

AKIN GUMP STRAUSS HAUER & FELD LLP

PAUL D. TRIPODI II (SBN 162380)
ptripodi@akingump.com
4 Park Plaza, Suite 1900
Irvine, CA 92614
Tel: 949-885-4100
Fax: 949-885-4101

DAVID C. VONDLE (CA SBN 221311)
dvondle@akingump.com
Robert S. Strauss Tower
2001 K Street N.W.
Washington, DC 20006
Tel: 202-887-4000
Fax: 202-887-4288

Attorneys for Plaintiff Business Efficiency
Solutions, LLC

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

BUSINESS EFFICIENCY
SOLUTIONS, LLC,

Plaintiff,

v.

HUAWEI TECHNOLOGIES CO.
LTD, a China company, and HUAWEI
TECHNOLOGIES (PAKISTAN)
PRIVATE LIMITED, a Pakistan
company,

Defendants.

Case No. 8:21-cv-1330

**COMPLAINT FOR VIOLATIONS
OF (1) DEFEND TRADE SECRETS
ACT; (2) CALIFORNIA UNIFORM
TRADE SECRETS ACT; AND (3)
CAL. BUS. & PROF. CODE § 17200
ET. SEQ.**

DEMAND FOR JURY TRIAL

1 Plaintiff Business Efficiency Solutions, LLC (“BES”) brings this action against
2 Defendants Huawei Technologies Co. LTD (“Huawei-China”) and Huawei Technologies
3 (Pakistan) Private Limited (“Huawei-Pakistan”) (collectively, “Huawei”) for theft and
4 misappropriation of trade secrets under both 18 U.S.C. § 1836, the Defend Trade Secrets
5 Act (“DTSA”) and California Civil Code § 3426, the California Uniform Trade Secrets
6 Act (“CUTSA”), and for unfair competition under California Business and Professions
7 Code § 17200 et seq.

8 INTRODUCTION

9 1. In 2015, the government of Pakistan launched a program designed to
10 completely overhaul existing police and law enforcement agencies with new, innovative
11 technology to make the cities of Pakistan safer. The Pakistani government invited
12 highly technical proposals from Huawei and other technology companies around the
13 world for the inaugural “Safe City” project in Lahore, Pakistan.

14 2. At the time, Huawei lacked the capability to undertake such a technically
15 advanced project on its own, and it lacked the ability to develop the required controls
16 and customized software in-house or in time to submit a bid for the work to the
17 Pakistani government.

18 3. BES and its engineers, however, had the capability, expertise, and
19 knowledge that Huawei lacked to meet the technical and software requirements for the
20 Safe City project in Lahore. Huawei aggressively sought to partner with BES to assist
21 in the preparation and submission of its bid for the project. BES agreed to partner with
22 Huawei and provided its technical expertise for the proposal. Huawei then submitted a
23 bid valued at \$150 million for the Lahore project with Huawei as the general contractor
24 and BES as the exclusive subcontractor. Based on BES’s prowess in advanced software
25 systems, Pakistan awarded the project to Huawei, and Huawei exclusively
26 subcontracted the advanced technical work to BES.

27 4. After Huawei’s successful bid for the Lahore Project, Huawei gained
28 possession of BES’s most commercially valuable trade secrets and other confidential

1 information. Specifically, Huawei obtained BES's complete software systems,
2 including BES's proprietary, trade secret "low-level designs" ("LLDs"). Meanwhile,
3 Huawei began to contest its obligations to pay BES for the Lahore project and disputed
4 its obligations to BES in connection with additional Safe City projects under the
5 contract.

6 5. After Huawei had BES's valuable trade secrets and other intellectual
7 property in its possession, Huawei used its knowledge of BES's technology to begin
8 secretly procuring certain portions of BES's software systems from other sources –
9 including from vendors BES identified to Huawei.

10 6. Huawei also began to use one of BES's software systems to establish a
11 "backdoor" from China into Pakistan that allowed Huawei to collect and view data
12 important to Pakistan's national security and other private, personal data on Pakistani
13 citizens.

14 7. After obtaining possession and access to BES's trade secrets under the
15 guise of contract, beginning in the fall of 2018, Huawei pursued contracts to develop
16 other Safe City projects in Pakistan and around the world on its own – in violation of its
17 agreement with BES and the limited license to BES's technology provided therein.

18 8. BES is not Huawei's first victim of intellectual property theft. According
19 to the United States Department of Justice, Huawei has stolen source code, software,
20 and confidential trade secrets from numerous other companies, including major
21 technology companies in the United States. *See, e.g.,*
22 <https://www.justice.gov/opa/pr/chinese-telecommunications-conglomerate-huawei-and->
23 [subsidiaries-charged-racketeering](https://www.justice.gov/opa/pr/chinese-telecommunications-conglomerate-huawei-and-subsidiaries-charged-racketeering); *see also* [https://www.justice.gov/opa/pr/chinese-](https://www.justice.gov/opa/pr/chinese-telecommunications-device-manufacturer-and-its-us-affiliate-indicted-theft-trade)
24 [telecommunications-device-manufacturer-and-its-us-affiliate-indicted-theft-trade](https://www.justice.gov/opa/pr/chinese-telecommunications-device-manufacturer-and-its-us-affiliate-indicted-theft-trade) (both
25 visited August 11, 2021).

26 9. BES has suffered injury from Huawei's theft and unauthorized use of its
27 unique, proprietary and cutting-edge technology. BES seeks damages for the injury it
28 has suffered and seeks to enjoin Huawei from further unlawfully and unjustly gaining

1 from Huawei’s theft of BES’s trade secrets and other intellectual property, including
2 BES’s LLDs.

3 **THE PARTIES**

4 10. Plaintiff Business Efficiency Solutions, LLC (“BES”) is a Delaware limited
5 liability corporation with its principal place of business in Buena Park, California.

6 11. Defendant Huawei Technologies Co. LTD (“Huawei-China”) is a foreign
7 company with its principal place of business at Bantian, Longgang District, Shenzhen,
8 People’s Republic of China.

9 12. Defendant Huawei Technologies (Pakistan) Private Limited (“Huawei-
10 Pakistan”) is a foreign company with its principal place of business at 12th Floor, Saudi
11 Pak Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan.

12 13. On information and belief, each of Huawei-China and Huawei-Pakistan
13 was the agent, servant and employee, co-venturer, alter ego, and co-conspirator of the
14 other at all relevant times, and was at all times herein mentioned, acting within the
15 course, scope, and purpose of such agency, employment, joint venture, and conspiracy,
16 and with the consent, knowledge, ratification, and authorization of such agency,
17 employment, joint venture, and conspiracy.

18 **JURISDICTION AND VENUE**

19 14. This Court has jurisdiction over this action under 28 U.S.C. § 1332(a)(2)
20 because Huawei-China and Huawei-Pakistan are each citizens or subjects of foreign
21 states, and BES is a Delaware limited liability corporation with its principal place of
22 business in Buena Park, California. The amount in controversy exceeds \$75,000.

23 15. Venue is proper under 28 U.S.C. § 1391(b) because a substantial part of the
24 events or omissions giving rise to the claims occurred, and a substantial part of the
25 property that is the subject of this action is situated, in California.

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1 **BACKGROUND AND GENERAL ALLEGATIONS**

2 **Huawei Partners with BES to Win \$150 Million Bid for the Lahore Project**

3 16. In July of 2015, the Punjab Safe Cities Authority (“PSCA”) of the
4 Government of Punjab was established to improve public safety and security in the
5 province of Punjab, Pakistan. In Punjab Safe Cities Ordinance 2015, the PSCA outlined
6 a vision to overhaul and modernize the existing police systems using cutting-edge,
7 innovative technology. The Punjab Police Integrated Command, Control and
8 Communication Center (“PPIC3”) of Lahore, Punjab was selected as the first project
9 (the “Lahore Project”) of the PSCA. The PSCA prepared a Request for Proposal
10 (“RFP”) that included rigorous and mandatory technical requirements, specifications
11 and milestones for the various systems required under the project. The PSCA invited
12 responses to its RFP from a number of international firms, including Huawei, Motorola,
13 and Nokia, among others.

14 17. At the time, however, Huawei did not have the technical capability to
15 deliver the systems required under the RFP, to respond to the RFP with adequate
16 technical specificity, or to develop the required control systems and customized
17 software internally in the necessary time specified in the RFP. BES, however, did have
18 the technical capability and expertise requested in the RFP, and Huawei sought to
19 partner with BES for that capability.

20 18. In March 2016, Huawei and BES entered into an exclusive subcontractor
21 agreement whereby BES would develop eight software systems and applications called
22 for by the RFP, specifically:

23 **1) Data Exchange System (“DES”)**: This system collects vital data from
24 numerous agencies in Pakistan such as the National ID Card Agency (the
25 “NADRA”), Excise and Customs, Cellular Companies, Land Records, Tax
26 Records, Immigration/Passport Authority and others. The collected data is stored
27 in a data warehouse and made available through custom-designed interfaces for
28 investigative use and real-time analysis by law enforcement agencies.

1 **2) Building Management System (“BMS”)**: This system manages security and
2 controls access to buildings and sensitive areas within buildings. It also monitors
3 building assets such as elevators, air-conditioning, heating, lights, emergency
4 power systems, fire control systems, and other facility-management related assets.

5 **3) Resource Management System (“RMS”)**: This system manages the
6 deployed resources at a law enforcement agency, including police force,
7 weapons, automobiles, motorcycles, canine resources, mounted police,
8 specialized vehicles and devices, cameras and sensors in the field, and all
9 other resources used or deployed for monitoring, surveillance, and prompt
10 and effective emergency response.

11 **4) Digital Media Forensic Center (“DFC”)**: This system assists in the
12 enhancement of captured video and still images by cameras installed across
13 the network. It is used in crime investigations, analysis, and case incidence
14 or evidence.

15 **5) Learning Management System (“LMS”)**: This system improves
16 overall workforce capabilities and capacity. It tracks delivery of
17 appropriate training, and monitors the effectiveness of all training
18 activities. It is vital for capacity building and workforce readiness of the
19 police and support force.

20 **6) Media Monitoring Center (“MMC”)**: This system monitors social
21 media (*e.g.*, Facebook, Twitter, blogs, etc.) as well as print and broadcast
22 media for law enforcement purposes.

23 **7) Field Assets, including Mobile Emergency Command and Control**
24 **Vehicles (“ECV”)**: This system includes various field assets, such as
25 Mobile Emergency Command and Control Vehicles, specialized rugged
26 hand-held tablet computers, body-wearable cameras, and covert
27 miniaturized cameras, among other assets.

28 **8) Unmanned Aerial Vehicles (“UAV”)**: This system manages
industrial-strength drones deployed to perform monitoring services from

1 the air. The drones are equipped with video cameras for real-time
2 broadcast to a control room. Thermal cameras for nighttime surveillance
3 and other sensors for gas leak detection are required features of the UAVs.

4 19. BES spent considerable time and resources preparing highly technical and
5 substantive responses to the RFP. Because of BES's contribution to the RFP response,
6 the PSCA awarded Huawei's proposal for the Lahore Project with a bid of \$150 million.

7 Huawei Demands BES Provide Proprietary Low-Level Designs

8 20. After the award of the Lahore Project, engineers at BES designed and
9 custom built, from the ground up, each of the eight systems described in detail in the
10 Subcontractor Agreement and required by the RFP – *i.e.*, the DES, BMS, RMS, DFC,
11 LMS, MMC, ECV, and UAV. At their core, all of these systems include BES's
12 confidential and proprietary LLDs. The LLDs for each system include complete
13 technical and engineering documentation and information, software code and
14 components, basic system architectures and conceptual designs, interface designs,
15 diagrams and schematics, plans, workflow methods and protocols, and narratives and
16 knowledge on system function, among other information. The full LLDs created by
17 BES are not simply deliverables contemplated by the RFP for the Lahore Project under
18 the Subcontractor Agreement between Huawei-Pakistan and BES, but include BES's
19 valuable trade secrets at the core of BES's business.

20 21. In June of 2016, and with ongoing development by BES of the eight
21 systems well underway, BES received for the first time an email from **Andy Queguoji,**
22 **a Huawei-China employee based at a Huawei Research and Development Center in**
23 **Suzhou, China.** Ex. 1 (annotated). Mr. Queguoji demanded that BES immediately
24 send its then-existing LLDs for all eight systems to China for testing by Huawei. *Id.*
25 BES, however, had never discussed or agreed with Huawei to send its proprietary LLDs
26 to a facility in China for testing. Although the confidentiality provisions in BES's
27 agreements with Huawei were written to protect such materials and information, BES
28 was concerned about installing in China the software systems developed for the Lahore

1 Project, even if only for testing purposes. BES appealed to its local contact at **Huawei-**
2 **Pakistan, Managing Director Jeffrey Chenfeng**. Mr. Chenfeng indicated that the
3 “order” was coming directly from the Board of Directors at Huawei-China and
4 threatened to terminate all agreements between the parties if BES did not immediately
5 comply with Huawei-China’s demands.

6 22. BES agreed to provide access in accordance with Huawei’s demands, but
7 only after securing additional affirmative representations from Huawei’s Board of
8 Directors, via Mr. Chenfeng, that Huawei would return the LLDs to BES after testing
9 was complete. BES then sent the LLDs for seven of the eight systems to Huawei-China
10 via electronic mail. For the eighth and largest system, the DES system, Mr. Chenfeng
11 demanded that BES download the DES file to an external disk, provided by Mr.
12 Chenfeng, for shipment to Huawei’s laboratory in China, which BES did. The parties’
13 agreements bound Huawei to protect BES’s LLDs with the same level of confidentiality
14 as Huawei would its own confidential information.

15 23. As a further condition for providing the LLDs to Huawei, BES required
16 that BES have virtual access to the laboratory in China to oversee both the installation
17 of the systems for testing, as well as the uninstallation of the systems after testing was
18 complete. Huawei agreed, and provided BES with virtual access to Huawei’s laboratory
19 in China. In October of 2016, **Chen Deng, a Huawei-China employee based in the**
20 **laboratory in Suzhou, China**, informed BES that BES’s DES system had been
21 successfully deployed in China. Ex. 2; Ex. 3 (highlighted). After testing was complete,
22 however, Huawei revoked BES’s access to the laboratory in China, without explanation.
23 On August 11, 2018, BES terminated Huawei’s authorization to use any of these
24 proprietary systems and demanded their return. As of the filing of this complaint,
25 Huawei-China has yet to return BES’s LLDs for the eight systems, or allow BES to
26 uninstall any software, including the DES system, from Huawei’s facility in China.

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1 Huawei Uses BES's DES System to Create a Backdoor and Obtain Data Important to
2 Pakistan's National Security and to Spy on Pakistani Citizens

3 24. As discussed above, the DES acts as a data aggregator, in which sensitive
4 data from different sources and government agencies can be collected as part of the
5 Lahore Safe City project and analyzed in one place to facilitate law enforcement
6 investigations. The data stored in the DES in connection with the Lahore Project
7 includes data from Pakistan's Criminal Record Management System, FIR & Police
8 Station Record Management System, Criminal Record Management System, Stolen &
9 Recovered Vehicle Management System, Foreigner Registration System, Crime Diary
10 & Reporting System, NADRA Database, FBR Database, Customs (Import/Export)
11 Database, Excise and Taxation Departments, Vehicle Fitness Certification Data, Stolen
12 Vehicles Data, Stolen Property Data, and Punjab Forensics. This information comprises
13 sensitive Pakistani national intelligence data.

14 25. At all relevant times, the agreement and understanding between the parties
15 was that the location of the DES would be in the PPIC3 Center in Lahore, for direct use
16 by the Punjab Police at PPIC3. In March of 2017, after BES installed the DES in
17 Lahore, BES was informed that two high-ranking Huawei-China officials had traveled
18 unannounced to Pakistan, specifically **Vice President Edward Zhang based in**
19 **Shenzhen, China, and Director Corrine Lin, based in Dubai**, and demanded to meet
20 with BES. Ex. 4. The two Huawei-China officials, accompanied by Mr. Chenfeng of
21 Huawei-Pakistan, demanded that BES set up a *duplicate* DES environment in Huawei's
22 laboratory in China, this time not merely for testing purposes but with full access to data
23 at the Lahore Safe City project.

24 26. BES refused to install the duplicate DES environment without written
25 approval from PPIC3. Specifically, BES raised its concerns to Huawei regarding the
26 implications to Pakistani national security of allowing Huawei-China a "backdoor" that
27 could be used to export to China highly sensitive data of importance to Pakistan's
28 national security. Ex. 5. Initially, Huawei-Pakistan responded by reiterating its

1 demands. BES again refused and Huawei threatened to withhold payments owed to
2 BES. BES demanded that the Managing Director of the Lahore Safe City Project get
3 approval from the Pakistan government (PPIC3) to confirm that the government had no
4 objection to the “transfer of this technology (DES) outside of PPIC3 for security
5 reasons.” *Id.* Huawei then indicated that approval from the Pakistani government was
6 not necessary. Ex. 6 (highlighted). Later, Huawei-China and Huawei-Pakistan
7 indicated that they had received approval from the Pakistani government. Huawei
8 threatened to terminate the agreements between the parties and withhold all payments
9 owed to BES unless BES installed the duplicate DES system in China. In light of
10 Huawei’s affirmative representations that they had the approval of the Pakistani
11 government, the duplicate DES system was installed in China. On information and
12 belief, Huawei-China uses the proprietary DES system as a backdoor from China into
13 Lahore to gain access, manipulate, and extract sensitive data important to Pakistan’s
14 national security.

15 27. Huawei was also exposed by the BBC for having installed an *additional*
16 covert backdoor to monitor Pakistan citizens using Wi-Fi chips installed in the cabinet
17 housings of the CCTV security system in Pakistan. *See*
18 <https://www.bbc.com/news/technology-47856098> (visited August 11, 2021).

19 Huawei Cuts Out BES and Provides BES’s Proprietary LLDs to Third-Party Vendors

20 28. Throughout 2016 and into 2017, BES engineers continued to develop and
21 prepare for implementation of the eight systems for the Lahore Project. This included
22 working with technology vendors to ensure top-to-bottom integrated system
23 compatibility and internal compliance for each system.

24 29. In May of 2017, however, BES received a notification from Huawei that
25 “[t]he clients [*i.e.*, PSCA and PPIC3] were [allegedly] not satisfied with BES proposal
26 of these five systems (RMS/LMS/BMS/[UAV]/ECV), so clients wanted to either do
27 these systems themselves or bought these systems from other vendors.” Ex. 7. Huawei
28 took these five proprietary systems from BES and implemented them on their own or

1 disclosed and shopped them to other vendors, including those identified by BES. BES
2 later learned that while the BMS, UAV, and ECV systems were implemented in the
3 Lahore Project, Huawei had convinced the PSCA and PPIC3 that two of these systems,
4 *i.e.*, the RMS and LMS, should be “de-scoped” and not implemented, despite Huawei
5 having received payment for these systems.

6 30. Huawei had specifically contracted with BES to develop, and BES did
7 develop and deliver, these five systems for the Lahore Project. Despite Huawei having
8 not yet paid BES for delivery of these five systems, Huawei-China nonetheless
9 maintains possession of all aspects of these five systems from BES, including the full,
10 proprietary LLDs. As discussed further below, on information and belief, Huawei has
11 used or will use these systems in projects apart from the Lahore Project.

12 BES Sends Cease and Desist Letter to Huawei

13 31. Huawei-China and Huawei-Pakistan agreed to in-person meetings on April
14 7 and April 9, 2018 at Huawei’s offices in Pakistan to discuss Huawei’s payment under
15 the parties’ agreements for use of BES’s proprietary technology, trade secrets, and other
16 intellectual property. Huawei ended the second meeting abruptly, and indicated a
17 preference to resolve the parties’ dispute through legal proceedings. That same day,
18 BES sent an Arbitration Notice to the management of Huawei seeking, among things,
19 resolution of the open issues between BES and Huawei relating to the parties’
20 agreements. Ex. 8 (highlighted).

21 32. Huawei’s posture shifted. Over the next two months, Huawei exhibited a
22 desire to resolve the parties’ disputes informally and to move the business relationship
23 forward. Ex. 9 (email from **Huawei-Pakistan Project Director Job Liwen**: “for sure
24 we are willing to have more discussion with [BES’s CEO] Mr. Javed to manage the
25 thing in better way”). As a gesture of good faith, BES agreed to forestall formal legal
26 proceedings to pursue further discussions with Huawei. Huawei’s apparent willingness
27 to work together with BES to resolve these issues amicably, however, was short-lived.
28 Following another in-person meeting between representatives from BES and Huawei,

1 on May 29, 2018, Mr. Liwen sent an email regarding Huawei's use of BES's LLDs for
2 the five systems for which Huawei refused to remit payment. Mr. Liwen once again
3 alleged that the PSCA did not use BES's five systems and suggested that Huawei is
4 therefore not obligated to compensate BES for those systems, contrary to the parties'
5 agreement. He also admitted to sending documents and "the solution," *i.e.* systems, to
6 "others" but claimed that what Huawei sent to "others" was different from BES's
7 systems:

8 [I]n regards to Intellectual Property and Proprietary/Confidential
9 Information, [BES's claim] makes no sense as I already find all the emails
10 and document that 5 systems out of 8 all have official email from PSCA or
11 BES to use other solution, all the RFP/document we sent to others is from
12 the PSCA original RFP and the solution including LLD is also totally
different with YOURS.

13 Ex. 10. Notably, Huawei never produced these "official email[s]" to BES or
14 provided any additional information to support these statements, despite BES
15 requesting that the emails be provided.

16 33. On August 11, 2018, BES sent Huawei-China and Huawei-Pakistan a
17 formal cease and desist letter revoking any and all prior authorizations for Huawei to
18 possess or use BES's confidential and proprietary information, and demanded
19 compensation owed to BES. Ex. 11. In its letter, BES made clear that "Huawei is not
20 authorized to continue using BES' Intellectual Property and Proprietary Information and
21 continuation of such use will be considered an illegal act by Huawei." *Id.*

22 34. Huawei and BES each also filed petitions for arbitration before the Senior
23 Civil Judge in Islamabad, Pakistan, on September 27, 2018 and September 10, 2020,
24 respectively. By its petition, Huawei sought and obtained an injunction precluding BES
25 from terminating the parties' agreements, despite BES never expressing an intent to do
26 so. Ex. 12. BES's petition for arbitration in Pakistan seeks an award of damages arising
27 out of Huawei's breach of the parties' agreements, which differ from BES claims of
28

1 trade secret theft and misappropriation, and unfair business practices that are subject of
2 this action.

3 Huawei Uses BES's Trade Secret LLDs in Other Safe City Projects

4 35. On information and belief, Huawei used and continues to use BES's trade
5 secrets and other intellectual property, including the LLDs for the eight systems
6 developed by BES, in other Safe City projects in Pakistan and around the world.

7 36. For example, the Punjab Government announced that safe cities would be
8 deployed in multiple additional cities, including Kasur (the "Kasur Project"). Ex. 13.
9 The Kasur Project was not subject to the same formal RFP and bidding process used for
10 Lahore. Instead, the project was awarded to Huawei without a formal public
11 announcement, and Huawei began work on the project discreetly. On information and
12 belief, Huawei used BES's trade secrets, including its LLDs, obtained during the Lahore
13 Project as part of the Kasur Project. In October of 2018, when BES discovered that
14 Huawei was working on the Kasur project, BES approached Mr. Chenfeng. Mr.
15 Chenfeng admitted to BES that Huawei had been awarded the Kasur Project, and
16 initially implied that the lack of payment was an oversight. He told BES to submit
17 invoices to Huawei and BES did so. Ex. 14 (invoice under Consulting Agreement); Ex.
18 15 (invoice under Subcontractor Agreement). Huawei, however, never paid the
19 invoices and later reversed on its position that payments were required under the parties'
20 agreements. Ex.16 (highlighted).

21 37. According to news reports and the PSCA website, work has started or will
22 start on a Safe City project in the City of Bahawalpur (the "Bahawalpur Project"). See,
23 e.g., <https://psca.gop.pk/projects/bahawalpur/> and [https://pakobserver.net/2020-buzdar-](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/)
24 [govt-on-path-of-public-facilitation/](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/) (both visited August 11, 2021). On information
25 and belief, Huawei has used and will continue to use BES's trade secrets, including its
26 LLDs, obtained during the Lahore Project as part of the Bahawalpur Project.

27 38. According to news reports and the PSCA website, work has started or will
28 start on a Safe City project in the City of Rawalpindi (the "Rawalpindi Project"). See,

1 e.g., <https://psca.gov.pk/projects/rawalpindi/> and [https://pakobserver.net/2020-buzdar-](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/)
2 [govt-on-path-of-public-facilitation/](https://psca.gov.pk/projects/rawalpindi/) (both visited August 11, 2021). On information and
3 belief, Huawei has used and will continue to use BES's trade secrets, including its
4 LLDs, obtained during the Lahore Project as part of the Rawalpindi Project.

5 39. According to news reports and the PSCA website, work has started or will
6 start on a Safe City project in the City of Multan (the "Multan Project"). *See, e.g.,*
7 <https://psca.gov.pk/projects/multan/> and [https://pakobserver.net/2020-buzdar-govt-on-](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/)
8 [path-of-public-facilitation/](https://psca.gov.pk/projects/multan/) (both visited August 11, 2021). On information and belief,
9 Huawei has used and will continue to use BES's trade secrets, including its LLDs,
10 obtained during the Lahore Project as part of the Multan Project.

11 40. According to news reports and the PSCA website, work has started or will
12 start on a Safe City project in the City of Faisalabad (the "Faisalabad Project"). *See,*
13 *e.g.,* <https://psca.gov.pk/projects/faisalabad/> and [https://pakobserver.net/2020-buzdar-](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/)
14 [govt-on-path-of-public-facilitation/](https://psca.gov.pk/projects/faisalabad/) (both visited August 11, 2021). On information and
15 belief, Huawei has used and will continue to use BES's trade secrets, including its
16 LLDs, obtained during the Lahore Project as part of the Faisalabad Project.

17 41. According to news reports and the PSCA website, work has started or will
18 start on a Safe City project in the City of Gujranwala (the "Gujranwala Project"). *See,*
19 *e.g.,* <https://psca.gov.pk/projects/gujranwala/> and [https://pakobserver.net/2020-buzdar-](https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/)
20 [govt-on-path-of-public-facilitation/](https://psca.gov.pk/projects/gujranwala/) (both visited August 11, 2021). On information and
21 belief, Huawei has used and will continue to use BES's trade secrets, including its
22 LLDs, obtained during the Lahore Project as part of the Gujranwala Project.

23 42. According to news reports, a Safe City project in the City of Dera Ghazi
24 Khan (the "Dera Ghazi Khan Project") was made operational. *See, e.g.,*
25 [https://www.thenews.com.pk/print/861431-smart-city-project-made-operational-in-dg-](https://www.thenews.com.pk/print/861431-smart-city-project-made-operational-in-dg-khan)
26 [khan](https://www.thenews.com.pk/print/861431-smart-city-project-made-operational-in-dg-khan) and <https://pakobserver.net/2020-buzdar-govt-on-path-of-public-facilitation/> (both
27 visited August 11, 2021). On information and belief, Huawei has used and will
28

1 continue to use BES's trade secrets, including its LLDs, obtained during the Lahore
2 Project as part of the Dera Ghazi Khan Project.

3 43. According to news reports, work has started or will start on a Safe City
4 project in the City of Karachi, which is the largest city in Pakistan (the "Karachi
5 Project"). *See, e.g.*, [https://www.dawn.com/news/1618678/rs30bn-sanctioned-for-](https://www.dawn.com/news/1618678/rs30bn-sanctioned-for-karachi-safe-city-plan-to-be-launched-next-fiscal-year)
6 [karachi-safe-city-plan-to-be-launched-next-fiscal-year](https://www.dawn.com/news/1618678/rs30bn-sanctioned-for-karachi-safe-city-plan-to-be-launched-next-fiscal-year) (visited August 11, 2021). On
7 information and belief, Huawei has used and will continue to use BES's trade secrets,
8 including its LLDs, obtained during the Lahore Project as part of the Karachi Project.

9 44. On information and belief, Huawei has pursued additional Safe City
10 contracts outside of Pakistan. On information and belief, Huawei has used and will
11 continue to use BES's trade secrets, including its LLDs, obtained during the Lahore
12 Project, in Safe City projects outside of Pakistan, including in Qatar, Dubai, the United
13 Arab Emirates, and Saudi Arabia. *See, e.g.*,
14 [https://www.thepeninsulaqatar.com/article/05/05/2021/UDC,-Huawei-sign-MoU-to-](https://www.thepeninsulaqatar.com/article/05/05/2021/UDC,-Huawei-sign-MoU-to-deploy-smart-city-solutions)
15 [deploy-smart-city-solutions](https://www.thepeninsulaqatar.com/article/05/05/2021/UDC,-Huawei-sign-MoU-to-deploy-smart-city-solutions) (visited August 11, 2021). None of the agreements between
16 the parties contemplate or allow for the use of BES's trade secrets for any Safe City
17 project outside of Pakistan.

18 **COUNT I:**

19 **Misappropriation of Trade Secrets Under 18 U.S.C. § 1836,**

20 **the Defend Trade Secrets Act ("DTSA")**

21 45. BES repeats and realleges, as if fully set forth herein, the allegations of the
22 preceding paragraphs.

23 46. BES owns trade secrets, which include confidential and proprietary LLDs
24 for each of the eight systems listed and described above. These trade secrets include
25 complete technical and engineering documentation and information, software code and
26 components, basic system architectures and conceptual designs, interface designs,
27 diagrams and schematics, plans, workflow methods and protocols, and narratives and
28 knowledge on system function, among other information, for each of the eight systems

1 described above. The full LLDs comprise BES's valuable intellectual property and
2 trade secrets at the core of BES's business.

3 47. These trade secrets derive independent economic value from not being
4 generally known to the public. For example, Huawei partnered with BES for the Lahore
5 Project specifically because BES's trade secrets, *e.g.*, the LLDs, were not generally
6 known to the public. BES makes a significant effort to maintain the secrecy of its trade
7 secrets, and takes reasonable measures to keep its information secret.

8 48. Huawei separately and distinctly misappropriated BES's trade secrets when
9 (1) Huawei continued to use BES's trade secrets, including the LLDs, after BES
10 demanded that Huawei cease and desist its use of BES's trade secrets; (2) Huawei used
11 BES's trade secrets, including the LLDs, in other Safe City projects in Pakistan,
12 including in Kasur, Bahawalpur Rawalpindi, Multan, Faisalabad, Gujranwala, Dera
13 Ghazi Khan and/or Karachi; (3) Huawei used BES's trade secrets, including the LLDs,
14 in other Safe City projects outside of Pakistan.

15 49. Huawei knew or had reason to know that their knowledge of BES's trade
16 secrets was acquired under circumstances giving rise to a duty to maintain the secrecy
17 and/or limit the use of the trade secrets. Specifically, Huawei knew that the contractual
18 relationship between Huawei and BES, which was limited to the Lahore Project and
19 certain future projects in Pakistan, gave rise to a duty to maintain the secrecy of BES's
20 trade secrets and/or limit their use to the Lahore Project and certain future projects in
21 Pakistan. Huawei-China also knew or had reason to know that their knowledge of
22 BES's trade secrets was derived from or through Huawei-Pakistan's contractual
23 relationship with BES, and that Huawei-Pakistan owed a duty to BES to maintain the
24 secrecy of the trade secrets and/or limit the use of BES's trade secrets to the Lahore
25 Project and certain future projects in Pakistan.

26 50. Huawei's misappropriation of BES's trade secrets has harmed BES. These
27 trade secrets comprise BES's commercially valuable intellectual property and include
28 proprietary information at the core of BES's business. BES has incurred substantial

1 losses and costs as a proximate result of Huawei's misappropriation of BES trade
2 secrets, including loss of revenue from the Lahore Project and other Safe City projects,
3 and BES is entitled to damages, including but not limited to loss of the economic value
4 BES derives from exclusive use of its proprietary technology, and legal and
5 investigation costs.

6 51. In addition to damages, BES is entitled to injunctive relief enjoining
7 Huawei from continued misappropriation of BES technology. If the Court determines
8 that it would be unreasonable to prohibit Huawei's future use of BES's technology, such
9 future use should be conditioned upon payment of a royalty to BES.

10 52. Huawei's misappropriation of BES's trade secrets is willful and malicious,
11 because Huawei continues to use BES's trade secrets, including BES's LLDs, all while
12 refusing to provide payment to BES, after BES demanded Huawei cease and desist from
13 use of BES's technology.

14 **COUNT II:**

15 **Misappropriation of Trade Secrets Under California Civil Code § 3426, the**
16 **California Uniform Trade Secrets Act (CUTSA)**

17 53. BES repeats and realleges, as if fully set forth herein, the allegations of the
18 preceding paragraphs.

19 54. BES owns trade secrets, which include confidential and proprietary LLDs
20 for each of the eight systems listed and described above. These trade secrets include
21 complete technical and engineering documentation and information, software code and
22 components, basic system architectures and conceptual designs, interface designs,
23 diagrams and schematics, plans, workflow methods and protocols, and narratives and
24 knowledge on system function, among other information, for each of the eight systems
25 described above. The full LLDs comprise BES's valuable intellectual property and
26 trade secrets at the core of BES's business.

27 55. These trade secrets derive independent economic value from not being
28 generally known to the public. For example, Huawei partnered with BES for the Lahore

1 Project specifically because BES's trade secrets, *e.g.*, the LLDs, were not generally
2 known to the public. BES makes a significant effort to maintain the secrecy of its trade
3 secrets, and takes reasonable measures to keep its information secret.

4 56. Huawei separately and distinctly misappropriated BES's trade secrets when
5 (1) Huawei continued to use BES's trade secrets, including the LLDs, after BES
6 demanded that Huawei cease and desist its use of BES's trade secrets; (2) Huawei used
7 BES's trade secrets, including the LLDs, in other Safe City projects in Pakistan,
8 including in Kasur, Bahawalpur Rawalpindi, Multan, Faisalabad, Gujranwala, Dera
9 Ghazi Khan and/or Karachi; (3) Huawei used BES's trade secrets, including the LLDs,
10 in other Safe City projects outside of Pakistan.

11 57. Huawei knew or had reason to know that their knowledge of BES's trade
12 secrets was acquired under circumstances giving rise to a duty to maintain the secrecy
13 and/or limit the use of the trade secrets. Specifically, Huawei knew that the contractual
14 relationship between Huawei and BES, which was limited to the Lahore Project and
15 certain future projects in Pakistan, gave rise to a duty to maintain the secrecy of BES's
16 trade secrets and/or limit their use to the Lahore Project and certain future projects in
17 Pakistan. Huawei-China also knew or had reason to know that their knowledge of
18 BES's trade secrets was derived from or through Huawei-Pakistan's contractual
19 relationship with BES, and that Huawei-Pakistan owed a duty to BES to maintain the
20 secrecy of the trade secrets and/or limit the use of BES's trade secrets to the Lahore
21 Project and certain future projects in Pakistan.

22 58. Huawei's misappropriation of BES's trade secrets has harmed BES. These
23 trade secrets comprise BES's commercially valuable intellectual property and include
24 proprietary information at the core of BES's business. BES has incurred substantial
25 losses and costs as a proximate result of Huawei's misappropriation of BES trade
26 secrets, including loss of revenue from the Lahore Project and other Safe City projects,
27 and BES is entitled to damages, including but not limited to loss of the economic value
28

1 BES derives from exclusive use of its proprietary technology, and legal and
2 investigation costs.

3 59. In addition to damages, BES is entitled to injunctive relief enjoining
4 Huawei from continued misappropriation of BES technology. If the Court determines
5 that it would be unreasonable to prohibit Huawei's future use of BES's technology, such
6 future use should be conditioned upon payment of a royalty to BES.

7 60. Huawei's misappropriation of BES's trade secrets is willful and malicious,
8 because Huawei continues to use BES's trade secrets, including BES's LLDs, all while
9 refusing to provide payment to BES, after BES demanded Huawei cease and desist from
10 use of BES's technology.

11 **COUNT III:**

12 **Unfair Competition Under California Business and**

13 **Professions Code § 17200 et seq.**

14 61. BES repeats and realleges, as if fully set forth herein, the allegations of the
15 preceding paragraphs.

16 62. Huawei engaged and continues to engage in unlawful, unfair, and/or
17 fraudulent business acts and practices. Such acts and practices include, but are not
18 limited to, misappropriating BES's trade secrets and other intellectual property,
19 including those that were a part of the proprietary LLDs that Huawei obtained from
20 BES.

21 63. Huawei's business acts and practices were unfair in that the substantial
22 harm suffered by BES outweighs any justification that Huawei may have for engaging
23 in those acts and practices. For example, Huawei's practice of withholding payment to
24 BES and threatening to terminate the contract constitutes unfair business acts and
25 practices.

26 64. Huawei's business acts and practices were and are unlawful as described in
27 the preceding paragraphs.

28

1 65. Huawei's business acts and practices were fraudulent in that a reasonable
2 person would likely be deceived by their material misrepresentations and omissions.
3 Specifically, Huawei implemented a fraudulent scheme in which they systematically
4 acquired BES's trade secrets and confidential information through repeated material
5 misrepresentations and omissions as well as coercion, with the goal of using BES's
6 trade secrets in certain future Safe City projects beyond the parties' agreements. For
7 example, Huawei entered into a contract agreement with BES for the Lahore project,
8 without intending to honor the terms of the contract, including but not limited to
9 payments to which BES is entitled and the limits on the use and disclosure of BES's
10 trade secrets.

11 66. Upon information and belief, Huawei continues to use BES's trade secrets
12 unlawfully including, for example, using BES's trade secret and proprietary LLDs in
13 other Safe City projects in Pakistan, including Kasur, Bahawalpur, Rawalpindi, Multan,
14 Faisalabad, Gujranwala, Dera Ghazi Khan, and/or Karachi.

15 67. Upon information and belief, Huawei continues to use BES's trade secrets
16 unlawfully including, for example, using BES's trade secret and proprietary LLDs in
17 pursuing other Safe City projects outside of Pakistan, including in Qatar, Dubai, the
18 United Arab Emirates, and Saudi Arabia.

19 68. BES has been harmed as a result of Huawei's unlawful, unfair, and
20 fraudulent business acts and practices. BES has incurred substantial losses and costs as
21 a proximate result of Huawei's unlawful, unfair, and fraudulent business acts and
22 practices, and BES is entitled to damages, including but not limited to loss of the
23 economic value BES derives from exclusive use of its proprietary technology, damages
24 owed to BES due to Huawei's continued use of BES technology, and legal and
25 investigation costs.

26 69. In addition to damages, BES is entitled to permanent injunctive relief
27 enjoining Huawei's continued misappropriation and use of BES technology. The relief
28

1 should also include specific performance that requires Huawei to return of all of BES's
2 intellectual property and technology, including the LLDs.

3 70. But for Huawei's unlawful, unfair, and deceptive practices, BES would not
4 have suffered these injuries.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, BES prays for judgment as follows:

7 A. On the First Cause of Action, damages in the amount of BES's actual
8 losses and Huawei's unjust enrichment; exemplary and punitive damages amounting to
9 twice the sum of actual losses and unjust enrichment for willful and malicious
10 misappropriation; injunctive relief enjoining Huawei from continued misappropriation
11 of BES's trade secrets, including LLDs, or a reasonable royalty; and specific
12 performance requiring Huawei to return all of BES's proprietary information, including
13 the LLDs, and destroying any copies made by, for, or on behalf of Huawei;

14 B. On the Second Cause of Action, damages in the amount of BES's actual
15 losses and Huawei's unjust enrichment; exemplary and punitive damages amounting to
16 twice the sum of actual losses and unjust enrichment for willful and malicious
17 misappropriation; and injunctive relief enjoining Huawei from continued
18 misappropriation of BES's trade secrets, including LLDs, or a reasonable royalty; and
19 specific performance requiring Huawei to return all of BES's proprietary information,
20 including the LLDs, and destroying any copies made by, for, or on behalf of Huawei;

21 C. On the Third Cause of Action, damages in the amount of BES's actual
22 losses and Huawei's unjust enrichment; injunctive relief enjoining Huawei from
23 continued misappropriation of BES's trade secrets, including LLDs, or a reasonable
24 royalty; and specific performance requiring Huawei to return all of BES's proprietary
25 information, including the LLDs, and destroying any copies made by, for, or on behalf
26 of Huawei;

27 D. For reasonable attorney fees and costs;

28 E. For pre-judgment interest on all damages; and

1 F. For such other relief as the Court deems just and proper.

2
3 Dated: August 11, 2021

AKIN GUMP STRAUSS HAUER & FELD LLP

4 
5 By _____
Paul D. Tripodi II

6 Attorneys for Plaintiff
7 Business Efficiency Solutions, LLC
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DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff BES hereby demands a trial by jury.

Dated: August 11, 2021

AKIN GUMP STRAUSS HAUER & FELD LLP

By 
Paul D. Tripodi II

Attorneys for Plaintiff
Business Efficiency Solutions, LLC

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