

Introduction to Trade Secrets

By Frederic M. Douglas; freddouglas.wordpress.com

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Frederic M. Douglas (fdouglas@cox.net) is a solo practitioner specializing in litigation involving intellectual property (patents, trademarks, trade secrets, copyright, and more).

Uniform Trade Secrets Act

Many states in the U.S. have enacted their own respective versions of the Uniform Trade Secrets Act.

California's version begins at California Civil Code Section 3426. Under California's statute, a "trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process that:

- derives independent economic value (actual or potential), from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
- is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Trade Secret vs. Patents

- If an invention cannot be easily discovered by another, consider maintaining the invention as a trade secret.
- If an invention can be easily discovered or reverse engineered, consider applying for a patent.

How to Protect Trade Secrets

- Do not disclose the trade secret to anyone. Maybe, with a signed non-disclosure agreement. Still, only disclose to those that have a legitimate need to know.
- Take reasonable measures to maintain secrecy
- Computer firewalls, encryption, other electronic measures.
- use secure email options.
- Avoid wireless communication. Consider encrypted wireless communications.
- Keep records on recipients of trade secret and identify what exactly was disclosed.
- Have visitors sign log when visiting premises.
- Use non-disclosure agreements.
- File patent applications before any public disclosure, if patent application is planned.
- Maintain trade secret protection for subject matter not claimed in a patent application.