Submission to Government Agencies:

- Private companies that present bids to government agencies in the hope of obtaining a government contract are often required to disclose confidential or trade secret information to the agency

- Under freedom of information act (both at the state and federal levels), the proposal might later be released to any member of the public requesting the document, thus resulting in loss of confidential information to possible competitors

- The protected information is usually blocked out

- If a government agency discloses trade secret information, the owner may have a cause of action for an unconstitutional taking of private property and may be awarded compensation if the owner had a reasonable expectation of confidentiality

REMEDIES FOR MISAPPROPRIATION:

A trade secret owner may request a variety of remedies from a court Among them are the following:

Injective relief: In many cases, a trade secret owner is more interested in ensuring the
defendant cease use of the trade secret (or is precluded from commencing use) than in recovering damages In cases in which money damages are not sufficient to protect a trade secret owner, a court may issue an injection.

A court may also issue an injuction to compel the defendant to surrender or destroy trade secret information In fact, courts may issue injunctions' to prevent inevitable disclosure, reasoning that even if a former employer cannot show a particular secret has been taken, it is inevitable that key employees will eventually disclose what they know to a new employer.

Money damages: A trade secret owner whose information has been misappropriated may recover money damages from the defendant The Plaintiff may recover its lost profits as well as the profits made by the defendant Alternatively, the plaintiff may seek and recover a reasonable royalty arising from defendant's use of the trade secret.

Punitive damages may also be awarded in cases in which the defendant's conduct is reckless, willful, and intentional The USTA provides that punitive damages not exceed more than twice the compensatory damages awarded

Attorneys' fees and costs: In most cases, the parties bear their own attorneys' fees and costs The UTSA, however, provides that reasonable attorneys' fees and costs may be awarded to the prevailing party if bad faith or willfulness is shown

TRADE SECRET LITIGATION:

a. If a trade secret is disclosed in violation of a written confidentially agreement, and the parties cannot resolve the dispute themselves, an action for breach of contract may be brought, similar to any other breach of contract action

b. The plaintiff may add other causes of action as well, for example, for misappropriation in violation of a state trade secret law If no written agreement exists, the plaintiff must rely upon case law or state statutes protecting trade secrets, or both

c. To protect itself against a lawsuit by another alleging trade secret violation, companies should require new employees who will have access to confidential information to acknowledge in writing that accepting employment with the new company does not violate any other agreement or violate any other obligation of confidentiality to which the employee may be subject.

d. If grounds for federal jurisdiction exist (the parties have diverse citizenship and the claim exceeds $75000), the action may be brought in federal court

e. The UTSA [Uniform Trade Secrets Act] provides that an action for misappropriation must be brought within three years after misappropriation is discovered or reasonably should have been discovered

f. In federal court, the action will be governed by the Federal Rules of Civil Procedure relating to federal civil actions generally

g. Most states have rules relating to civil procedure that are modeled substantially after the Federal Rules of Civil Procedure and likewise govern the litigation

h. If the defendant has a cause of action to assert against the plaintiff relating to the trade secret, it must be asserted by way of a counterclaim in the litigation so that all disputes between the parties relating to the information can be resolved at the same time

i. After the complaint, answer, and counterclaim have been filed, various motions may be made Discovery will commence The plaintiff and defendant will take depositions to obtain testimony from those who may have information about the case.

j. Ultimately, if the matter cannot be resolved by private agreement, it will proceed to trial The trade secret owner must prove misappropriation by a preponderance of the evidence Ether party may request a jury trial; otherwise, a judge will render the decision Appeals may follow.

k. One of the difficult issues in trade secret litigation arises from the fact that the trade secret sought to be protected often must be disclosed in the litigation so the judge or jury can evaluate whether the information is sufficiently valuable that it affords its owner a competitive advantage

l. Similarly, the owner's methods of protecting the information often must be disclosed so the fact-finder can determine whether the owner has taken reasonable measures to protect the alleged trade secrets.

m. The dilemma faced by trade secrets owner is that they must disclose the very information they seek to protect

n. As technology progresses and the value of certain communication and entertainment inventions increases, trade secret litigation is becoming an increasingly common and high- stakes occupation

TRADE SECRET PROTECTION PROGRAMS:

Trade secrets are legally fragile and may be lost by inadvertent disclosure or failure to reasonably protect them, companies should implement trade secret protection programs to safeguard valuable information Because trade secret protection can last indefinitely, businesses should devote proper attention to the methods used to ensure confidentiality of information.

Developing programs and measure to protect trade secrets is an easy way to demonstrate to a court that an owner values its information and takes appropriate measures to maintain its secrecy.

Physical protection

There are a variety of tangible measures a company can implement to protect trade secrets, including the following:

Safeguarding information under lock and key;

Protecting the information from unauthorized access;

Forbidding removal of protected information from the company premises or certain rooms;

Retaining adequate security during evening and weekends either through alarm systems or security services;

Ensuring tours of the company premises do not expose outsiders to valuable processes or information;

Using check-out lists when valuable equipment or information is removed from its normal location;

Monitoring employees' use of e-mail and the Internet to ensure confidential information is not being disseminated;

Using encryption technology and antivirus protection programs to protect information stored on computers;

Educate employees on trade secrets and protection of trade secrets;

Ensuring information retained on computers is available only on company networks so that access can be easily tracked

Most companies will not need to implement all of the measures described above Courts do not require absolute secrecy or that extreme measure be taken to protect information Rather, reasonable measures will be sufficient to protect the status of information as trade secrets

Contractual Protection

Another method of protecting trade secrets is by contract, namely, requiring those with access to the information to agree in writing not to disclose the information to other or use it to the owner's detriment.

Similarly, in licensing arrangements, trade secret owners should ensure the license agreements contain sufficient protection for trade secret information

Employers should use noncompetition agreements to ensure former employees do not use material gained on the job to later compete against the employer

With the advent of the Internet and the increased ease of electronic communications, employers have become concerned about the loss of trade secrets through dissemination over the Internet

It has been held that "*once a trade secret is posted on the Internet, it is effectively part of the public domain, impossible to retrieve*"

Contractual Protection

Companies can also rely on other complementary methods of protection to safeguard trade secrets Any material that qualifies for copyright protection should be protected by registration, or at a minimum, by ensuring a copyright notice is placed on the material or document to afford notice to other of the owner's right and internet in the material.

UNFAIR COMPETITION

INTRODUCTION:

The law of unfair competition is based upon the notion that individuals should be protected from deceptive (looking down) and improper conduct in the marketplace The law of unfair competition is found in case law, in state statutes prohibiting unfair business practices, in specific federal statutes, and in regulations promulgated by the FTC (Federal Trade Commission), the federal regulatory agency charged with protecting consumers from unfair or deceptive acts and practices.

The law of unfair competition continues to evolve as new methods of conducting business arise, such as electronic offers and sales through telemarketing, television infomercials, and the Internet There are a number of theories and actions that can be used by injured parties to protect against unfair competition In many instances, actions for unfair competition will be combined with other actions (such as those alleging trademark, copyright, or patent infringement) to provide a plaintiff a wide array of possible remedies

For Example: a designer of scarves imprinted with fanciful designs may decide against applying for a design patent due to the expense involved and the short life cycle of fashion products Protection against copying of the design may thus be available under the umbrella of unfair competition rather than under design patent law Section 43 of the Lanham Act (15 USC § 1125) provides a federal cause of action to protect consumers against unfair competitive business practices Moreover, section 43(a) protects unregistered marks and names, such as those that do not qualify for federal trademark registration because they are descriptive or perhaps used only in intrastate commerce.

The most common types of unfair competition are discussed more fully in this chapter but can be briefly summarized as follows:

- Passing off (or palming off), "Passing off" occurs when one party attempts to pass off or sell his or her goods or services as those of another
- Misappropriation
- Right of Publicity
- False advertising
- Dilution, Either tarnishing another's mark or causing it to lose its distinctiveness through "blurring" is actionable as dilution

Infringement of trade dress, adopting the overall concept of another's distinctive packaging or product image, generally called its "trade dress", so as to deceive consumers is an infringement of trade dress

Generally, injured parties notify the wrongdoer prior to initiating litigation

MISAPPROPRIATION:

The doctrine of misappropriation first arose in *International News Service V Associated Press,* 248 US 215 (1918), in which the Supreme Court held that an unauthorized taking of another's property, in that case, news information, that it invested time and money in creating was actionable as misappropriation of property

In INS, news information originally gathered by the Associated Press relating to World War I was pirated by International News Service and sold to its customers

Because the news itself, as factual matter, could not be copyrighted, the plaintiff could not sue for copyright infringement

Instead it alleged that its valuable property right had been taken or misappropriated by the defendant

The Supreme Court agreed, noting that the defendant was "endeavoring to reap where it has not sown, and is appropriating to itself the harvest of those who have sown "Id At 239-40 Because the defendant was not attempting to convince its subscribers that its news reports were from the plaintiff, an action for passing off would not lie The defendant was misappropriating rather that misrepresenting.

RIGHT OF PUBLICITY:

- The right of publicity gives individuals, not merely celebrities, the right to control commercial used of their identities or personas

- The right of publicity protects a commercial interest, the vast majority of cases involve celebrities inasmuch as they can readily show economic harm when their names, photographs, or identities are used to sell products or suggest a sponsorship of merchandise

- Publicity rights are governed by state law

- The right of publicity has evolved from the right of privacy, which protected against unreasonable invasions upon another person's solitude and provided remedies for the disclosure of private information

- The right of publicity allows individuals to protect the marketability of their identities and punishes those who would unjustly enrich themselves by appropriating another's fame for profit-making purposes

- Unpermitted commercial exploitation of an individual's persona would dilute the value of the persona, making it more difficult for the individual to commercialize his or her identity.

Thus, remedies for infringement include injunctions to prevent further exploitation and monetary relief to compensate the individual whose right of publicity has been appropriated (including damages for injury to reputation recovery of the defendant's profits, and punitive damages in extreme cases.

Courts have articulated a number of reasons for uploading an individual's right to publicity, including the need to protect against confusion that would arise if consumers were led to believe individuals sponsor or approve products when they do not, the need to incentivize performers who provide entertainment and benefit t society and should thus be provided with a protectable proper right in their identities

The right of publicity does not apply to non commercial uses; using another's name, likeness, or identity for news reporting, scholarship, or research is permissible

NEW DEVELOPMENTS IN THE RIGHT OF PUBLICITY

As is common with intellectual property rights in today's society, some of the new issues relating to the rights of publicity stem from increasing technological advances

Without prior permission one should not appear in the digital technology used movie

The international Trademark Association has proposed amending the USTradeamrk Act to create a federal right of publicity with postmortem rights (although such rights would be limited to some specific period of duration after death)

Similarly, names, gestures, and likenesses are unprotectable under copyright law because they are titles or ideas rather than expressions

Thus, in some instances, federal copyright law may control a plaintiff's rights, while in other instances; only the right to publicity will provide protection.