

## Walmart Hit With \$223M Verdict In Trade Secrets Fight

By Adam Lidgett

*Law360 (May 14, 2025, 2:13 PM EDT)* -- An Arkansas federal jury has awarded Zest Labs Inc. nearly \$223 million in a suit that had accused Walmart of swiping the startup's trade secrets related to shelf-freshness technology.

According to a Tuesday verdict form, the jury found that Zest Labs was able to prove its trade secret misappropriation claim and also found that the misappropriation was willful and malicious.

The jury then said Zest Labs was owed \$72.7 million in compensation damages and an additional \$150 million as exemplary damages.

Walmart said in a statement that it didn't agree with the verdict and that the facts didn't back it up.

"Zest Lab's unethical behavior has compromised the integrity of this case from the start," Walmart said. "We expect our suppliers to uphold the highest ethical standards and will continue to advocate for fairness and justice, including pursuing an appeal and post-trial motions."

Patrick M. Ryan, head trial attorney for Zest Labs, said in a statement he was happy with the verdict amount, which is more than his client asked for.

"The jury heard the evidence and concluded that Walmart stole Zest's revolutionary technology and incorporated it into a patent that was later published, destroying Zest's trade secret," Ryan said. "The jury found that Walmart's conduct was willful and malicious; thus, they sent a strong [multimillion-dollar] deterrent message to companies like Walmart who might contemplate stealing the trade secrets of other small companies."

The verdict is the latest event in a case that had been to trial once before. In December 2023, Walmart secured a new trial in the case following an April 2021 jury finding that Zest Labs was owed \$115 million in damages.

In that 2021 trial, a jury awarded Zest \$60 million in damages and \$50 million in exemplary damages, finding the alleged theft of self-freshness technology to be willful and malicious. Another \$5 million was added because the jury found that Walmart broke a 2015 nondisclosure agreement it had signed when it requested a demonstration of Zest's shelf-management system.

However, U.S. District Judge James Moody Jr. ordered a new trial after finding Zest Labs failed to

disclose that it noticed Walmart applied for a patent related to a system that keeps groceries fresh for longer.

Zest Labs is represented by Patrick M. Ryan, Adam Mitzner, Sean R. McTigue, Andrew Ryan, Natalie Felsen, Katie Allgood, Kenneth Richard, Chad DeVeaux, Griff Towle, Rob Bunzel, Brian Smith, Joe Fraresso, Brianne Kalach and Gianna Signorille of Bartko Pavia LLP, Scott P. Richardson and Brittany Webb of McDaniel Wolff PLLC, H. Christopher Bartolomucci of Schaerr Jaffe LLP and Kate M. Falkenstien of Blue Peak Law Group LLP.

Walmart is represented by John Keville, Robert Green and Chante B. Westmoreland of Sheppard Mullin Richter & Hampton LLP and John E. Tull III, E. B. Chiles IV, R. Ryan Younger and Glenn Larkin of Quattlebaum Grooms & Tull PLLC.

The case is Zest Labs Inc. et al. v. Walmart Inc., case number 4:18-cv-00500, in the U.S. District Court for the Eastern District of Arkansas.

--Additional reporting by Lauren Berg.