

Quick Guide to Trade Secrets

An overview of trade secrets, the critical business information that provide companies with a competitive edge.



What are **Trade Secrets?**

Technical Information Product formulas Product designs Manufacturing processes Computer code

Business and Financial Information Consumer preferences Pricing information

Read more: Beginner's Guide to Trade Secrets

Marketing and business plans



When is it a Trade Secret?

Undisclosed Valuable Steps to keep it secret



Why Protect Trade Secrets?

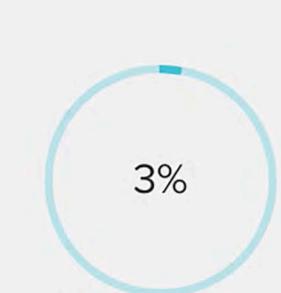
Damage to companies from trade secret theft

Loss of competitive advantage Damage to reputation Financial penalties, legal costs and fines

Read more: Beginner's Guide to Trade Secrets

Where Does Trade Secret Theft Happen?

A Few Stats



Value of Trade Theft as Related to U.S. GDP

The value of trade secret theft in the U.S. is approximately 1% - 3% of the gross domestic product (GDP) of the U.S. and other advanced industrial economies. (Source: CREATe – PwC: Economic Impact of Trade Secret Theft: A framework for companies to safeguard trade secrets and mitigate potential threats)



Company Data

In a report by the independent Ponemon Institute, 71% of "end users" (employees on

the system) said they have access to company data they should not be able to see, and 54% of them said that the access was frequent or very frequent. (Source: Ponemon Institute: Corporate Data: A Protected Asset or Ticking Timebomb?)



Strategically Important

In an EC-sponsored survey of 537 businesses in Europe (EC, 2013), 75% of respondents ranked trade secrets as "strategically important to their company's growth, competitiveness and innovative performance." (Source: OECD: Approaches to Protection of Undisclosed Information (Trade Secrets))

Cases in Point

SolidWorks

An employee of an Indian company,

Geometric Ltd., was given access to software source code owned by SolidWorks, a U.S.-based client. The employee was caught trying to sell the software code to SolidWorks' competitors yet it was not possible to sue him under Indian law since he technically had not stolen from his employer.

W.L. Gore and Associates

In April 2014, federal officials arrested Kwang Seoung Jeon at JFK airport, just before he was to fly his native South Korea. Jeon, who worked for the W.L. Gore and Associates, the Delaware textile company that invented Gore-Tex® allegedly was spotted printing out "book-sized" documents in the weeks before leaving the company. An investigation revealed that the chemical engineer had printed and downloaded hundreds of documents on a high-tech camouflage fabric the company was developing for military use.

American Superconductor

Massachusetts-based American Superconductor ("AMSC") makes wind turbines technology. Its top customer, China-based Sinovel Wind Group, paid an AMSC engineer to steal proprietary source code from AMSC's secure server in Austria. After Sinovel acquired the source code, it began turning away AMSC's shipments. Sinovel had previously provided more than 70% of AMSC's revenues, so the impact on AMSC was devastating. Its stock value plummeted 40% in a single day. AMSC's profits dropped; and it forced AMSC to cut jobs.

Who Steals Trade Secrets?



Read more: Profile of a Malicious Insider











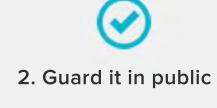


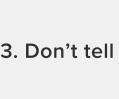
Read more: Companies: Five Steps to Protecting Trade Secrets

Employees - If you are dealing with confidential information:



1. Put it away and don't email it





3. Don't tell or give it to anyone



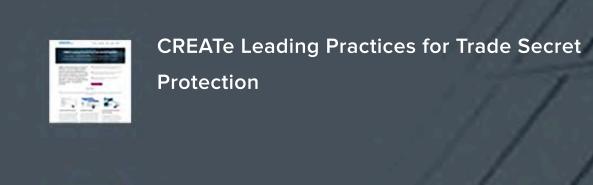
4. Put non-disclosure agreements in place

CREATe Resources:



6. Control and track access

Read more: Employees: Your Role in Keeping Trade Secrets "Secret"







Leading Practices in an Evolving Legal Landscape

Trade Secret Theft: Managing the Growing

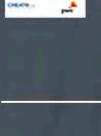
Reasonable Steps to Protect Trade Secrets:



CREATe – PwC: Economic Impact of Trade Secret Theft: A framework for companies to



Trade Secret Model Policies



safeguard trade secrets and mitigate potential threats

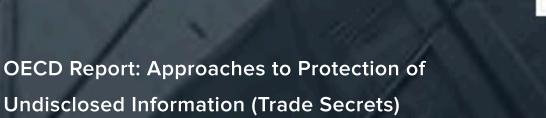


Threat in Supply Chains

External Resources:



the Age of Cyberespionage





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CREATe Leading Practices: Learn more or try it now--free benchmarking!

Theft of U.S. Trade Secrets

Administration Strategy on Mitigating the

(Including the Trade Secret Protection

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