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Pearl Cohen Team Secures Major Litigation Victory for Tech Client

A team from the New York Litigation Group, headed by Veronica Mullally Muñoz and Daniel J. Melman, has scored a major win for our client Broker Genius Inc., following a two-week trial in New York federal court. In *Broker Genius Inc. v. Seat Scouts LLC et al.*, case number 1:17-cv-08627 (S.D.N.Y.), the jury awarded Broker Genius \$4.5 million on its claim against defendant Seat Scouts LLC, finding that Seat Scouts, a competitor of Broker Genius, had illegally appropriated Broker Genius' proprietary technology that allows resale brokers to easily reprice sports and entertainment stubs. The damages award represents an award of \$3 million against Seat Scouts CEO, Drew Gainor, personally, for breaching Broker Genius's terms of use and another \$1.5 million against Gainor and Seat Scouts for misappropriating the fruits of Broker Genius CEO Shmuel "Sam" Sherman's efforts.

Following the jury verdict, U.S. District Judge Sidney H. Stein announced his intention to enter a permanent injunction against defendants, and ordered the parties to come up with the precise terms for an injunction in the next few days. A preliminary injunction entered in May 2018 is on appeal to the U.S. Court of Appeals for the Second Circuit.

Broker Genius charges ticket brokers to use its autopricing software, promising it will boost sales by keeping them competitive as prices change. Its website says it has assisted in pricing some \$2 billion of ticket inventory since its 2013 launch. It has now prevailed in three lawsuits, all before Judge Stein, targeting competitors that have introduced similar autopricing applications.

The suit targeting Seat Scouts is the only one to have gone to trial. Sherman told the jury of five men and three women that the poaching began in May 2016

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when Gainor signed up at Broker Genius, stole information and launched a competitor on the cheap in late 2017 to undersell him.

Seat Scouts denied the allegations, but the jury accepted them, seemingly in their entirety: The \$4.5 million verdict matched the amount of money Sherman's team told the jury that it had cost Broker Genius to launch and improve its "AutoPricer" product over roughly three years.

Defendants are expected to appeal.

Kudos to all involved on Pearl Cohen's side: Veronica Mullally Muñoz, Daniel J. Melman, Miriam Kurien Tyrell and the entire legal team including Nathan D. Renov and Ari Farkas.