge were the first defendants to go to a jury trial on a charge of economic espionage, which alleges that someone stole trade secrets from a U.S. company with the intent to benefit a foreign government. Their case was being heard in U.S. District Court in San Jose, Calif.

The Economic Espionage Act was passed in 1996 as a way to fight theft of sensitive information from contractors for the U.S. military and space program. Six economic espionage cases have settled before trial since then, and the only other case to go to trial was heard by a judge and not a jury. In that case, a former engineer for [Boeing](#) Co. and Rockwell International was convicted of relaying secrets about the space shuttle and military weaponry to China.

In the latest case, Lee, an American citizen, and Ge, a Chinese national, were accused of stealing computer chip blueprints from their [Silicon Valley](#) employer, NetLogic Microsystems Inc., which makes chips for computer-networking equipment. They were accused of trying to get the Chinese government's help in launching a startup based on the designs.

Lee and Ge had each faced up to 65 years in prison if convicted on all

the charges.

A jury said Friday it was deadlocked on three counts - conspiracy, economic espionage and theft of trade secrets - and found Lee and Ge not guilty on two other charges.

The judge declared a mistrial on the deadlocked charges and set a hearing for February to determine whether the government wants to retry those charges or drop the case. The defendants remain free on bail.

Lee's attorney, Thomas Nolan, said that the defendants' contacts with the Chinese government were entirely legitimate and that the trade secrets they were alleged to have stolen were no more than "marketing tools" that were freely available to prospective customers.

"This was an effort by the government to scare people into not going into business in China," Nolan said. "The items were simply not [trade secrets](#)."

Jack Gillund, spokesman for the U.S. Attorney's Office in San Francisco, declined to comment.

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