



Identifying Your Trade Secrets

- Generally, a trade secret is information that is both secret and commercially valuable.
- Examples of trade secrets: a formula, a process, blueprints, a customer list, customer contact information, pricing, purchasing costs, suppliers, marketing plans, business plans, manufacturing costs, lab or shop notebooks, prototype parts, and negative know-how.
- Designate information as a trade secret rationally. Resist the urge to make everything a trade secret; doing so will make enforcement of your trade secret policies more difficult and may detract from the value of your "real" trade secrets.

Steps to Protect Your Trade Secrets

- Include a confidentiality clause in every employment contract.
- Disseminate information on a strict need-to-know basis.
- Prohibit the removal of confidential information from your facility by employees.
- Maintain documents containing trade secrets in locked cabinets or under passwords.
- Shred all documents containing trade secrets that are to be purged.
- Label documents containing trade secrets "CONFIDENTIAL."
- Restrict non-employee movements in your facility. Require badges and supervision of all non-employees on your premises. Notify non-employees that they have a duty of confidentiality towards you and have them sign confidentiality agreements.
- Use locks on doors to areas of your facility where valuable information is maintained or generated. Change all of the locks into and out of your facility on regular basis, especially after an employee has resigned.
- Keep logs of who accesses documents containing trade secrets.
- Regularly audit to ensure policies are being followed.
- Conduct exit interviews to remind departing employees of policies. Ask the employee where they are going and what they will be doing. Require the departing employee to acknowledge duty to keep trade secrets confidential. Remind the departing employee of the types of information that are considered trade secrets.
- Require executive-level employees to execute non-compete agreements upon employment.