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TOP VERDICTS OF 2016

The largest and most significant verdicts and appellate reversals handed down in California in 2016

TOP DEFENSE VERDICTS

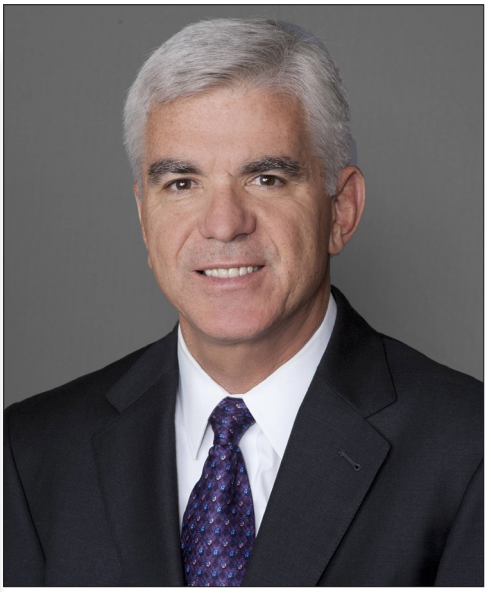
Garrison v. Oracle Corp.

case INFO

Antitrust
Northern District
U.S. District Judge Lucy H. Koh

Defense lawyers: Latham & Watkins LLP, Sarah M. Ray, Daniel M. Wall, Elyse M. Greenwald, Jesse B. McKeithen, Claire A. Holton-Basaldua; Oracle Corp., Dorian E. Daley, Deborah K. Miller, James C. Maroulis

Plaintiff lawyers: Hogue & Belong, Jeffrey L. Hogue, Tyler J. Belong, Bryce A. Dodds; Markham Law Firm, David R. Markham, Peggy Reali, Janine Menhennet, Maggie K. Realin; Hausfeld LLP, Michael P. Lehmann, Bonny E. Sweeney, Christopher L. Lebsock



DANIEL M. WALL

SARAH M. RAY

Going in, it looked potentially tough for the defense because the class action claims at stake were a follow-on to the *In re High-Tech Employee Antitrust Litigation* over no-poach agreements. That marquee case settled for $415 million, also before Koh. The Garrison plaintiffs asserted that Oracle too had participated in the same conspiracy by reaching similar agreements with other technology companies. But Oracle successfully moved to dismiss plaintiffs' initial complaint and their amended pleading. U.S. District Judge Lucy H. Koh agreed with Oracle that the claims were time-barred.

"It was a challenge to make sure that Oracle's business practices were evaluated on their own terms and not lumped together with those of the High-Tech defendants," Sarah M. Ray of Latham & Watkins LLP said. "Judge Koh had her suspicions, and as a result, she gave the plaintiffs a lot of latitude the pursue their claims."

After discovery, the Garrison plaintiffs found no evidence of the broad, high-level agreements by senior executives that were in evidence in the *High-Tech* case. So the plaintiffs primarily challenged non-solicitation clauses included in some of Oracle's service contracts and Oracle's unilateral policies of not hiring from certain of its business partners. Ray and colleagues argued that those agreements and policies were entirely lawful under the Department of Justice's consent decree following the *High-Tech* case because they were narrowly tailored and part of legitimate business agreements.

"We demonstrated to Judge Koh that there was just no evidence at Oracle of the kind of agreements in *High-Tech* within or without of the statutory period," Ray said. "As well as winning the case, we set out to mount a reputational defense. We pointed out that the Department of Justice did not sue Oracle for a good reason." Koh agreed with Oracle and clarified a legal issue of first impression: when a plaintiff's Sherman Act claims accrue in the context of alleged no-hire and non-solicitation agreements. She held the key is the time of the alleged anticompetitive conduct and not when the plaintiff is allegedly first injured. The claims began to run in 2009 and expired in 2013, before the plaintiffs filed their complaint, Koh ruled.

"The harder these things are fought, the more satisfying the win," Ray said. As federal authorities make prosecution of alleged no poach agreements a priority, Koh's decision makes clear that a late-in-time hired plaintiff cannot be used to extend the statute of limitations for otherwise stale claims, Ray added."

— John Roemer