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## SAN RAMON MAN ARRESTED FOR THEFT OF TRADE SECRETS

*Stole Software Source Code, Recruited Employees While Employed At Victim Company To Advance Business Interests Of A Competing Company He Created*

SAN JOSE, Calif. – Zhiqiang Zhang, a/k/a Michael Zhang, 41, of San Ramon, Calif., was arrested today by the United States Secret Service for conspiracy, possession of stolen trade secrets, and foreign transportation of stolen property, United States Attorney Melinda Haag announced.

On Nov. 10, 2010, a federal grand jury in San Jose indicted Zhang, Xiaodong Liang, and Yanmin Li with conspiracy, in violation of 18 U.S.C. § 1832(a)(5). In addition, Zhang and Liang were charged with possession of stolen trade secrets, in violation of 18 U.S.C. § 1832(a)(3), and Zhang and Li were charged for foreign transportation of stolen property, in violation of 18 U.S.C. §§ 2314 and 2. The indictment and arrest warrants were unsealed today.

According to the indictment, SiRF Technology, Inc. (SiRF) was a publicly-traded company headquartered in San Jose, Calif.. In June 2009, SiRF became a subsidiary of Cambridge Silicon Radio. Among other products, SiRF designed and developed software source code known as “SiRFstudio,” and intended the software source code to be used as a platform for location-based services and applications for mobile phones sold in interstate and foreign commerce. SiRF also designed and developed software source code known as “SiRFLoc,” and intended the software source code to be used as an aided global positioning system (A-GPS) to provide location-based services to wireless devices sold in interstate and foreign commerce. Both “SiRFstudio” and “SiRFLoc” software source code were trade secrets of SiRF and were protected by SiRF as confidential and proprietary information.

According to the indictment, Zhang worked at SiRF in San Jose from approximately November 2002 until May 2009. He was responsible for developing the “SiRFstudio” software source code. Prior to resigning from the company in May 2009, he was the director of software development. From approximately April 2006 until June 2009, Liang was employed as a Software Engineer at SiRF in San Jose. From approximately July 2006 until January 2010, Li was employed as a senior field applications engineer at SiRF in Beijing, China.

The indictment alleges that Zhang established the corporate entities known as Anywhere Logic, Inc., Anywhere Logic International, Anywhere Logic, USA, Inc., Anywhere Logic Hong Kong, and Anywhere Logic Beijing in order to develop and sell location-based services utilizing trade secrets stolen from SiRF Technology. He recruited SiRF employees, including Liang and Li, to work for Anywhere Logic while they were still employed by SiRF in order to obtain and incorporate SiRFstudio and SiRFLoc software source code into Anywhere Logic applications. Zhang also obtained at least one investor and attempted to recruit other investors in order to advance the interests of Anywhere Logic entities in the United States and the People’s Republic of China.

Zhang made his initial appearance in federal court in San Jose today and was released on a \$500,000 unsecured bond. His next scheduled appearance is at 10 a.m. on Dec. 1 before Judge Lucy H. Koh. United States Secret Service agents believe that Liang and Li are currently residing in China.

The maximum statutory penalty for each count of conspiracy, in violation 18 U.S.C. § 1832(a)(5), possession of stolen trade secrets, in violation of 18 U.S.C. § 1832(a)(3), and foreign transportation of stolen property, in violation of 18 U.S.C. § 2314 is 10 years imprisonment and a fine of \$250,000, plus restitution. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Susan Knight is the Assistant U.S. Attorney who is prosecuting the case with the assistance of paralegal Lauri Gomez. The prosecution is the result of a 15-month investigation by the San Jose Office of the United States Secret Service.

*Please note, an indictment contains only allegations against an individual and, as with all defendants, Messrs. Zhang, Liang, and Li must be presumed innocent unless and until proven guilty.*

**Further Information:**

Case #: CR 10-00827 LHK

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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