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[What Works and What Does Not Work to Protect Business Trade Secrets](#)

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Often, businesses have information they would not and should not share with others. Such information could take the form of ideas, methods, devices, formulas, compilation, among other things. Let us explore what could work and what would not work in protecting a business' trade secrets.

SOME BACKGROUND ON TRADE SECRETS

In California, trade secret is information that:

1. Generally, is not known to the public, the industry or the people who now how to monetize it.
2. Generally, has INDEPENDENT economic value derived from its secrecy. **AND,**
3. Generally, is under REASONABLE protection for its secrecy.

Such information includes but is NOT limited to:

- Formulas
- Patterns
- Compilations
- Programs
- Devices
- Methods
- Techniques
- Processes



WHAT *MIGHT NOT* WORK TO PROTECT TRADE SECRETS

1. The business does not place any warnings on trade secrets and does not require confidentiality agreements for employees and third parties.
2. The business does not inform employees of the secret nature of such information and does not impose safeguards.
3. The business does not require employees to sign non-disclosure agreements.
4. The business signs non-disclosure agreement with a company known to have violated previous non-disclosure agreements.
5. The business does not admonish employees for making public such information.
6. The business does not protect its information and allows the public or competitors to view it.

WHAT *MIGHT* WORK TO PROTECT TRADE SECRETS

1. The business treats certain information as secret and locks it in a room AND employees know such documents are trade secrets.
2. The business restricts access to trade secrets, places warning signs on such information, requires employees to sign confidentiality agreements.
3. The business uses coded information for trade secrets and requires employees to sign confidentiality agreements.
4. The business hires security guards to protect trade secrets.
5. The business issues ID badges to employees allowed to view or access to restricted areas containing trade secrets.

SALIENT POINT ON SECRECY OF TRADE SECRET

Undoubtedly, the most salient point on protecting trade secret is keeping trade secret actually secret. In fact, even inadvertent exposure of trade secrets would destroy the "secret" status. Nonetheless, some cases hold "absolute" secrecy is not required. Albeit, what "absolute" entails is rather difficult to answer.

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