

ADVISORY | Public Policy & Government Affairs

April 29, 2014

DEFEND TRADE SECRETS ACT INTRODUCED IN SENATE

Today, Senator Christopher Coons (D-Del.) and Senator Orrin Hatch (R-Utah) introduced [S. 2267](#), the Defend Trade Secrets Act. This bipartisan legislation would provide companies with a federal civil remedy if their trade secrets are misappropriated. Under current law, trade secret owners in the United States rely on state courts to enforce their rights, even when the misappropriation relates to a product or service used in interstate or international commerce.

Trade secrets, such as customer lists, formulas, industrial techniques, and manufacturing processes, are an essential form of intellectual property. Trade secrets held by publicly listed U.S. companies are valued at approximately \$5 trillion, yet trade secrets are the only form of intellectual property without a federal civil remedy. The Economic Espionage Act of 1996 made trade secret theft a federal crime, but the FBI and Department of Justice have limited resources and are unable to pursue all cases of trade secret theft.

The Defend Trade Secrets Act is intended to provide companies with a more efficient mechanism for protecting their valuable investments from the increasingly interstate and cross-border nature of trade secret theft. It would also provide a uniform federal standard for misappropriation, enabling companies to craft one set of policies that apply nationwide.

Covington & Burling LLP represents the Protect Trade Secrets Coalition, a cross-industry group advocating a federal civil remedy for trade secret misappropriation. The Coalition organized the attached letter of support for the Defend Trade Secrets Act. A background paper is also attached.

Protect Trade Secrets Coalition members include Abbott Laboratories, Caterpillar, Corning Incorporated, Eli Lilly and Company, General Electric, Medtronic, Micron, Microsoft, Monsanto, Nike, Philips, The Procter & Gamble Company, and United Technologies Corporation.

If you have any questions about the legislative effort or other trade secret protection matters, please contact:

Aaron Cooper	+1.202.662.5976	acooper@cov.com
Daniel Spiegel	+1.202.662.5347	dspiegel@cov.com
Richard Hertling	+1.202.662.5669	rhertling@cov.com
Stephen Kiehl	+1.202.662.5872	skiehl@cov.com

This information is not intended as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

Covington & Burling LLP, an international law firm, provides corporate, litigation and regulatory expertise to enable clients to achieve their goals. This communication is intended to bring relevant developments to our clients and other interested colleagues. Please send an email to unsubscribe@cov.com if you do not wish to receive future emails or electronic alerts.

© 2014 Covington & Burling LLP, 1201 Pennsylvania Avenue, NW, Washington, DC 20004-2401. All rights reserved.