

**VIRGINIA:**

**IN THE CIRCUIT COURT FOR FAIRFAX COUNTY**

**BABEL STREET, INC.**  
1818 Library St  
Reston, VA 20190

**Plaintiff**

v.

**BRENDAN HUFF**  
902 South Carolina Ave, SE  
Washington, DC 20003

**JEFFREY HEINZ**  
828 Nancy Lynn Lane  
Arnold, MD 21012

**BRENDON CLARK**  
5610 6th Street North  
Arlington, VA 22205

**ANOMALY 6 LLC**  
Serve: Legalinc Corporate Services Inc.  
2035 Sunset Lake Road Suite B-2  
Newark, DE 19702  
302-894-8922

**DATALUS 5 LLC**  
Serve: Legalinc Corporate Services Inc.  
2035 Sunset Lake Road Suite B-2  
Newark, DE 19702  
302-894-8922

**Defendants.**

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**2018 16334**

Case No. \_\_\_\_\_

**JURY TRIAL IS DEMANDED**

## **COMPLAINT**

COMES NOW THE PLAINTIFF, Babel Street, Inc. ("Babel Street"), by and through its undersigned counsel, and submits this Complaint against Defendants Brendan Huff, Jeffrey Heinz, Brendon Clark (collectively, the "Former Employees"), Anomaly 6 LLC ("Anomaly"), and Datalus 5 LLC ("Datalus") (the Former Employees, Anomaly, and Datalus, collectively, the "Defendants").

## **INTRODUCTION**

1. This case arises out of a conspiracy by the Former Employees to misuse Babel Street's confidential information, solicit Babel Street's employees and customers, and interfere with Babel Street's business opportunities in violation of their obligations to Babel Street and for the direct benefit of Semantic AI, Inc. ("Semantic"), a competitor of Babel Street, and two competing entities formed by Huff and Heinz.

2. Babel Street is a leading international provider of software that aggregates relevant data from multiple data sources for the purpose of analyzing data through a single lens using key drivers of discover, collect, analyze, and report. Because it operates in a fiercely competitive market, Babel Street takes great care to safeguard its trade secrets, confidential information, customer goodwill, and reputation, which it spent substantial resources developing.

3. The Former Employees worked for Babel Street in trusted roles. As a condition of their employment, the Former Employees entered agreements promising not to unfairly compete against Babel Street, solicit its customers unless on behalf of Babel Street, or use or disclose Babel Street's confidential or trade secret information without authorization. In exchange for their promises, Babel Street provided the Former Employees valuable training to develop unique skills and serve in leading roles for some of Babel Street's most valuable

customers. The Former Employees also were given access to highly confidential and trade secret information of Babel Street and its customers, including Babel Street's technology, pricing, business plans, forecasts, and use cases.

4. Since leaving Babel Street earlier this year, the Former Employees have engaged in a campaign of unfair competition against the Company in violation of their contractual and legal obligations. Since departing Babel Street, the Former Employees have been working with Semantic in similar capacities to the roles they performed for Babel Street. In connection with their work, they have solicited Babel Street customers and employees, even suggesting that one of Babel Street's largest government customers may not renew its contract with Babel Street next month. Given their roles with Semantic, the Former Employees are poised to use or disclose Babel Street's confidential information and trade secrets for the direct benefit of assisting Semantic compete against Babel Street. Huff even revealed his intent to "Let Babel burn to the ground," threatening to use Babel's "price points" to "bid lower" than Babel Street on contracts with "ECS," a Babel Street partner and prime contractor through which Babel Street obtains substantial business with the U.S. government. Huff and Heinz have also conspired to unfairly compete against Babel Street by forming Datalus and Anomaly, which appear to have strikingly similar technology to Babel Street's products, and by demoing Anomaly's technology to Babel Street customers.

5. As a result of Defendants' wrongful acts, Babel Street's business and goodwill with its customers has been damaged. Babel Street seeks compensatory and punitive damages, including attorney fees, to remedy the injuries caused by Defendants' wrongful conduct. Because Babel Street will continue to suffer irreparable harm for which no adequate remedy at

law exists, Babel Street also seeks a preliminary and permanent injunction to enjoin Defendants from inflicting any further irreparable harm on Babel Street.

### **THE PARTIES**

6. Babel Street is a private corporation organized under the laws of Delaware with its principal place of business located at 1818 Library Street, Reston, VA 20190.

7. Huff is a citizen of the District of Columbia with his principal residence located at 902 South Carolina Ave, SE, Washington, DC 20003.

8. Heinz is a citizen of the State of Maryland with his principal residence located at 828 Nancy Lynn Lane, Arnold, MD 21012.

9. Clark is a citizen of the Commonwealth of Virginia with his principal residence located at 5610 6th Street North, Arlington, VA 22205.

10. Anomaly is a Delaware Limited Liability Company. Upon information and belief, Anomaly is headquartered in Alexandria, Virginia.

11. Datalus is a Delaware Limited Liability Company.

### **JURISDICTION AND VENUE**

12. This Court has subject matter jurisdiction over this Complaint under Va. Code Ann. §§ 8.01-620 and 17.1-513.

13. This Court has personal jurisdiction over Defendants pursuant to Va. Code Ann. § 8.01-328.1 and can exercise personal jurisdiction over Defendants consistent with due process.

14. Venue is proper in this Court under Va. Code Ann. §§ 8.01-257 and 8.01-262 because: (a) Babel Street's principal place of business is in Fairfax County, Virginia; (b) the Former Employees signed contracts that are at issue in this dispute that provide for exclusive

jurisdiction and venue in Fairfax County, Virginia; (c) upon information and belief, Anomaly has its principal place of business in Alexandria, Virginia and Huff and Heinz, as the co-founders of Anomaly, have engaged in actions on Anomaly's behalf in Fairfax County; (d) upon information and belief, Datalus has operations in Alexandria, Virginia, and Huff, as the founder of Datalus, has engaged in actions on Datalus' behalf in Fairfax County; and (3) the claims in this Complaint arose from actions in Fairfax County.

### **FACTUAL BACKGROUND**

#### **Babel Street's Business and Confidential Information**

15. Founded in 2009 as a small technology startup business, Babel Street provides software that uses advanced technology to collect, aggregate, analyze and visualize in near real-time large volumes of publicly and commercially available multi-lingual and location-based data. Babel Street offers a variety of products to government and private entities that collect, analyze, monitor, and report on that information. Babel Street's products include:

- a. Babel X<sup>®</sup>, an intelligent, cloud-based engine used to search and analyze various social media and other publicly available data sources to allow users to visualize data through a wide range of analytical lenses;
- b. Babel Box<sup>™</sup>, a on premise version of Babel X<sup>®</sup> that allows users to fuse, index and search private, sensitive, or proprietary data with publicly available data to generate actionable intelligence; and
- c. Locate X<sup>™</sup>, a location data technology that processes and visualizes data and produces information and data intelligence for commercial, law enforcement, and governmental entities.

16. Babel Street operates in a highly competitive  
text analytics software provid

[REDACTED]

16. Babel Street operates in a highly competitive market of business and social media text analytics software providers for commercial and government clients. Babel Street's products are highly valuable to U.S. and international defense, intelligence, and law enforcement agencies that need to gather and synthesize intelligence from large volumes of data available through public and non-public sources. Babel Street's products are sold throughout the United States, Canada, the United Kingdom, Australia, New Zealand, Singapore, Germany, Italy, Switzerland, and others countries. Babel Street spent considerable resources developing its proprietary software and technology as well as its relationships with its U.S. government customers. Some of its largest U.S. government customers include various agencies under the Department of Defense ("DoD"), Department of Homeland Security ("DHS"), and the Department of Justice ("DOJ").

17. Semantic operates in that same market by offering many of those same federal agencies analytic software that analyzes and visualizes data. For example, Semantic offers visualization products that directly compete with Babel Street products to Babel Street's customers, including the Department of Homeland Security.. Upon information and belief, Semantic is trying to expand its product portfolio to more directly compete against Babel Street's products by incorporating data sources into its technology similar to Babel Street.

18. In the course of building its business, Babel Street incurred and continues to incur substantial expense creating and maintaining highly confidential and trade secret information, including its business strategies, account plans, operations, product roadmap, technical enhancements, processes, techniques, data, use cases, pricing information, data suppliers, technical information, financial information, customer lists, and marketing strategies.

19. Babel Street's confidential information and trade secrets are not generally known or available in the industry and are of substantial value to Babel Street. It would be extremely difficult for a competitor to either acquire or reverse-engineer Babel Street's confidential information and trade secrets using publicly-available sources. Use of Babel Street's confidential information and trade secrets by competitors in the industry would severely hinder the competitiveness of Babel Street's business and cause irreparable harm and provide an unfair competitive advantage for competitors to enter the market.

20. A significant portion of Babel Street's competitive advantage is the knowledge its key employees possess and the relationships those employees cultivate with Babel Street's key clients. One of Babel Street's differentiators is its ability to work with its customers to develop proprietary and confidential use cases or searches within its software. This hands-on training and servicing allows Babel Street to develop deeper relationships with its customers as well as customer loyalty to Babel Street's software.

21. Babel Street takes significant measures to protect its confidential information, trade secrets, and client relationships. Babel Street requires all employees to sign At Will Employment, Confidential Information, Non-Competition and Invention Assignment Agreements ("CIAs"), which include provisions prohibiting the improper use or disclosure of confidential information. The CIA also requires employees to assign to Babel Street all intellectual property rights to any inventions, intellectual property, materials, documents, or other work product created, developed, or improved by employees at any time during their employment with Babel Street that are within the scope of their employment or were created with the use of any Babel Street resources.



22. Babel Street further protects its confidential information and trade secrets by: (a) requiring employees to have an electronic proximity access card for physical building access; (b) restricting access to its confidential information to only those employees who "need to know" such information; (c) limiting electronic access to such data to only individuals who have an authorized user name and password; and (d) restricting access to certain areas of its facility to authorized employees. Babel Street also requires its employees to sign Data Use Acknowledgment agreements, requiring them to protect its data and software from improper use.

23. Babel Street has also implemented and maintained numerous policies outlining its security measures and expectations concerning privacy and communications. For instance, Babel Street's employee handbook has a Nondisclosure Policy that provides, in part:

During the course of your employment, you may come into the possession of trade secrets or confidential information that belongs to the Company and/or its customers, including customer lists and information, financial information, leases, licenses, agreements, sales figures, business plans, data, inventions, any and all data accessed through any Company product or technology (whether or not otherwise publicly available or associated with a particular Customer), and other proprietary information. For avoidance of doubt, employees shall use confidential information solely for the benefit of the Company. Do not disclose any confidential information, or other non-public proprietary company and/or customer information, either during or after your employment. Any doubts about the confidentiality of information should be resolved in favor of confidentiality.

All employees are required to sign the Company's At Will Employment, Confidential Information, Non-Competition and Invention Assignment Agreement upon commencement of employment. Such confidentiality survives employment. Any disclosure of Corporate Trade Secrets or Intellectual Property is specifically prohibited at any time during, or after the termination of the NDA's executed timeframe. There may be times when an employee is required to sign a personal NDA in order to support a customer.

Babel Street's Nondisclosure Policy, Exhibit 1, pp. 2-3.

Babel Street also maintains a Confidentiality Policy that states in relevant part:

Our clients and other parties with whom we do business entrust the company with important information relating to their businesses. It is our policy that all information considered confidential will not be disclosed to external parties or to

employees without a "need to know." If an employee questions whether certain information is considered confidential, he/she should first check with his/her immediate supervisor.

Examples of confidential information include, but are not limited to:

- Personnel Files
- Customer Accounts
- Customer relationships or partner, reseller, referral agent, or other vendor relationships
- Sales figures
- Business plans
- Non-public details about the Company's software, data sets, or other technical details
- Any and all data available through any Company product or service, including, but not limited to, any and all data available through any Customer's subscription to a Company product and/or service
- Demos, Screenshots of the Company software or other business proprietary materials, unless approved in advance by the CEO, COO or General Counsel

Babel Street's Confidentiality Policy, Exhibit 1, p. 12. Each of the Former Employees agreed to abide by the Nondisclosure policy, Confidentiality policy, and Data Use Acknowledgment agreement. True and accurate copies of their signed acknowledgments are attached hereto as Exhibits 2-4.

#### **Babel Street's Key Relationship with ECS**

24. One of Babel Street's most significant customers is a DoD customer located in Tampa, Florida. ECS Federal, Inc. ("ECS") serves as a prime contractor to this customer and various other U.S. government agencies by providing a catalog of technology tools that government employees can use. The U.S. government awarded ECS a contract to manage and maintain a suite of products requested and evaluated by the government, known as the Toolkit, for its government customers.

25. A significant portion of Babel Street's revenue comes through purchase orders awarded by the government through the ECS contract. Babel Street has worked with ECS for

many years. Babel Street has an agreement with ECS to make its products available to various government agencies through the Toolkit. Babel Street is paid through its agreements with ECS based on the number of subscriptions purchased by the government.

26. The government, with assistance of ECS and other third parties, periodically evaluates the products that are available on or can be added to the Toolkit to determine whether to keep the existing tools or add new tools to the Toolkit. The government anticipates scheduling an evaluation of existing and new products on the Toolkit in February 2019. Babel Street has opportunities to renew its contract with the government through the ECS contract in December 2018 and June 2019.

#### **Former Employees' Agreements with Babel Street**

27. As a condition of their employment with Babel Street, the Former Employees each entered CIAs (the "Former Employee Agreements") when they were hired. True and correct copies of the Former Employee Agreements for Huff, Heinz, and Clark are attached as Exhibits 5-7.

28. As part of the Former Employee Agreements, the Former Employees each agreed during and after their employment with Babel Street not to "use, except for the benefit of [Babel Street] to fulfill [their] employment obligations, or to disclose to any person, firm or corporation without written authorization of the Board of Directors of [Babel Street], any Confidential Information of [Babel Street]." "Confidential Information" is defined in the Agreement as:

any non-public information that relates to the actual or anticipated business or research and development of the Company, technical data, trade secrets or know-how, including, but not limited to, research, product plans or other information regarding Company's products or services and markets therefore, customer lists and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the term of my employment), software, developments,

**inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information.**

**29. The Former Employees also agreed that for a period of twelve (12) months after their employment with Babel Street ended, not to, directly or indirectly:**

**hire any employees of the Company or solicit, induce, recruit or encourage any of the Company's employees to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company, either for myself or for any other person or entity.**

...

**for purposes of benefiting a business competitor to the Company - solicit, divert or accept business from, or otherwise take away or interfere with, any customer or vendor of the Company, including any person or entity who was a customer or whose business was being pursued by the Company on or prior to the date upon which my employment relationship with the Company terminated.**

...

**engage [any location where the Company conducts business] as an employee, agent, consultant, advisor, independent contractor, proprietor, partner, officer, director, or otherwise of; or (ii) participate in the financing, operation, management, or control of, any firm, partnership, corporation, entity, or business that engages or participates in, a "competing business purpose." The term "competing business purpose" shall mean the sales, marketing or development of any software (hosted or otherwise) related to transliteration or multi-lingual analytics, geo-enabled analytics or text-analytics in the social media and web monitoring market spaces.**

**30. The Former Employees further agreed to return Babel Street property and documents upon their termination of employment, promising to:**

**deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings blueprints, sketches, materials, equipment, other documents or property, or reproductions of any**

aforementioned items developed by me pursuant to my employment with the Company or otherwise belonging to the Company, its successors or assigns . . .

31. The Former Employees agreed that these restrictions were “reasonable” and “necessary to protect the trade secrets, confidential information and [the] goodwill of the Company.” The Former Employees acknowledged that they were executing their CIAs “voluntarily and without any duress or undue influence by the Company,” and agreed that they had been provided an “opportunity to seek the advice of an attorney of [their] choice” before executing it.

32. The Former Employees “expressly consent[ed]” that any breach of the noncompetition restrictions in their CIAs would entitle Babel Street to obtain “an injunction from a court . . . restraining such breach or threatened breach” and to obtain “specific performance of any such provision” of the CIA, without the need for Babel Street to post “bond or other security.” They further agreed that Babel Street was entitled to obtain injunctive relief against them for any breach of the CIA, including recovering Babel Street’s “reasonable costs and attorneys fees” if it prevailed.

33. The Former Employee Agreements are governed by Virginia law and designate Fairfax County, Virginia as the exclusive jurisdiction and venue for disputes “arising out of or relating to” those agreements.

**The Former Employees Perform Trusted Roles for Babel Street**

34. In exchange for their promises, Babel Street provided the Former Employees with access to its key clients, allowing them to gain valuable experience and relationships with those clients, and providing access to its highly confidential information and trade secrets.

35. Huff worked for Babel Street as a Senior Vice President, Team Leader for DoD from March 3, 2015 until April 11, 2018. In that role, Huff oversaw a team of employees who were responsible for selling to and managing the relationship with Babel Street's DoD customers, including all customers on the ECS contract.

36. Huff served as Babel Street's primary contact with ECS. Huff's key relationship at ECS was a project manager ("PM") for the customer located in Tampa, Florida. The PM is also responsible for identifying and evaluating products for the Toolkit.

37. Huff not only was tasked with building Babel Street's goodwill with ECS, ECS PM(s), customers on the Toolkit, and other DoD clients, but his role also allowed him to learn highly confidential information and trade secrets about Babel Street's products and those customers, including client development strategies, specific use cases, pricing, proposals, and technical data and knowledge. He also participated in confidential working groups with Babel Street's U.S. government customers gathering feedback about new Babel Street products and offerings. For example, Huff led Babel Street's efforts on the U.S. government evaluation of Babel Street's Locate X product.

38. Heinz worked for Babel Street from August 1, 2015 to April 15, 2018, serving as a Senior Vice President, Team Leader. In that role, he led a team of employees focused on selling Babel Street's products to numerous federal civilian agencies, including the DOJ, and federal agencies in the intelligence community. Heinz also had access to Babel Street's highly confidential and trade secret materials, including strategic account planning, pricing, and customer use cases. As a team lead, Heinz was directly involved with the beta testing, product development, and client interfaces related to Babel Street's Locate X™ product. Like Huff,

Heinz also participated in the confidential working groups with Babel Street customers gathering feedback about new Babel Street products and offerings.

39. Clark worked for Babel Street from February 1, 2017 to July 20, 2018. During his tenure, he served as a Director, Software and Data Solutions and was a primary interface to Babel Street's intelligence community clients and various international customers. Clark was privy to Babel Street's confidential and trade secret information for those customers, including strategic planning, specific use cases, proposals, and pricing. He was also actively involved in the launch of Babel Box™.

40. Each of the Former Employees were privy to highly confidential and trade secret information relating to Babel Street's marketing and business development strategies, pricing and cost structure, client preferences, and technical data and knowledge. If a competitor had access to this information, it could use the information to undermine the competitive advantage that Babel Street spent years and millions of dollars acquiring and developing, map out the overall workings of Babel Street's products, and replicate the very strategies that are at the core of its technology.

41. In exchange for their trusted services, the Former Employees were well compensated during their employment. At the time they left employment at Babel Street, each Former Employee was earning more than \$150,000 in base salary, with overall annual compensation packages between \$160,000 and \$200,000 that included generous commissions and incentives.

### **The Former Employees Breach Their Obligations to Babel Street**

42. Since leaving Babel Street, the Former Employees have ignored their continuing duties to Babel Street by unfairly competing against Babel Street for the direct benefit of Semantic and two competing entities formed by Heinz and Huff.

43. On April 11, 2018, Huff and Heinz's employment relationships with Babel Street ended.

#### ***Huff Hatches a Plan to Burn Babel to the Ground***

44. Shortly after leaving Babel Street, Huff contacted several Babel Street employees, revealing his intent to unfairly compete against Babel Street. On April 12, 2018, Huff sent a series of text messages to Aaron Mountain, an employee of Babel Street, who previously reported to Huff and is currently responsible for managing relationships with clients who use Babel Street's products on the Toolkit. In those text messages, Huff attempted to have Mountain destroy confidential information Huff created when he was at the Company by instructing Mountain to "delete anything on the one drive or shared with you previously on office 365."

45. Huff later tried to recruit Mountain and another employee by telling Mountain to start "prepping to get out of there" and to "tell Andre [Fournier] I may have a gig for him in Tampa as well" and that "ECS" was "screaming for PMs." Then Huff attempted to pry confidential information about Babel Street from Mountain, asking "what's the new plan for Babel."

46. On April 16, 2018, Huff sent a separate series of text messages to Andres Fournier, Director, Special Programs at Babel Street. Fournier, who served as Babel Street's primary contact for the DoD customer located in Tampa, Florida, reported to Huff when Huff was at Babel Street. In the text messages to Fournier, Huff attempted to induce Fournier to



damage Babel Street's reputation with its government customers by asking him to "start having key people submit complaints and issues to Babel and Babel University like before..." He then pried Fournier for confidential use cases Babel Street developed in its software for its customers, asking him to "copy your usecases. Anytime you can export the data or show valid usecase let me know." In a seeming attempt to cover up his actions, Huff instructed Fournier to not "leav[e] any contact information with clients oh and deleting all spreadsheet contact info [ . . . ] good luck asshats."

47. On or around April 18, 2018, Fournier asked Huff whether his requests conflicted with Fournier's noncompete with Babel Street. Huff replied, "nope not at all... you're not in the competition business your [sic] at the integrator level... Bawahaha dumb asses." Huff continued to explain that Fournier would not violate his noncompete by engaging in this conduct because Fournier should not "care what tool the government chooses..... It just won't be Babel ;)."

48. Huff then proposed that "we could all leave and go to ECS! Let Babel burn to the ground." Huff solicited Fournier, saying he had work for Fournier in Tampa, Florida.

49. Huff boasted that he "had been talking to some of [ECS's] key leaders" and was planning "meetings with them next week." He then insinuated that he would use Babel Street's confidential pricing information to interfere with its contracts with ECS, stating "Oh shit did you dudes just lose 7 million in contracts and I know the price points so ECS bid lower on Babel. Shucks." The current value of Babel Street's contracts with ECS is approximately \$7 million.

50. Huff instructed Fournier to "play nice, make copies" ....." He then told Fournier that he would keep him "informed on our next two ventures."

51. After learning of these communications, Babel Street immediately sought to stop Huff from any further breaches of his obligations to Babel Street. On April 18, 2018, Babel

Street sent a letter to Huff asking him to cease and desist from soliciting Babel Street's employees or attempting to acquire its confidential information. It also reminded him of his continuing obligations to Babel Street under his CIAA. Huff responded that same day thanking Babel Street for the letter and saying it was "greatly appreciated." Babel Street trusted Huff's response to mean that he would comply with his continuing obligations.

***Huff and Heinz Form Two Competing Entities Based on Babel Street's Technology***

52. On or about June 5, 2018, Huff and Heinz co-founded Anomaly. Anomaly "partners with industry leading providers to visualize and validate locational and [Internet of Things] data for clients so they can solve their most sensitive and difficult challenges." The online description of Anomaly describes product location technology features strikingly similar to Babel Street's Locate X™ product.

53. On or about June 5, 2018, Huff formed Datalus as a data analytics company that brings advanced analytics, machine learning, and proprietary enrichment processes to support client advertising, marketing, and pattern analysis to make more cost effective purchases. The description of Datalus' business describes products with similar technology to Babel Street's products.

54. On or about June 27, 2018, Huff and Heinz participated in the Capitol Post Startup School, a nine-week program where veterans can test their startup ideas. In a post about the program, Heinz said that he and Huff "didn't anticipate closing business during Startup School, but due to the curriculum we went through (at the time) we already had what we needed to start generating revenue. It doesn't get much better than that!"

55. Anomaly was awarded the grand prize at the end of the Capitol Post Startup School. Upon information and belief, between June 27, 2018 and August 24, 2018, Anomaly

began operating and generating revenue. Upon information and belief, Anomaly is attempting to obtain or is obtaining data for its software from the same confidential data sources Babel Street uses for its Locate X™ technology. The data sources that are used in Babel Street's Locate X™ technology, and the terms around that relationship, are highly confidential and not publicly available. Huff and Heinz could have only learned the identity of those sources through their employment with Babel Street.

56. On or about July 14, 2018, Huff and Fournier met for lunch in Virginia. During their meeting, Huff said he was working on something that would rival Babel Street's Locate X™ product. He showed Fournier a spreadsheet that included all the data fields that Babel uses in its Locate X™ technology.

***Huff and Semantic Solicit Babel Street's Employees***

57. During that same meeting, Huff offered Fournier a job in Tampa with Semantic. Soon thereafter, the Chief Executive Officer of Semantic, Richard "Chip" Harrison, met with Fournier to demo Semantic product and discuss Fournier working at Semantic in Tampa. Fournier believed that Harrison wanted him to sell products on behalf of Semantic to Fournier's contacts at the DoD customer located in Tampa. After the meeting, Huff contacted Fournier to see if he wanted to work for Semantic. Fournier declined.

58. On July 20, 2018, Clark resigned from Babel Street. When asked by Babel Street where he was going, Clark refused to disclose his new employer.

59. On July 28, 2018, Huff sent an e-mail to Fournier and, upon information and belief, other Babel Street employees, with job postings for openings at Semantic, saying that he has "some contacts that are looking for some great talent" and to let him know if they are

“interested.” Huff states that Semantic has had “some big moves as a company lately and are interested in hiring some great talent and driving innovation and client experience.”

***Huff and Heinz Solicit Babel Street's Customers***

60. In September 2018, Fournier met with the ECS PM in charge of identifying and selecting tools to be added to the Toolkit for Babel Street's customer in Tampa. During the meeting, the PM stated that he thought everything with Babel Street went to “shit” after Huff left Babel Street and said that other tools offered greater capability than Babel Street's products. Upon information and belief, Huff has been meeting with the PM and criticizing Babel Street to the PM.

61. In September 2018, Huff, accompanied by other employees of Semantic, met with Babel Street's customer contact at DHS to offer technology and services as alternatives to Babel Street's offerings. Upon information and belief, Huff used confidential information about that customer that he acquired at Babel Street to solicit this customer.

62. Around this time, Huff switched from sending text messages to Fournier through regular texting services to sending messages on Signal, a clandestine text messaging service where messages auto delete after a short period. On or about October 5, 2018, Huff sent a message through Signal to Fournier trying to gather information about Babel Street's contract renewal with ECS. Huff asked Fournier how the renewals were going. Huff said he would be concerned as things were not looking good for ECS to renew with Babel Street. In that same conversation, Huff again solicited Fournier by asking if he was interested in working with Semantic.

63. On October 5, 2018, Heinz texted Mountain on Signal, asking “are there some big renewals in dec/jan?” When Mountain asks “[w]hy,” Heinz replies, “just curious, if those are

still a thing.” Heinz goes on to say he does not know if the renewals are “a sure thing or not” and that he has not heard “they are toast yet.”

***Huff, Heinz, and Clark Conspire to Interfere with Babel Street’s Renewals with ECS***

64. On October 8, 2018, Babel Street employees Kevin Graham and Andrew Pessaud, and another Babel Street employee, attended the 2018 Association of the United States Army Annual Meeting (the “AUSA Conference”).

65. At the AUSA Conference, Graham and Pessaud ran into Huff, Heinz, and Clark, who were attending the conference on behalf of Semantic. During the conversation, Huff, Heinz, and Clark taunted Graham and Pessaud about the status of Babel Street’s contract renewal with ECS. Graham asked if there was information he should know, and Huff, Heinz, and Clark just shrugged their shoulders. Later that day, Huff told Pessaud that Babel Street was up for disappointment in December because one of Babel Street’s large customers was not going to renew its contract with Babel Street in the fourth quarter of 2018. Babel Street’s contract with ECS is up for renewal in December 2018.

66. On or about October 24, 2018, a representative of Babel Street’s customer in Tampa told Babel Street that Huff and Heinz contacted him to schedule a time for a demo. The customer told Babel Street that Huff had been saying terrible things about Babel Street to him and his colleagues.

67. On or about October 23, 2018, Heinz and another person met with of contact of Babel Street’s customer located in Tampa. Huff had scheduled the meeting with the customer. Heinz gave the customer his business cards for both Anomaly and Semantic, showing that he was the Director of Business Development for Semantic. Heinz later demoed Anomaly for the customer. The customer, who is a frequent user of Locate X™, described the tool as having

strikingly similar technology and data to Babel Street's Locate X™ product, including location tools and data that are very similar to Locate X™. After the meeting, Huff contacted the customer about the demo to ask how it went.

**Huff, Heinz, and Clark Refuse to Comply with Their Restrictions**

68. On October 30, 2018, Babel Street sent separate letters to Huff, Heinz, and Clark reminding them of their contractual and legal obligations and asking that they cease and desist violating their contractual and legal obligations to Babel Street. True and correct copies of those letters are attached as Exhibits 8-10. That same day, Babel Street sent a letter to Semantic detailing the Former Employees' obligations to Babel Street and asking that Semantic ensure that the Former Employees cease and desist violating their contractual and legal obligations to Semantic.

69. In the Former Employee letters, Babel Street specifically requested that the Former Employees provide written assurances that they would:

- a. not "solicit, induce, recruit or encourage any of the Company's employees to leave their employment";
- b. not "solicit, divert or accept business from, or otherwise take away or interfere with, any Babel Street customers or prospective customers" with whom they previously interacted, "directly or indirectly" during the course of their employment with Babel Street;
- c. Confirm that they had not disclosed Babel Street's confidential information and/or trade secrets to any person or entity outside Babel Street, and, to the extent they had, provide a description of any confidential information and/or trade secrets that the Former Employees had disclosed, including "identifying each person and/or entity to whom the information was disclosed."

70. All of the Former Employees refused to provide the written assurances requested.

71. As described above, the Former Employees conduct has caused Babel Street grave harm, including violations of their contractual obligations to Babel Street, negatively impacting Babel Street's employees, and harming the goodwill Babel Street has built with its customers. The Former Employees also had access to and knowledge of Babel Street's highly valuable confidential information and trade secrets. The Former Employees are in positions with Semantic where they are poised to use or disclose Babel Street's confidential information and trade secrets to unfairly compete against Babel Street. Huff and Heinz also formed Datalus and Anomaly that, upon information and belief, use Babel Street's confidential information and trade secrets in their technologies. Datalus and Anomaly have aided and abetted the Former Employees conduct.

72. Defendants' conduct has caused and will continue to cause irreparable harm to Babel Street for which no adequate remedy at law exists.

**COUNT I  
BREACH OF CONTRACT – NONCOMPETITION COVENANT  
HUFF, HEINZ, CLARK**

73. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 72 above.

74. The Former Employee Agreements are valid and enforceable contracts entered into in exchange for good and valuable consideration. Babel Street has substantially performed every material obligation it owes to the Former Employees under the Former Employee Agreements.

75. The restrictive covenants in the Former Employee Agreements, including the noncompetition, nonsolicitation, and nondisclosure covenants, are reasonably necessary to

protect Babel Street's legitimate protectable business interests, including its confidential information, trade secrets, and customer goodwill.

76. The restrictive covenants are reasonable, not harmful to the public, and do not unreasonably burden the Former Employees.

77. The Former Employees promised under the Former Employee Agreements that for a period of twelve (12) months after their employment with Babel Street ended, they would not "engage" for a "firm, partnership, corporation, entity, or business" that has a "competing business purpose" to Babel Street, with "competing business purpose" meaning "sales, marketing or development of any software (hosted or otherwise) related to transliteration or multi-lingual analytics, geo-enabled analytics or text-analytics in the social media and web monitoring market spaces."

78. Semantic is a competitor of Babel Street and has a "competing business purpose" to Babel Street.

79. The Former Employees breached the noncompetition covenant by working for Semantic in capacities similar to the capacities in which they worked for Babel Street and that are competitive to Babel Street.

80. Huff and Heinz further breached their noncompetition covenant by forming Datalus and Anomaly, which upon information and belief, have a "competing business purpose."

81. As a result of the Former Employee's actions, Babel Street has suffered direct and consequential damages, and is entitled to recover compensatory damages in an amount to be determined at trial.

82. Unless the Former Employees are preliminarily and permanently enjoined from violating the terms of their noncompetition covenant in their Former Employee Agreements,



Babel Street will continue to suffer irreparable and incalculable harm, including the loss of trade secrets, confidential information, and customer goodwill, for which it can never be compensated. No adequate remedy at law exists for these breaches.

83. The Former Employee Agreements entitle Babel Street to obtain injunctive relief to restrain the Former Employees from violating the noncompetition covenant and seek all available damages for such breach.

**COUNT II**  
**BREACH OF CONTRACT - NONSOLICITATION OF CUSTOMERS COVENANT**  
**HUFF, HEINZ, CLARK**

84. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 83 above.

85. The Former Employees promised under the Former Employee Agreements that for a period of twelve (12) months after their employment with Babel Street ended, they would not “for purposes of benefiting a business competitor” of Babel Street “solicit, divert or accept business from, or otherwise take away or interfere with, any customer or vendor” of Babel Street, “including any person or entity who was a customer or whose business was being pursued” on or before the Former Employee’s last day with Babel Street

86. This nonsolicitation of customers covenant is reasonably necessary to protect Babel Street’s legitimate protectable business interests, including its confidential information, trade secrets, and customer goodwill.

87. The Former Employees have breached their nonsolicitation obligations by soliciting Babel Street customers for the purpose of benefiting business competitors of Babel Street within one year from the date of their termination of employment with Babel Street, including but not limited to:

a. Upon information and belief, Huff and other Former Employees solicited Babel Street's Homeland Security customer in September 2018;

b. Huff and Heinz have solicited Babel Street's DoD customer located in Tampa on behalf of Semantic and Anomaly; and

c. Upon information and belief, Huff, Heinz, and Clark have solicited Babel Street customers at ECS.

88. As a result of the Former Employee's actions, Babel Street has suffered direct and consequential damages, and is entitled to recover compensatory damages in an amount to be determined at trial.

89. Unless the Former Employees are preliminarily and permanently enjoined from violating the terms of their nonsolicitation of customers covenants in their Former Employee Agreements, Babel Street will suffer irreparable and incalculable harm, including the loss of trade secrets, confidential information, and customer goodwill for which it can never be compensated. No adequate remedy at law exists for these breaches.

90. The Former Employee Agreements entitle Babel Street to obtain injunctive relief to restrain the Former Employees from violating their nonsolicitation of customers covenants and seek all available damages for such breach.

**COUNT III**  
**BREACH OF CONTRACT – NONSOLICITATION OF EMPLOYEES COVENANT**  
**HUFF**

91. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 90 above.

92. Huff promised under the Former Employee Agreements that for a period of twelve (12) months after his employment with Babel Street ended, he would not directly or indirectly solicit, induce, recruit, or encourage any Babel Street employee to leave Babel Street.

93. This nonsolicitation of employees covenant is reasonably necessary to protect Babel Street's legitimate protectable business interests, including its confidential information, trade secrets, and customer goodwill.

94. Within one year from the date of his termination of employment with Babel Street, Huff solicited Babel Street's employees to work for Semantic in violation of his Former Employee Agreement, including but not limited to soliciting Fournier and Mountain.

95. As a result of Huff's actions, Babel Street has suffered direct and consequential damages, and is entitled to recover compensatory damages in an amount to be determined at trial.

96. Unless Huff is preliminarily and permanently enjoined from violating the terms of his nonsolicitation of employees covenant in his Former Employee Agreement, Babel Street will suffer irreparable and incalculable harm, including the loss of trade secrets, confidential information, and customer goodwill for which it can never be compensated. No adequate remedy at law exists for these breaches.

97. Huff's Former Employee Agreement entitles Babel Street to obtain injunctive relief to restrain Huff from violating his nonsolicitation of employees covenant and seek all available damages for such breach.

**COUNT IV  
BREACH OF CONTRACT – NONDISCLOSURE COVENANT  
HUFF, HEINZ, CLARK**

98. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 97 above.

99. Pursuant to the Former Employee Agreements, each of the Former Employees promised, during their employment with Babel Street and at all times thereafter, not to use or disclose Babel Street's Confidential Information (as defined in the Employee Handbook and the Former Employee Agreements) without the prior written consent of Babel Street except as may be necessary for the benefit of Babel Street.

100. This nondisclosure covenant is reasonably necessary to protect Babel Street's legitimate protectable business interests, including its confidential information, trade secrets, and customer goodwill.

101. Upon information and belief, the Former Employees have retained Confidential Information of Babel Street after their employment ended, including but not limited to confidential business strategies, plans, inventions, processes, techniques, data, use cases, pricing information and strategies, technical information, financial information, customer lists, and marketing strategies.

102. In their work for Semantic, the Former Employees are in a position to disclose Babel Street's Confidential Information to Semantic in violation of the Former Employee Agreements.

103. Upon information and belief, the Former Employees have breached their nondisclosure covenants by using or disclosing Confidential Information in connection with their work for Semantic.

104. Upon information and belief, Huff and Heinz have breached their nondisclosure covenants by using or disclosing Babel Street's Confidential Information in connection with the development of the technology and work for Datalus and/or Anomaly.

105. As a result of the Former Employee's actions, Babel Street has suffered and will continue to suffer direct and consequential damages, and is entitled to recover compensatory damages in an amount to be proven at trial.

106. Unless the Former Employees are preliminarily and permanently enjoined from violating the terms of their nondisclosure covenants in their Former Employee Agreements, Babel Street will suffer irreparable and incalculable harm, including the loss of trade secrets, confidential information, and customer goodwill for which it can never be compensated. No adequate remedy at law exists for these breaches.

107. The Former Employee Agreements entitle Babel Street to obtain injunctive relief to restrain the Former Employees from violating their nondisclosure covenants and seek all available damages for such breach.

**COUNT V**  
**VIOLATION OF VIRGINIA UNIFORM TRADE SECRETS ACT**  
**DEFENDANTS HUFF, HEINZ, ANOMALY, AND DATALUS**

108. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 107 above.

109. A confidential relationship existed between Babel Street and Huff as a result of his employment with Babel Street and his execution of his Former Employee Agreement.

110. A confidential relationship existed between Babel Street and Heinz as a result of his employment with Babel Street and his execution of his Former Employee Agreement.

111. Babel Street maintains confidential information that qualify as trade secrets, including, but not limited to, business strategies, plans, operations, inventions, processes, techniques, data, use cases, pricing information and strategies, technical information, financial information, customer lists, and marketing strategies.

112. Babel Street's trade secrets are not generally known to other persons or entities and not readily ascertainable by proper means by other persons. Babel Street's trade secrets were developed by Babel Street through great effort and expense, in terms of manpower, time, and costs, and are extremely valuable to Babel Street, crucial to the operation of its business and technology, cannot be easily acquired or duplicated by others, and, if made available to others, would enable them to compete with Babel Street to Babel Street's detriment.

113. Babel Street has taken reasonable measures to maintain the secrecy of this information, including but not limited to, limiting disclosure of trade secrets to employees who have signed written agreements to maintain its secrecy.

114. Because of the nature of their high-level positions and customer facing roles, Heinz and Huff were provided access and made privy to Babel Street's trade secrets during their employment with Babel Street.

115. Huff and Heinz were subject to the nondisclosure covenants contained in their Former Employee Agreements and Babel Street's Confidentiality and Nondisclosure policies. Huff and Heinz have a duty of loyalty to maintain confidentiality and not use for their own purposes the trade secrets that they had access to pursuant to their employment with Babel Street.

116. Upon information and belief, Huff and Heinz, in concert with their companies Anomaly and Datalus, have threatened or actually misappropriated Babel Street's trade secrets by using and disclosing Babel Street's trade secrets, including but not limited to client strategy,

specific use cases, pricing, marketing strategies, technical information, and product development materials, without Babel Street's consent.

117. As a direct and proximate result of Huff's and Heinz's misappropriation of its trade secrets, Babel Street has suffered and will continue to suffer irreparable harm for which no adequate remedy at law exists, such that Babel Street is entitled to injunctive relief under Va. Code Ann. § 59.1-337 and the common law.

118. Huff's and Heinz's conduct as alleged herein has been wrongful, willful, and malicious, such that Babel Street is entitled under Va. Code Ann. § 59.1-338.1 to recover from Huff, Heinz, Anomaly, and Datalus actual and punitive damages and its attorney fees.

**COUNT VI  
TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIPS –  
HUFF, HEINZ, CLARK, AND ANOMALY**

119. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 118 above.

120. Babel Street has valid and continuing present and prospective business relationships with its customers, including but not limited to ECS, DoD and the Department of Homeland Security, with a probability of future economic benefit to Babel Street.

121. As a result of their employment relationship with Babel Street, Huff, Heinz, and Clark are aware of Babel Street's customer relationships because they were required to service those customers and maintain those relationships when they worked for Babel Street.

122. Anomaly was similarly aware, and/or should have been aware, of Babel Street's interest in those customer relationships.

123. Upon information and belief, Huff, Heinz, and Clark have shared information regarding Babel Street's customer relationships (both existing and prospective) in an effort to

solicit those customers or transfer their business and contracts from Babel Street to Semantic and/or Anomaly.

124. Their actions were done with the specific intent to harm Babel Street's business relationships with their current and prospective customers and erode their goodwill with those customers.

125. Their actions were and are without privilege or justification.

126. As a direct and proximate cause of the foregoing, Babel Street has and continues to be damaged by the actions of Huff, Heinz, Clark, and Anomaly, in an amount to be determined at trial.

127. Because Babel Street has no adequate remedy at law, Babel Street is entitled to preliminary and permanent injunctive relief to enjoin Huff, Heinz, Clark, and Anomaly from their continuing wrongful acts.

**COUNT VII  
COMMON LAW CONSPIRACY  
ALL DEFENDANTS**

128. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1- 127 above.

129. Upon information and belief, Defendants agreed, combined, conspired and acted in concert together to injure Babel Street in its trade, business or profession by, among other things: (a) causing, inducing, participating and/or facilitating a breach of the Former Employee's contractual relationship with Babel Street, including breach of the noncompetition, nonsolicitation, and nondisclosure covenants in the Former Employee Agreements; (b) by unlawfully soliciting Babel Street's customers in contravention of the Former Employee Agreements, including ECS and the DoD customer located in Tampa, Florida; (c) by



encouraging, facilitating, and aiding and abetting the prohibited solicitation of employees of Babel Street, including Fournier; (d) using or disclosing Babel Street's confidential information and trade secrets, without Babel Street's authorization, to gain a business advantage; and (e) by establishing Datalus and Anomaly as competing entities that have technology that was created with the use of Babel Street's confidential information and trade secrets.

130. Upon information and belief, Defendants took these actions intentionally, purposefully, willfully, maliciously, and without lawful justification.

131. As a direct and proximate cause of Defendants' actions, Babel Street has and will continue to suffer damages in an amount to be determined at trial.

132. The harm caused by Defendants' on-going use, disclosure, and threatened disclosure of Babel Street's confidential information and trade secrets, as well as Defendants' ongoing solicitations of Babel Street's customers and employees cannot be fully remedied by monetary damages. Babel Street is entitled to injunctive relief to preliminarily and permanently restrain Defendants from continuing to act in concert.

**COUNT IX**  
**COMPUTER TRESPASS IN VIOLATION OF VIRGINIA CODE §§ 18.2-152.4 ET SEQ.**  
**HUFF**

133. Babel Street repeats, realleges and incorporates by reference as though fully set forth herein the allegations in paragraphs 1 – 141 above.

134. Upon information and belief, Huff with malicious intent accessed Babel Street's computer and/or computer network, without authority, to make an unauthorized copy of Babel Street's computer data and files, including but not limited to documents including confidential and proprietary customer related information that resided on Babel Street's computers and computer network and also to erase computer data.

135. As a direct and proximate cause of Huff's actions, Babel Street has been damaged by Huff in an amount to be determined at trial.

**RELIEF REQUESTED**

WHEREFORE, Babel Street requests that the Court award the following relief:

- A. That Defendants, along with their respective agents, successors, employees, be temporarily and permanently enjoined from:
- a. soliciting Babel Street's customers and prospective customers for the one year period from the date the Court grants the injunction;
  - b. soliciting Babel Street's employees for the one year period from the date the Court grants the injunction;
  - c. directly or indirectly disclosing or using Babel Street's proprietary information, trade secrets, and confidential information;
  - d. aiding any third party in carrying out (a) - (c) above; and
  - e. misappropriating or threatening to misappropriate Babel Street's confidential information and trade secrets, including all copies thereof, to account for the whereabouts of Babel Street's confidential information and trade secrets, and produce for inspection to Babel Street all computers, cell phones, and other personal electronic devices on which Babel Street information may have resided; and
- B. That Defendants, along with their respective agents, successors, employees, be specifically be required to:
- a. return to Babel Street all trade secrets and confidential information in their possession, custody, or control, including all copies thereof;

- b. identify each customer or potential customer that they have contacted on their own behalf, or on behalf of Semantic, Datalus, or Anomaly, using Babel Street's confidential information since April 11, 2018, including the means by which the contact(s) occurred (e.g., letter, phone, e-mail, in person, etc.) and the date(s) of contact;
- c. produce to Babel Street any information available to Defendants showing the date or time of the contacts identified in response to subpart (b) above, including but not limited to all email messages, text messages, LinkedIn and other social media messages, copies and templates of contacts made through the U.S. mails, phone logs, "call lists," mailing receipts, postage meter and facsimile reports that identify, or would aid in identifying, the date or time such contact was prepared and/or occurred; and

  - A. Babel Street be awarded actual damages, including lost profits, of \$7,000,000 or such amount to be determined at trial;
  - B. Babel Street be awarded compensatory damages of \$25,000,000 or such amount to be determined at trial as provided by Va. Code Ann. § 59.1-338(A)
  - C. Babel Street be awarded punitive damages of \$350,000 or in such amount to be determined at trial for Defendants' willful and malicious conduct and misappropriation of trade secrets as provided by law (including but not limited to Va. Code Ann. § 59.1-338(B)) and treble damages in accordance with Va. Code Ann. § 18.1-500.
  - D. Babel Street be awarded its attorney's fees, costs, and expert witness fees incurred in prosecuting this action, including as allowed under the Former Employee Agreements and Va. Code Ann. § 18.2-500.


E. Babel Street be awarded pre-judgment and post-judgment interest.

F. That the Court award such other and further relief as the Court deems appropriate under the circumstances.

Dated: November 15, 2018

MORRISON & FOERSTER LLP

By: \_\_\_\_\_

  
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