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Cacique Prevails After 7-Year-Long Trade Secret Battle

By Lee Romney and Marla Dickerson

One of the great cheese wars has come to a close.

After seven years of litigation, Industry-based **Cacique Inc.** has prevailed in a trade-secret espionage case against **Stella Foods Inc.**, of Fond du Lac, Wis., winning a \$24-million judgment that could be the largest in food technology.

Cacique, started in 1973 behind a tiny drive-through dairy by Cuban-born Jnee and Gilbert de Cardenas Sr., has grown to dominate the industry of Hispanic cheese, with revenue this year expected to hit \$100 million.

It is known for vigilantly protecting its trade secrets, a reputation earned largely from its years-long case against Stella, one of several mainstream manufacturers that have tried unsuccessfully to enter the burgeoning field of Hispanic cheese.

Stella launched Estrella Cheese Co. in Tulare, Calif., in 1993 with help from several former Cacique employees, prompting Cacique to sue for trade-secret infringement. Stella unplugged its operation a short time later.

A Los Angeles Superior Court jury ruled in favor of Cacique in August after a 2 1/2 - month trial, but a host of post-trial motions were resolved just last week, Cacique attorney George C. Salmas said.

The jury found that Stella had misappropriated manufacturing and marketing trade secrets. Cacique was awarded \$23.9 million, \$12.4 million of that in punitive damages, and the judge issued a permanent injunction prohibiting Stella and certain Stella employees from using Cacique's trade secrets or revealing them to third parties.

Stella is appealing. An attorney for the company could not be reached for comment

“This case was litigated about as intensely as any,” Salmas said. “I can’t remember a month where we didn’t do substantial work on the case in that period. It was a real war.

“The legal system gave [the de Cardenas family] the protection that they were entitled to,” Salmas said. “They’ve worked hard to build up what they have.”

Cacique also sued Massachusetts-based **Robert Reiser & Co.** for selling a cheese extruder to Cacique competitor **Marquez Bros.** that allowed it to form fresh white cheese cakes that Cacique said were suspiciously similar to its own.

That case, filed in federal court, was settled last year. Salmas declined to comment on the terms of the settlement.