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## **EMPLOYEE'S DUTY OF LOYALTY TO EMPLOYER DOES NOT PRECLUDE EMPLOYEE FROM PREPARING TO COMPETE WHILE EMPLOYED**

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*Taser International, Inc. v. Ward*  
Ct. Appeals, Div. One, May 13, 2010

Authored by the [JSH Appellate Team](#)

Steve Ward worked for Taser International for 3-1/2 years as its Vice President of Marketing and International Sales. He was an at-will employee, not under contract. During his employment, he sought counsel to patent search an idea for a sunglass clip-on camera/recording device to market to law enforcement and security personnel. He also received detailed product development information from a production company while employed at Taser. Shortly after he resigned from Taser, he formed a company to produce and market the device, which is similar to a product marketed by Taser.

Taser sued. The trial court granted Taser summary judgment on breach of duty of loyalty and fiduciary duty. The court of appeals reversed. An employee does not have a duty to disclose to his employer that he is preparing to compete. But here there were issues of fact on whether Ward actually competed with Taser during his employment, or merely prepared for competition. There were also issues of fact on whether Ward used Taser's proprietary information, or used their assets in his preparation for competition.