# Business Law

## April 8, 2013

* **Trade Secrets v. Patents**
  + They’re both intellectual property, but they’re different.
  + Trade secrets, as long as they’re held secret, do not expire. E.g. Recipe for Coca-Cola
  + Their obligation to not disclose the trade secrets does not depend on contracts.
* **Trade Secrets**
  + The event that gives rise to a trade secret getting stolen
  + Breach of Duty of Loyalty
  + Misappropriation (Intentional Tort)
    - Take something you don’t have a right to and use it / disclose it.
  + Breach of a Contract
* **Misappropriation (Intentional Tort)**
  + Information is a trade secret
    - Go through six factors (find in book)
  + Information was obtained by the culprit either through a
    - Confidential relationship
    - Improper means (anything tortious)
  + Information was used *or* disclosed by the culprit without permission
  + The recipient must know that the information is either wrongfully obtained or wrongfully disclosed. (Constructive knowledge – knows, should know)
  + **Or**
  + If the information is mistakenly disclosed, recipient knows information is a trade secret.
* Competition from current employee or former employee
  + Covenant not to compete (CNC)
    - Essentially says that an employee promises that after termination of the employment relationship s/he will not compete with their former principal/employer.
    - An employer may have an interest in eliminating competition from a former employee
      * Because the former employee has had access to your trade secrets, you agree to go out and not compete with you.
    - The employer must have a legitimate interest to protect.
      * Good will, trade secrets, etc.
    - You must not compete in the same geographic region of your previous employer
    - Scope of Activity
      * What is it that the employee cannot do?