



Written Agreements

Trade Secrets

For More Information

Good websites:

www.uiausa.org
www.inventorsdigest.com

Good book:

THE MANAGER'S LEGAL HANDBOOK

NONDISCLOSURE AGREEMENTS FOR INVENTORS

Both by Nolo Press®
(Good reference material; we do not endorse or guarantee accuracy)

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I. DEFINITION

Definition Varies from State to State. Common Definition is provided by the Uniform Trade Secrets Act.

Generally, a trade secret is information--a formula, practice, process, design, instrument, pattern, or compilation of information used by a business to obtain an advantage over competitors or customers. In some jurisdictions, these secrets are referred to as "confidential information" or "classified information". In other jurisdictions, trade secrets are a special subset of confidential information.

II. REQUIREMENTS FOR INFORMATION TO BE A TRADESECRET

There are three factors that are common to definitions of a trade secret across nearly all jurisdictions: a trade secret is some sort of information that:

- * is not generally known to the public;
- * confers some sort of economic benefit on its holder (the benefit must derive specifically from its not being generally known, not just from the value of the information itself);
- * is the subject of reasonable efforts to maintain its secrecy.

III. FACTORS WEIGHING IN FAVOR OF A FINDING OF SECRECY

Not generally known throughout a company (unless necessary for operations)
Kept behind a firewall
Accessible via username/password only
Access is trackable
Log book maintained for access
In locked, controlled-access filing cabinet
Not allowed off company premises without necessity and checking items out
Non-disclosure/Confidentiality Agreements required for access
Trade Secrets are secured through careful documentation and tracking.

IV. ENFORCEMENT

Trade secrets are enforced with a lawsuit in a state-court, preferably with an injunction, and may invoke criminal law. Internationally stolen trade secrets may be subject to criminal enforcement via the Economic Espionage Act of 1996.

V. POINTER

Make sure that your agreements that govern trade secrets include a provisions agreeing to an injunction and the waiver of any bond requirement.