

# Protecting Your Trade Secrets

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# GE Works

GE works on things that matter. The best people and the best technologies taking on the toughest challenges. Finding solutions in energy, health and home, transportation and finance.

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WATER



HEALTHCARE



AVIATION



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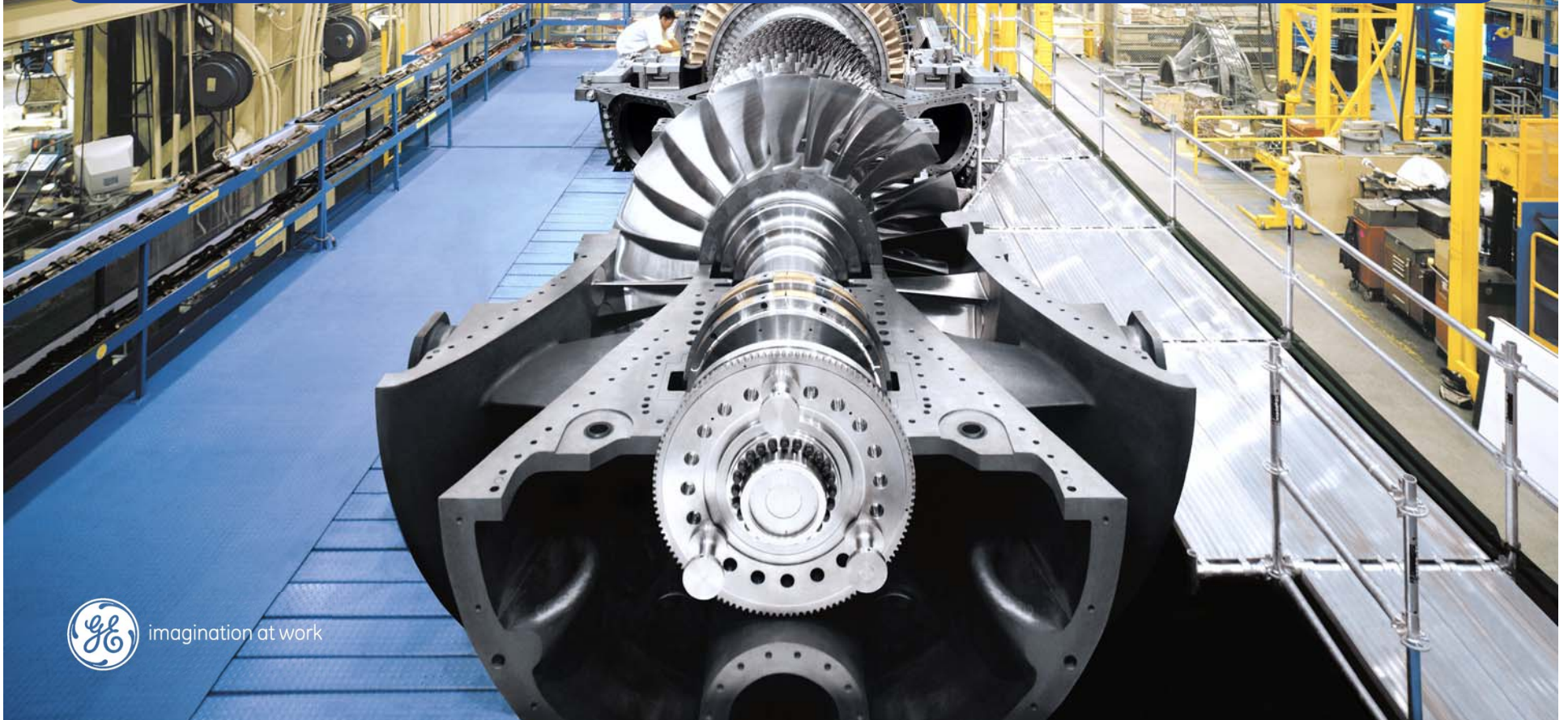
HOME &  
BUSINESS  
SOLUTIONS



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# Key statistics

- About 300,000 employees worldwide
- Operating in more than 150 global locations
- Only current DJIA company in original index
- Rated AA+ with stable outlook by S&P



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# Our innovation

From Thomas Edison's first commercially viable light bulb to the first X-ray machines, we've continued to redefine what's possible for the world. Our recent developments include:



Evolution Series locomotive



Discovery CT750HD



MAC 400 compact ECG



GENx jet engine



V-scan



2.5 MW turbine



LEAP-X engine

# Trade secrets offer cost effective IP protection

## BENEFITS OF TRADE SECRET PROTECTION VS OTHER IP FORMS



no formalities or registration process



No official costs



Unlimited term of protection while secrecy is maintained

## When to use trade secrets:

- Especially effective for SMEs with limited access to cash
- Fast moving technologies
- Secret “recipes” that are hard to detect and replicate

*Trade secrets do not create a monopoly, temporary or otherwise. You are not protected from independent invention*

Trade Secrets are a powerful tool, especially for the cost-conscious business

a powerful tool, but...

information that has taken  
**years** to innovate...  
can be lost in a matter of minutes



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# Technological and cultural shifts make it even harder to keep secret



## **more** endpoints

*with the proliferation of Internet-connected devices like smartphones and tablets*



## **more** connections

*surge in data streams used to synchronize information between devices*



## **more** flexibility

*data is stored and transferred in new and often less secure locations*

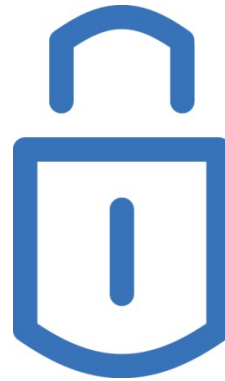


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# Elements of effective trade secret protection



Identify



Limit Access



Protect





# Identify: The challenge to elect protection

Trade secrets are a company's crown jewels.

Keeping secrets is hard work, and may limit the availability of information to develop new products

Must achieve a balance in protection and information flow & requires regular identification

*Example trade secrets: growth strategies, customer lists, algorithms*

# It can take a shift in culture

## Employee Agreements



An employee promises to:

- Disclose and assign IP rights to the company
- Keep proprietary information secret
- Only use proprietary info for company benefit

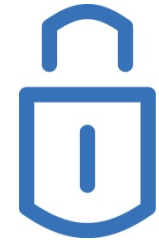
## Raising Awareness



Keep proprietary at top of mind

- Consistent messaging from senior leadership
- Training materials on the importance of limiting access
- Collateral marketing tools like posters, talking points, etc.

# Limit Access: Establishing a need to know



The more people with access, the greater likelihood of losing the asset

How and where will  
your trade secrets be  
stored?  
Who can access?  
How?

Management of trade secrets  
is critical

*Some legal regimes require  
proof that the asset was actually  
held in secret*

# Protect: Preventing information leakage



Once an asset is out the door, chances for meaningful recovery are greatly limited

## conduct exit interviews

especially for high risk employees (i.e. more senior management, employees going to a competitor)

## monitor your systems

watch network traffic, downloads, etc. and flag abnormal activity  
*ensuring to comply to local privacy, labor, and related laws*

# Understanding your local environment

In jurisdictions without trade secret regimes

can only enforce against those in privity ...  
**need a culture of employees that use NDAs with partners, suppliers, etc.**

Trade secrets are the least developed form of IP law

significant legal variations can make enforcement difficult and **often cannot be enforced against conduct entirely outside the country**