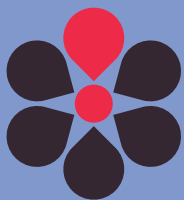




LEGAL
PROGRAM

WHAT IS A TRADE SECRET?



Start
Small
**Think
Big**





WHAT IS A TRADE SECRET?

Trade Secrets are a form of intellectual property. Common Trade Secrets include formulas, patterns, a physical device, ideas, processes or compilations.



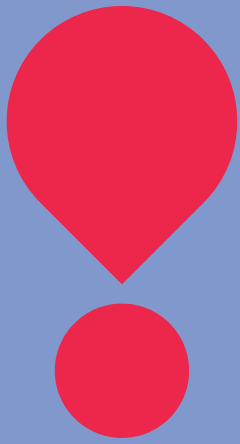
TO TEST WHETHER SOMETHING IS A TRADE SECRET ASK:

- Does it provide the owner of the information with a competitive advantage in the marketplace?
- Is it treated in a way that can reasonably be expected to prevent the public or competitors from learning about it, absent improper acquisition or theft?

If the answer to both questions are yes, then you are most likely dealing with a trade secret.

SOME EXAMPLES OF POTENTIAL TRADE SECRETS INCLUDE....

- the formula for an energy drink
- survey methods used by professional political pollsters
- recipes for cookies
- a new invention for which a patent application has not yet been filed
- marketing strategies
- manufacturing techniques
- computer algorithms



Unlike other forms of intellectual property, such as patents, copyrights, and trademarks, which generally require registration in order to be fully effective, trade secrets are essentially a “do-it-yourself” form of protection. This means that you do not register with the

government to secure your trade secret; you most simply keep the information a secret. Given this lack of registration, Trade secret protection lasts for as long as the secret is kept confidential without any statutory limitations period. However, once a trade secret is made available to the public, trade secret protection ends.



HOW DO YOU PROTECT A TRADE SECRET?

Small businesses should implement basic steps to protect trade secrets:



RESTRICT ACCESS TO SPECIFIC INFORMATION TO THOSE WHO NEED TO KNOW;



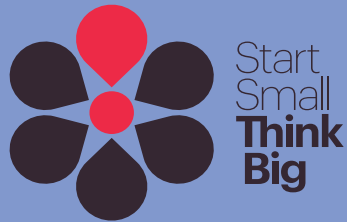
EMPLOY NONDISCLOSURE AGREEMENTS (NDAS) WITH WORKERS AND BUSINESS PARTNERS;



ADVISE AND TRAIN NEW HIRES THAT THE COMPANY DOES NOT WANT AND WILL NOT USE THIRD PARTIES' CONFIDENTIAL INFORMATION; AND



CREATE A CULTURE OF COMPLIANCE BY MONITORING AND EDUCATING WORKERS.



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