



How to Implement a Trade Secrets Protection Program

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It is estimated that 70 percent of the value of an average business is held within its information systems. Since most businesses depend on information, corporate espionage is a problem of gigantic proportions. Since 2001, losses due to trade secret thefts are estimated at more than \$150 billion a year.

Despite the significant risks corporate espionage poses to companies, few companies spend the money needed to secure and protect their trade secrets from disgruntled employees or to train their employees to safeguard their trade secrets. Companies must pinpoint the specific physical, information technology and other security protocols they can take to safeguard their trade secrets from thieves.

The first line of defense against any form of corporate espionage is to implement a trade secrets protection program that consists of three parts:

- Addressing Employment Relationships
- Securing the Company's Physical Environment
- Managing and Securing Access to Trade Secrets

Perhaps equally important is for a company to protect against disclosure of its trade secrets to third parties such as independent contractors, vendors and suppliers. Some tools include training employees not to discuss the company's trade secrets around third parties, and utilizing confidentiality provisions in standard contracts with any third parties.

The day is past when trade secrets can be adequately protected merely by requiring employees to execute confidentiality agreements, non-solicitation agreements and covenants not to compete. Such traditional contractual protections can be critical to increasing chances of success in trade secrets litigation, but now companies must deploy an arsenal of modern electronic weapons and physical barriers to protect their trade secrets and retain their competitiveness. Without them, companies may have little chance of protecting the information upon which their business depends.

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