



Dipartimento di Scienze Politiche - Cattedra European Union
Law

**The protection of undisclosed know-how and business
information (trade secrets) against their unlawful acquisition,
use and disclosure:**

**Reasons, explanation and controversies of the proposal for a
directive of the European Parliament and the Council**

CANDIDATO:
Federica Vinci
Matr. 070962

RELATORE:
Prof. Roberto Mastroianni

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Introduction

“Businesses and non- commercial research institutions invest in acquiring, developing and applying know-how and information, which is the currency of the knowledge economy. This investment [...] determines their competitiveness in the market and therefore their returns to investment [...]. Businesses have recourse to different means to appropriate the results of their innovative activities when openness does not allow for the full exploitation of their research and innovation investments. Use of formal intellectual property rights such as patents, design rights or copyright is one of them. Another is to protect access and exploit the knowledge that is valuable to the entity and not widely known. Such know-how and business information, that is undisclosed and intended to remain confidential is referred to as a trade secret. Businesses [...] value trade secrets [...] use confidentiality as a business and research innovation management tool, covering a diversified range of information, which extends beyond technological knowledge to commercial data such as information on customers and suppliers, business plans or market research and strategies. By protecting such a wide range of know-how and commercial information, whether as a complement or as an alternative to intellectual property rights, trade secrets allow the creator to derive profit from his/her creation and innovations and therefore are particularly important for research and development and innovative performance.”¹

¹ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure – Recital (1)

These are the opening words of the “Proposal for a directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure”, which was proposed as a draft directive by the Commission in November 2013. They perfectly entail the importance not only of trade secrets, but also of their protection and promotion. In fact, although there are still some controversies at stake and some issues that have to be resolved, the European Union has finally made a big step toward the protection of an asset that is today considered indispensable for the development of free and fair competition within the barriers of the Union’s market.

However, their importance has not always been taken for granted, *au contraire* especially in the European Union and in its Member state, trade business and secret know-how have often been underestimated by national law, considered as a sub-category of intellectual property rights (from which they do actually differ) and so never rightfully protected. Indeed, it has been precisely the unevenness among the various national legislation within the European Union, that highly damaged or restricted market’s competition and development, that has lead the Parliament to finally understand the need for harmonisation. Today, having recognized that, the proposal ends at harmonising the definition of trade secrets among the members of the European Union in accordance with the existing international binding standards, defining the relevant forms of misappropriation and clarifying the difference among trade secrets and

intellectual property. Finally, it deals with the civil means through which victims of trade secret misappropriation can seek protection.

Having said that, my study specifically aims at understanding the framework that has led to the creation of this directive. Being a privileged speaker, as I could participate and work on the negotiations of the mentioned Directive during my internship at the ITRE Committee in the European Union Parliament, I decided to address the issue of trade secrets. In fact, still today they are largely undervalued, while they could become a mean to boost competition, ideas' sharing and development within the European Union market, if only adequately protected.

For these reasons, I will start my thesis by approaching the history behind the birth of trade secrets both in the United States, whose legislation has provided for the driving principles to the actual European legislation, and in Italy, which has been regarded among the Member States with the strongest legislation on the matter.

Considering that the lack of a uniform legislation among the member of the European Union was one of the greatest threats to trade secrets security and to the development of the internal markets, I will then move into the analysis of the present Member States legal framework. I will demonstrate that, although the TRIPS agreement constituted a turning point for most of the countries, as it provided a minimum ground for harmonization among various nations of the world, yet it was not sufficient to tear down the barriers constituted by the legislative differences among states. Indeed, I will show the length of the lack of a uniform legal regime within the

Union, analysing three major fields where to compare countries: the sources of law of trade secret protection, the definition given to “Trade Secrets”, opening here a parenthesis on the difference between business know-how and intellectual property rights, and finally the actions and remedies available in the case of misappropriation.

In the third chapter, I will highlight the importance of trade secrets, considering their values and how they can be threatened today. In order to give a practical consistency to this evaluation, I will present a case study about the undisclosed know how and business information in the fragrance industry, on the one hand because it is one of the greatest European market in the sector, on the other because it perfectly exemplifies the importance, the threats to the information and the methods for trade secrets protection.

Finally, before summing up my main points in the conclusion, I will briefly explain the main aspects of the proposed directive, while also presenting sum of the main controversies that have been brought about by a Multi-sectorial NGO coalition.

Chapter 1

The history behind Trade Secrets law

Defining a trade secret has been one of the greatest challenges that had to be faced when developing this concept. Today, they do not fall under the realm of patents; neither do they fall under the idea of intellectual property rights. Yet, it is usually requested to employee to sign agreements regarding their protection, considering that employers are often worried that the formers will move to a competitor and take the firm's trade secret with them. Moreover, the rise of the global information society has contributed to increase the demand for a uniform standard of protection across national boundaries as information and know-how are considered key factors for developing and maintaining competitive advantage. These are all signs that underline the importance given to the most intangible among the intangible assets.

Considering that the myth of the birth of trade secrets law from the roman *Actio Servi Corrupti* - an "action for making a slave worse" (or an action for corrupting a servant) - has been exposed², now we can assure that the history behind the development of their protection has recent origins. Considering that a European common legislative framework on trade secrets is taking shape at the present time, and consequently we are not allowed to talk about a history of the European Union trade secrets law, it can be useful to analyse the history of two of the main countries that have

² Watson, Alan. "Trade Secrets and Roman Law: The Myth Exploded." 1996.

affected the development of the EU legislation on the matter: the United States, to take on an international approach; and Italy, to evaluate the subject through our point of view.

The history of USA Trade Secrets Law

Even though other forms of intellectual property such as copyrights and patent law can date their births back to several hundreds of years in the Constitution and implementing federal statutes, trade secret law has come out from state court opinions in the middle of the 19th century. In fact, the principles of trade secret law evolved out of a series of related common law torts: breach of confidence, breach of confidential relationship, common law misappropriation, unfair competition, unjust enrichment, and torts related to trespass or unauthorized access to a plaintiff's property³. According to this path, the earliest American case discussing trade secrets occurred for the first time in 1837 and was decided by the Massachusetts Supreme Court in 1837 in *Vickey v. Welch*⁴. Many other cases were decided later on by the State Courts of the United States, until the publication of the Restatement of Torts in 1939, which comprehended a section summarizing the law of trade secrets. Although the Restatement quickly became the legal standard, its nonbinding nature translated into the geographically inconsistency of the trade secret law, which started growing

³ Yeh, Brian T. "Protection of Trade Secrets: Overview of Current Law and Legislation". Congressional Research Service. September, (2014)

⁴ 36 Mass. 523 – 1837 in Jager, Melvin F. "Trade secrets law", Webster, New York, Chapter 2-6

unevenly from state to state. Recognizing this deception, the Commissioners on Uniform State Law drafted the Uniform Trade Secrets Act (“UTSA”) with the intent of codifying the common law of trade secrets and of promoting harmonization. UTSA was adopted in 1979 and gained widespread acceptance, and, as of late 2011, 47 states had enacted it in some form.

The history of Italian trade secrets law

When taking under consideration the Italian history of trade secrets law, there are various frameworks that have to be analysed.

The first one is the legal core before 1942, when trade secret protection could be found under the application of the general rule on non-contractual liability or tort liability⁵. According to the general principles governing property rights⁶, in fact, original works were considered intangible properties belonging to their creators and consequently trade secrets were regarded as property rights whose violation could give rise to tort liability.

The juridical framework completely changed after the implementation of the 1942 Civil Code. Actually, only tangible properties fell within the scope of the property rights provision in force⁷ at the moment, while intangible works were protected exclusively by special provisions, such as in the case of patent law, where inventions were protected by patent’s certification given to their inventors. Moreover, although before 1942 Case Law repeatedly held freedom of ex-employees to freely exploit their

⁵ Article 1151 of the abrogated Civil Code of 1865

⁶ Article 437 of the abrogated Civil Code of 1865

⁷ Article 832 of Civil Code of 1942

knowledge, the last Civil Code provided, on the one hand, for the employee's duty of loyalty to the employer during the working relationship⁸ and on the other, for a voluntary covenant not to compete in favour of former employer after the employment relationship has ended⁹, for a maximum period of 5 years. In this realm, the aim of the Legislator was to preserve the owner of the secret by lawfully allowing the employer of the enterprise of the secret to conclude a valid agreement of non-competition preventing the employee from using later on the protected information.

In addition, even though the 1948 Italian Constitution suggested that the Italian law had to be reinterpreted in order to foster free competition - leading case law to maintain that technological and business information, if not patented, should have been under-protected to support the circulation of progress, as well as the exploitation of workers' know-how -, the 1979' s reform of the Italian Patent Law further reinforced the protection of the inventions kept under secret.

Still, despite, on the one hand the latter reform clearly reinforced the protection of undisclosed information; on the other, it considered that trade secrets, being intangible properties, were not qualified as property rights and were eventually to be considered as a matter of unfair competition, protected according to the provision set forth in Article 2598 Civil Code exclusively.¹⁰

⁸ Article 2015 of Civil Code of 1942

⁹ Article 2125 of Civil Code of 1942

¹⁰ Article 2598 of Civil code stays that:

“Subject to the provisions that concern the protection of distinctive signs and patent rights, anyone who engages in acts of unfair competition:

1. Uses names or distinctive signs capable of producing confusion with names or distinctive signs legitimately used by others, or slavishly imitates a competitor's

Consequentially, these legislative innovations eventually ended up weakening the protection of trade secrets, and in particular the ones concerning technical information, as they were usually considered non patented inventions. Anyway, the adoption of the TRIPs agreement¹¹ (signed by Italy at Marrakech on the 15th April 1994) that codified an internationally harmonised protection of trade secret, modified and strengthened the protection of the latter by leading to the insertion of art. 6 bis. in the Italian Patent Law¹².

product, or fulfils by any other means acts likely to cause confusion with the products and the activities of a competitor;

2. Broadcasts information and evaluation about the products and the activities of a competitor, which may determine its disrepute, or steals the merits of the products or the company of a competitor;
3. Directly or indirectly uses any other mean not comply with the principles of professional fairness and able to damage other people's company”

¹¹ https://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm

¹² Art. 6 bis. Italian Patent Law

1. Without prejudice to the provisions of Article 2598, No. 3, of the Civil Code, the disclosure to third parties of business information, including commercial information lawfully within a competitor's control, or the acquisition or use of such information by third parties in a manner contrary to proper professional practice, shall constitute an act of unfair competition where the said information:
 - a) is secret in the sense that it is not, as a whole or in the precise configuration and arrangement of its elements, generally known or readily accessible to experts and operators in that sector;
 - b) has commercial value because it is secret;
 - c) is the subject of steps to be considered reasonably adequate to keep it secret, taken by the persons lawfully in control of it.
2. The disclosure to third parties, or the acquisition or use by third parties in a manner contrary to proper professional practice, of test data or other secret data the production of which has involved considerable effort and the submission of which is a condition of market approval for chemical, pharmaceutical or agricultural products that make use of new chemical compounds shall be likewise considered an act of unfair competition.

Chapter 2

Legislation on Trade Secrets

Lack of a uniform legal regime within the European Union

The World Trade Organisation's 1994 TRIPS Agreement was a consistent change not only for Italy. In fact, it included intellectual property law into the international trading system for the first time. Its main ambition was to reduce distortion and deterrents to international trade through acceptable standards and principles on the availability, scope and use of trade-related intellectual property rights together with appropriate means for their enforcement. Precisely Article 39 creates minimum standards for the protection of intellectual property rights, with Article 39.2 as the main objective to define and enforce the defence of trade secrets.

Unfortunately, this potentially common benchmark has not been equally and fully implemented by participant states. In fact, especially when looking at the variety of different states and legislations that compose the framework of the European Union, it is rare to find cases of MSs that present the same legal basis for the enforcement of trade secrets law. Moreover, just understanding what is defensible as a trade secret in one or another Member State and consequently giving a uniform definition to trade secrets may be a difficult task. Adding to this the dilemmas that inevitably come up when looking at the actions and remedies available in the different member states, we end up in a framework that is not only

uselessly complicated, but that represent a burden to the investments in and innovation of the EU Single Market.

In order to better understand the background in which the European Union Directive will be enforced, I will compare Member States that have a remarkable legislation or particularities on trade secrets protection. With the aim of being as clear as possible, I will compare them on three sample grounds: the source of law for trade secret protection, the definition of trade secrets and finally the action and remedies available in the most relevant countries.

Source of law for trade secrets protection

Within the EU, Sweden is the only country with ad hoc legislation on trade secrets. In fact, it has ratified since 1990 the Act on the Protection of Trade Secrets, which embrace criminal provisions on trade espionage and unlawful dealing with trade secrets, together with civil provisions on responsibility for losses coming from illegitimate disclosure and use of trade secrets.

As much as other European Member States are concerned, even though there are similarities within the various legal structures, yet none of them can be said to have neither a specific legislation as the Swedish one, neither perfect equivalence within each other. For example, Italy and Portugal are the only two states which have precise provisions on the protection of trade secrets on their respective Codes of Industrial Property. Yet, differences still arose when analysing these provisions in depth.

In fact, to improve its compliance with TRIPS and to enhance remedies for the violations of trade secrets, Italy amended Articles 98 and 99 of the Italian Industrial Property Code. This action offered a greater protection to Trade Secret, making the Italian Law one of the strongest on the subject. Actually, while Art. 98 provide a sort of definition for the types of information that are qualified for protection; there is also Art. 64.1, that deals with the co-ownership of trade secrets, which is not provided under these provisions. In fact, if an employee creates a trade secret as part of his job, it will belong to the employer. Finally, protection of intellectual property rights and also trade secrets is enhanced by Article 2105 of the Italian Civil Code, that grant for a duty of loyalty to the employer from the employee part, forbidding the misappropriation of their employers' secrets.

Portugal, on the contrary, does not treat trade secrets as intellectual property rights but their violation is considered as an act of unfair competition punished according to the principles of the national civil code. In fact, according to the Portuguese Industrial Property code of 2003, which was itself influenced by Art. 39 no. 2 of the TRIPS Agreement, and which did not receive substantial changes with the entering into force of the Industrial Property code of 2008, when talking about unfair competition, an illicit act is defined in particular as the disclosure, acquisition or use of the trade secrets of a competitor without its consent.

Also France is worth mentioning in this context, as it has always had a legal background concerning trade secrets, whose protection was

guaranteed mainly by the general law of obligations and tort liability. Yet, there have been relatively few examples of case law concerning the protection of undisclosed information and, in case of conviction, the penalties rarely included prohibition of use, but only modest damages. As long as this country is concerned, the ratification of the TRIPS Agreement did not appreciably modify the legal status of trade secrets, given the fact that there is a specific criminal law provision¹³, relative to the disclosure of “secrets de fabrique”. Still, this article has some limits as it only refers to a manufacturing secret, which is the only one that can be protected by these provisions, and also the person who commits the act must be an employee (or a director) or a former employee and not just any person to whom the secret or confidential information was transmitted.

When talking about similarities arising within the other member states of the European Union, Countries such as Austria, Germany, Poland and Spain strongly rely on unfair competition law.

Although the TRIPS didn't significantly affect Austria, the Unfair Competition Act, the Criminal Law Act as well as numerous public administrative laws today provide for protection of trade secrets. In Germany, on the other hand, trade secrets and consequently know-how, are protected indirectly and reflexively, but they have never taken the shape of a positive right. Yet, the bases for the protection of trade secrets are the criminal offences in the Act against Unfair Competition (UWG), which also serve as a basic law and benchmark for the legal evaluation in cases where the use of trade secrets may be deemed inadmissible. These criminal

¹³ Article L.621-1 of the Intellectual Property Code (CPI)

offences also constitute the basis for civil law claims. Protection of trade secrets is afforded through the application of statutory provisions by the courts. Also in this case, finally, there have not been major changes after the TRIPS came into force.

In common law countries such as the UK and Ireland trade secrets are protected by the common law of confidence and by contract law. In fact, as there is no regulation in both these jurisdictions related to the protection of trade secrets and the TRIPS Agreement is not applied directly, as much as the UK is concerned, the law of confidence has instead developed based on case law and precedent, as the cases themselves provide ample authority. Ireland, on the other hand, does not have laws specifically protecting trade secrets. Currently the owner of trade secrets that have been misappropriated must rely on either contract law or on judge-developed law on confidentiality.

As it is possible to deduce, trade secrets play a key parts in all EU Member states, especially considering that also Member States without a specifically dedicated legal framework felt anyway the need to rule and protect them through alternative legal tools. Yet, this kind of fragmentation resulting from these diverse enforcing measures within the EU framework is negative per se. In fact, from the right-holders' perspective, the uncertain and uneven legal regime makes trade secrets management and enforcement on a European scale vague and difficult to handle.

Definition of trade secret

One of the major drawbacks coming from the absence of a harmonised system on the law of trade secrets is the lack of a uniform definition of the object in question within the European Union. In fact, generally speaking we can find a definition of “trade secrets” in Article 39.2 of the TRIPS Agreement¹⁴. Nevertheless, this article never uses the terms trade secrets or know how. Moreover, although it refers to undisclosed information, it does not define what “undisclosed information” is about, but only which are the conditions that the information has to satisfy so to be considered “undisclosed” and consequently protection seeker: secret, with a commercial value, and subject to reasonable steps to be kept secret. Yet, when taking under consideration the MSs definition of trade secrets, even though several discrepancies can be noted, still there is a general compliance with the general description provided by the TRIPS, also considering that this definition is usually acknowledged by the respective case law.

¹⁴ Article 39.2 of the TRIPS Agreement:

“Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practice as long as such information:

- (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- (b) has commercial value because it is secret; and
- (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.”

In the case of Portugal, for example, article 318 of the Industrial Property Code contributes for a possible definition of trade secret, and present several items traceable in article 39 of TRIPS. Yet, the general definition inferable from this country legislation treats trade secret as an “information of any type that is actually or potentially valuable to its owner and not generally known or readily ascertainable by the public, and which the owner has made a reasonable effort to keep secret”.

As much as Italy is concerned, the definition of trade secrets is precisely the one adopted by the TRIPs agreement. In compliance with the latter, Italy expressly recognizes trade secrets as an actual industrial property right, that being of massive importance considering that, despite the close relationship between trade secrets and IP rights and although the TRIPS Agreement itself qualifies "undisclosed information" as a type of intellectual property right, only few members states including France and Latvia attach this status to trade secrets.

In other member states, the definition of trade secrets is much more equivocal. In Germany, for example, there is not even a definition of the central term of a business or trade secret. Considering then also the Netherlands, there is no unambiguous definition of “know-how” or “trade secret” in Dutch law: article 273 (1) DPC refers to “specific information, to which an employee has sworn secrecy, related to a commercial, industrial, or service organization in which he is or has been employed” while article 678 (2)(i) of Book 7 Civil Code deals with “particulars regarding the internal affairs or business of the employer”.

However, despite these disparities and especially thanks to the harmonising activity that directly or indirectly the TRIPS agreement has had over the various legislations, there are some common requirements within all the European Member states. In fact, in most of them, a trade secret is described as technical or commercial information related to a business, which is not generally known or easily accessible and which has economic value and in this sense its disclosure could cause a prejudice to the holder's interest. Furthermore, recognizing that, at least in principle, any kind of information could potentially be protected as a trade secret, with the aim of simplifying their recognition, they can be divided into two main categories. Technical secrets, on the one hand, include any type of technical information, as manufacturing processes, designs, prototypes, inventions, know-how, fragrances, etc. On the other hand, commercial secrets are the ones that deal with customers and suppliers list and all the various confidential marketing information.

Differences between Intellectual Property Rights and Trade Secrets

So far, it has been denoted that the correlation with trade secrets and Intellectual Property Rights is a narrow one, as much as different countries such as Italy and Portugal, as I had the possibility to explain, have incorporated trade secrets law in their intellectual property rights provisions. In fact, copyright and trade secrets protection are practically coextensive: the two security instruments complement each other and can

be used together for certain types of invention. Also, if trade secrets had been considered as IP rights under national legislation, it would have triggered the application of the remedies provided by the Enforcement Directive for intellectual property rights, encouraging the creation of a more uneven legal framework. Yet, Member States have adopted different forms of implementation, rightfully considering that there actually is a difference between these intangible assets.

Therefore, there are various discrepancies between trade secrets, copyrights and patent. Starting from the role of public disclosure, the principle behind copyrights and patent is that creativity and innovation are rewarded by a limited protection from the government to simplify the creation costs regain. On the other hand, trade secrets are either unique or novel nor original; they are non obvious to be preserved but their owner aims at protecting them from the public for an unlimited duration. Moreover, unlike patents, trade secrets laws grant for the protection of identical information if the parties involved independently discover the knowledge in question. Nonetheless, to be recognized as such, trade secrets must have some independent and potential economic value by being unknown to others. In addition, they do not have to be absolutely secret to be counted as trade secrets.

Some central examples of the use of trade secrets can be found, for example, when there are valuable information such as ideas, techniques, customer lists that are not copyrightable and that may be copied without infringing Intellectual Property laws. Consequentially, trade secrets law

becomes of fundamental importance when dealing with this kind of resources, as they are the only measures that can enforce their protection. Trade secrets and copyright protection are interrelated, fully compatible but especially mutually re-enforcing.

Actions and remedies available

A direct consequence brought about by not having a common European legal framework and consequently dissimilar definition of trade secrets, is that perquisites for and actions available in case of violation diverge in every Member State. Anyway, as it was the case both for the definition and the legal background, there are some similarities within all the countries. In fact, some typical aspects the action has to present in order to be considered a violation of the trade secret have to include: “(i) the existence of a protectable secret; (ii) the infringement of the same; and (iii) the unlawful nature of the misappropriation or use by the defendant”¹⁵.

Sometimes, it may be the case of other requirements applying on the individual capacity of the secret holder, i.e. current and former employees, and it is especially on this subject that Member States’ laws differ within each other. In the case of Austria, for example, an action can be started against anyone who obtained the information, regardless of the good faith behind the unlawful activity. On the contrary, as much as Malta is concerned, trade secrets violation actions can be brought by the owner only when it consists of a breach of a contractual obligation. Also, although the contracted party will generally be obliged to ensure that confidentiality

¹⁵ “Study on Trade Secrets and Confidential Business Information in the Internal Market”, Final Study, (April 2013)

extends to its employees, agents or sub-contractors, these agreements do not bind those third parties.

Moreover, considering that it is not clear whether trade secrets can be inscribed into the category of intellectual property rights, whose qualification would trigger an application of the IPR Enforcement Directive (EC/2004/48), Courts are usually prevented by applying IP rights to trade secrets if the latter are not explicitly ranked within the former.

When available remedies are taken under consideration, they usually include: “relief, return/seizure/withdrawal/destruction of infringing goods or materials embedding trade secrets, restraint orders, penalties and damages”.¹⁶ Injunctions and damages are usually the most commonly applied by the Member States Courts, although all the remedies are available at the interim stage of legal proceedings. One of the main problems concerning the application of remedies is that proving infringement is one of the main barriers that the trade secrets owner deals with when seeking protection, as much as lack of evidence is among the strongest reasons for case dismissal. Nevertheless, fragmentation happens also among remedies. In fact, in countries such as Denmark or Germany, restraint measures and penalties are not foreseen; while in the case of Bulgaria injunctions and damages are the only remedies available. Even more relevant when underlying the necessity for a harmonisation is the fact that there are also Member States, such as Italy itself, where measures to secure evidence are not available.

¹⁶ “Study on Trade Secrets and Confidential Business Information in the Internal Market”, Final Study, April (2013)

Chapter 3

The importance of Trade Secrets

Value of and threats to Trade Secrets

Despite all the differences that persist among Member States regulations, the willingness to come up with a harmonized legislation, that can simplify protection and allow for a smoother process of defence of trade secret, is only one of the aspects that show their importance. In fact, the reasons behind all the attention that have been lately addressed to these assets are in view of the fact that their influence has progressively increased, especially for several reasons.

First of all, trade secrets play a key role within organization and can hold immense business value in a variety of ways. There are cases in which they constitute the core of a business affecting also their continued success. Sometimes, a trade secret derives its value from the particular role it plays within the company: This is the case of recipes or formulas that found their protection on the fact that, without the protected knowledge, a competing product with the same characteristic of the one offered by the trade secrets owner would not exist. Also, there are instances where trade secrets derive their value from the effort and expense used for their discover, as a result for example of extensive research and development efforts. Trade secrets can also offer to a competing business a model as to how the holder of the information operates within its business, such as in the case of protected financial data not openly reported. In fact, through their use, a rival can

gain an advantage by rearranging its operating structure according to its competitor's advantage in order to match him. Beyond business structure, trade secrets can also provide information regarding a company's most successful day-to-day operations, such as lucrative store, geographic regions or product portfolio, including customers' and prospect lists.

The second reason why trade secrets are becoming increasingly important in this era are all the threats that modernity is advancing against them. First of all, technology is making their misappropriation easier. In fact, before the advent of computers, trade secrets were stored in physical forms, which practically made their misappropriation and especially divulgence much more difficult. In today's digital era, this confidential information is stored as a "digital file on a computer network, [...] encrypted, password protected and restricted to employees on a need-to-know basis".¹⁷ Yet, it would not be of a great deal for an annoyed employee to gain access to them, download and post them on the Internet, making the secret easily available to all the cyber community. As Miss Cundiff notes in her "*Reasonable Measure to Protect Trade Secrets in a Digital Environment*"¹⁸: "the digital world is no friend to trade secrets", and she is right. The risks related to trade secrets today are, indeed, not only connected to these people that could have a legitimate access to this knowledge. Regardless of the level of protection of a file, hackers are refining their tools to break into networks and access companies' information from all over the world. One of the major drawbacks of their

¹⁷ Almeling, David S. "Seven reason why trade secrets are increasingly important". Berkeley Technology Law Journal 27:1091 (2012). 1099

¹⁸ Cundiff, Victoria, A. "Reasonable Measures to Protect Trade Secrets in a Digital Environment". 359 - 361 (2009)

activities lays in the fact that their operation are not easily traceable, and sometimes it could be too late to act, once that the information has been stolen. In fact, as a study by Mandiant¹⁹ confirmed, more than ninety per cent of the companies target of a cyber attack realised the breach only when someone else told them. Finally, another virtual device that has increased the risk of trade secret misappropriation is cloud computing, which provides information over a network – Internet in most of the cases. Storing sensible data through the clouds significantly boost the possibility of data being compromised, as the Internet itself is much more accessible than a company’s secure proprietary network. Of course, just as the possible dangers have increased, so too have the techniques for detecting such appropriation. Anyway, the digital era and the threats consequently related to it are among the reasons that have led the international community to light up the issues of trade secrets and their protection.

In addition to this, today’s working environment is in constant change, due especially to increasing mobility of employees. In fact, not only employees constitute the group usually most sued for trade secrets misappropriation, but also the greater their mobility is, the greater are also the chances to use a previous employer’s trade secret at a later position, whether intentionally or not. Nevertheless, this phenomenon is greatly linked to the youngest generation of workers, as they are more likely to move from job to job, displaying any sense of loyalty but rather valuing mobility and entrepreneurship, and consequently taking trade secret with them. Young

¹⁹ Barrett, Devlin. “U.S. Outgunned in Hacker War”. WALL STREET J. March (2012)

people present also a different concept of secrecy. Mostly all college students that today download music illegally, or use Facebook where more than 800 million users share their private and personal information, are today in the workforce. This kind of working class will thus have a feeble perception of confidentiality, and consequentially see trade secret appropriation as normal as dishonestly downloading a movie. Finally, A modern work environment also implies the portability of work: employees save work to external devices or they do not separate anymore work and home, checking for example their work e-mail from home, which all, in turn, increase the possibility of misappropriation of confidential information.

An increasing number of successful business is today realizing that valuable data is what actually provides them of an advantage on competition, as it provides competitive quality and help business attract customers. Yet, the risks associated with the advances in technology and telecommunication, a global marketplace and a mobile workforce have made trade secret protection the most attractive, effective and available form of intellectual property rights. Their protection is essential not only to the company's growth and competitive advantage, but it is often related to a business survival. For this reason, a European directive harmonizing national legislation is the best way to enhance and foster trade secret security.

Case Study²⁰:

Trade Secrets in the Fragrance Industry: Valuable yet Vulnerable

One of the most affected fields by the turnovers of a misappropriation of a trade secret is the fragrance industry. In fact, fragrances are valuable especially because of the intellectual effort invested in their creation, which has developed a molecule or a formula that has then been kept secret by the industry holder. This kind of firms actually holds secrets of the most iconic products and produces between 5 and 6 thousand new proprietary blends every year. Trade secrets are therefore fundamental for the protection of knowledge, research and development, know-how and investment that are behind new and classic fragrance firms.

Today's fragrance industry has a global turnover of €8 billion per annum, generating directly 32.000 and indirectly close to 1 million jobs with a gross value added (GVA) of € 51 billion only in Europe. Moreover, it is one of the greatest investor in R&D, with 16-18% of its annual turnover dedicated to innovate, create and supply more than 60.000 fragrances each year. Companies operating in this field generally develop on the one hand scents and source or, on the other hand, raw materials for the production of blends. There are three main market segments that are incorporated into this kind of market: household products and detergents; personal care products; and fine fragrances. Europe in particular, presents the largest market for fragrances and the greatest world net exporter of cosmetic and

²⁰ IFRA. "Valuable yet vulnerable: trade secrets in the fragrance industry" (2013)

fine perfumes. For these reasons, the fragrance industry is perceived as part of Europe's cultural heritage.

Trade Secrets and the Fragrance Industry

In an almost remote time, when the fragrance industry was comprised by few small firms, like family business, and employees spent their entire careers in only one of these enterprises, all the secrets related to fragrances were protected only by keeping confidential the formulas under lock and key. Today, the fragrance industry is composed by a significant presence of SMEs that rely greatly not only on the know-how and experience, but also on a highly interdependent network of relationships among all the industry participants (i.e. suppliers, fragrance houses, perfumers). Moreover, although there are some means, other than trade secrets, that could actually enhance the IP protection in the fragrance industries, sometimes they are worthless pursuing. Also, even though fragrance industry trade secrets are associated with the formulae of fine fragrances, they protect far more than formulae in reality. All of the variables that constitute this context have made trade secrets together with their protection extremely priceless.

Considering the ultra-competitiveness of this market, trade secrets have acquired a greater importance for innovators, which has made their misappropriation even more valuable than previously. In fact, when considering small and medium enterprises, their vulnerability is enhanced by the fact that this kind of industries lacks the expertise and resources to protect the know-how on which they rely: there are cases in which the business is not even aware of the commercial value of the information they

own and consequently of the necessity to keep them secret. When finally the company realizes this need - sometimes too late – the secret has already become vulnerable to new market players that profit of the few or absent legal barriers and sanctions within the EU.

Among the various means used to protect IP but that are often useless there are patents, for example: they are often used to protect fragrance molecules or inventions, but they cannot protect the innovations, which attend and support these discoveries. Moreover, patents are costly in terms of money and time and they can sometimes involve the disclosure and loss of the intellectual property. And, while copyrights could be thought as a valuable mean, their use to protect olfactory creations is currently unsettled in Europe, which make trade secret the most practical and efficient means of safeguarding these intangible resources.

Finally, trade secrets in the fragrance industries are not only related with fine perfumes, as it is mostly believed. In fact, there are various lesser-known trade secrets associated for example with the creation of more technically oriented fragrance products. Fragrances added to consumer products, like shampoo and shaving gels, often have to mask disagreeable odours of other ingredients. Fragrances formulae, therefore, reflect not only aesthetic choices, but also the application of considerable expertise in chemical and mechanical engineering. Moreover, other than the field related to formulae, fragrance houses usually have a deep knowledge of consumer preferences throughout the global market that may include local consumer lists and marketing plans. This information is indeed commercially valuable and kept secret. Also, this kind of industry relies on

supplies of raw materials from all over the world. And, considering that most of these materials are affected by conditions difficult or impossible to control - i.e. weather, agriculture failures, political conflicts and so on – the lists of reliable sources for supplies of raw extracts are very valuable information for fragrance manufacturers. A practical example of the importance of this information is in the quantities of *Jasminum officinale* and *Rosa centifolia* needed to produce *Chanel's no. 5*. It is today well known that *Chanel* maintains an on-going exclusive rapport with a small grower in Grasse and has established an extraction facility next to this farm to ensure exclusive access to an on-going supply of uniform quality of these extracts. Although their relationship is no longer a secret, the exclusive sourcing arrangements are kept confidential because of the commercial advantages they imply.

Facing threats

As for trade secrets in general, their protection in the fragrance industry has been further on complicated by the development of new technologies. Among the most important threat related to the modern era, there is the reverse engineering. In fact, technologies such as chromatography-mass spectrometry allow for a very detailed analysis of fragrances. Considering that, unless the fragrance is patented, or contains a patented molecule, its deconstruction and subsequent reformulation is legal, a competitor can bring approximations of the original to the market without investing the same amount that the innovator had to spent on research and development. In the age of chromatography, consequently, ingredients used in the fragrance creations are not anymore secrets, although they should be due to the investments the creator has put on them.

A second threat to the disclosure of firm secrets is in the increasingly stringent product ingredient transparency requirements that have been imposed by health, safety and environmental concerns. In fact, even though some sorts of regulation are necessary for the safeguarding of human and environmental health, the ones that impose full disclosure of formulae provide often no meaningful benefit to consumers, and seriously damage the competitiveness of the fragrance industry in the global market. In fact, it happens that the only reason why a fragrance industry clients demand the formulae or the information to the product supplied to them is just in order to formulate the fragrance himself later on at a lower price.

Reverse engineering becomes even more threatening when added to the new industries' business model. Most of the time, fragrance houses are paid for a new fragrance only upon delivery of the product to the commissioning customer. The price related to this product, therefore, is relatively high, as it covers all expenses incurred by the fragrance house in its creation. However, once the fragrance house has sold an initial quantity of the product to the commissioning customer, the customer may approach competing fragrance houses requesting a "re-brief" of the fragrance. If a competing house can recreate the scent at a lower price, it may win the opportunity to supply this fragrance to the customer in the future, damaging the original commissioner of the perfume.

In the past years, particularly at small fragrance houses, employees often spent their career at a one firm. In the era of corporate consolidation, inexpensive transportation, and instant communication, such loyalty is no longer an asset fragrance houses can rely upon. It is now commonplace for

professionals in the industry to move among various locations of one fragrance company, and also competing fragrance houses, taking with them what they have learned at their prior employer. Today's increased workers' mobility has therefore to be considered as an additional risk to the secrecy of information.

Least but not last, as I had the possibility to explain earlier, the level or protection afforded to trade secrets together with the ability of obtaining compensation for acts of misappropriation differ greatly among the different EU Member States. This means that, especially in the case of fragrances, where huge amount of investments are spent over R&D, the industry that could be damaged by a secret misappropriation would not find a favourable legal framework where to be defended or refunded from this illegal act. As long as the protection offered by even one member state will be weak, the efficacy of trade secrets as a means of IP protection will be undermined throughout all the Union.

Protecting trade secrets

When different stakeholders were asked to identify measures that could protect trade secrets within their company, they classified various methodologies such as agreements between companies and employees, education and training, restriction to the information access and awareness. In the following part I will analyse them more in depth.

1. Agreements between Companies and Employees

Among the first methods of protection identified there were agreements

signed between employees or client with the fragrance houses, ensuring level of protection including confidentiality, non-competition and exclusivity. However these agreements can prove difficult to control and enforce, especially with clients, although they are helpful in discouraging flagrant employee and disloyalties. Indeed, this contract constitutes more a sort of psychological comfort to employers rather than a real method of protection.

2. Employee education

Most of the major fragrance industries also invest in new employee training on corporate intellectual property. This means creating program where workers are thought for example how vital trade secrets are to the company, emphasizing that employee theft will lead to dismissal and perhaps even criminal prosecution.

3. Restricted Access to Information and Communications

As in most of the other industries that protect trade secrets, fragrance industries too use a mix of virtual and physical security measures that include encrypting, passwords, firewalls, and locks securing laboratories or other locations. It is also very applied the use of a secure intranet for internal communication by which employees can access only data associated with their own work. In fact, there are companies that deliberately maintain few printers and computers with connections to the Internet, which are constantly monitored. In other industries access to development and research laboratories is restricted both physically and through company policies.

4. Awareness

It can also happen that sometimes trade secrets are lost because of a lack of awareness of their value on the part of the owner. This is particularly the case of small or medium fragrance houses: They cannot retain legal counsel to identify and monitor their valuable information and they often undervalue the price of their intellectual properties. For this reason, some stakeholder associations are engaged in raising awareness on economic importance of trade secrets and of right means of safeguarding them.

Unfortunately, all of these kinds of protection, from agreements to education to restricted access of information, are often useless if they are not backed up by an unambiguous legislation that gives a clear definition of trade secret and effective measures for protection and sanctions. In fact, vulnerability to trade secrets theft will continue to be present unless a harmonized, clear and consistent legislation is put in place to protect them. For centuries the European fragrance industry have created and added economic value to the outputs of a great number of business, improving lives of millions of people. This estate is now at risk of misappropriation and must be protected in the interests of not only European industry, but also those of consumers throughout the world.

Chapter 4

Analysis of the “Proposal for a directive of the EU parliament and of the Council on the protection of undisclosed know-how and business information against their unlawful acquisition, use and disclosure”

Context of the proposal: ends and means of the European Union

Europe is strong on science and innovation and it has the potential to become a global leader. Yet, it faces the risk of stagnating in its potentiality, especially compared to other trading partners such as the US. In its Europe 2020 strategy, the Commission has underlined its willingness to create an Innovation Union, in order to make the latter an optimal place for modernization and competitiveness, recognizing that R&D activities are the driving force of the entire economy.

During any kind of research, a significant quantitative of knowledge of economic value is built and sometimes it happens that, because it doesn't fall under a prescribed category, such as the IPR one, it is not considered of equal importance for innovation and thus not protected as they should. It is the case of the legally called trade secrets”, “undisclosed information”, “business confidential information” or “secret know-how”, whose protection relies at the moment only on confidentiality but whose relation with development on the one hand, and competitiveness on the other is invaluable. They preserve technological innovation as much as the services sectors, including information on customers and suppliers, business processes, business plans, market research, etc. and, for the role that they

play especially for SME and start – ups, they are a key instrument for the appropriation of intellectual assets.

Today, there is no common approach to the protection of trade secrets at the EU level and these differences, not only create problems of diverse nature, but lead to the fragmentation of the internal market, also weakening the deterrent effect of the existing rules. Cross-border investment are well being hindering and collaboration being Member States are being impeded, especially when they entails the development and exchange of secret know-how.

For these reasons, on 28 November 2013, the European Commission submitted a draft proposal with the aim of creating a common legal framework on the protection of trade secrets against their unlawful acquisition, use and disclosure. The proposal introduces, a consistent definition, a common set of remedies for trade secret misappropriation and misuse and procedures to preserve their confidentiality. In this chapter, I will briefly summarize the basis of the initiative, the consultation results, the impact assessment and the legal elements of the proposal. I will then consider the four chapters of the directive, providing an explanation and some comments on the matters.

Basis of the directive: consultations, impact assessments, legal elements

Consultations results

In order to assess the importance of trade secrets and the relative necessity to implement a new directive to protect them, two different studies were carried out. The first one, through a comparative law assessment,

underlined the differences among European member states on the protection against business know how. The second study, estimated the economic importance of trade secret, finding out that implementing an efficient system of protection of the R&D results is the only way to facilitate firms development, exchange and use of innovative knowledge. In fact, 75% of respondents ranked trade secrets as strategically important to their company's growth, competitiveness and innovative performance . In addition to the two studies, from 11 December 2012 until 8 March 2013 the Commission carried out an open public consultation. Its main discovery was that, not only trade secrets were regarded as fundamental for R&D but also that existing protection was weak and had a negative impact on business.

Impact Assessment results

The impact assessment underlined, on the one hand, that in the case where trade secrets are at risk of misappropriation, incentives to undertake R&D activities on a cross-boarder scale are negatively affected. This results is even more striking when compared with the fact that, according to this assessment, “40% of EU companies would refrain from sharing trade secrets with other parties because of fear of losing the confidentiality of the information through misuse or release without their authorisation”²¹, discouraging open innovation based on shared knowledge.

On the other hand, also when innovation and research activities are not at stake, the present fragmented legal protection put trade-secrets based competitive advantages at risk, such as in the case of the European chemical industry that estimate that misappropriation of trade secret could

²¹ Wouter Pors, The Trade Secrets Directive, IE-Forum.nl IEF 13607

involve a redaction of up to 30% of its revenues.

On the basis of these findings, the initiative main aim is to secure and improve research and business related to and based on undisclosed know-how, providing an effective common legal framework of protection of trade secrets against misappropriation throughout all the internal market. For this reason, convergence of both national and civil law was considered to be the best mean to achieve the pursued intentions. Specifically, the right to property and to conduct a business will be emphasized by the directive, while safeguards on the access to documents will be created, thus maintaining the right of defence. Finally, as it was of a major concern, the right to freedom of expression and information remain guaranteed.

Legal elements of the proposal

The legal basis of the proposal is Article 114 of the Treaty of the Functioning of the European Union (TFEU), which provides for the harmonisation of national legislation, whenever necessary for the smooth functioning of the Internal Market²². As one of the main problems in enforcing trade secrets protection is on the unevenness of the cross-country legislation on the matter, the main aim of the directive is to create a sufficient level of redress in the whole Internal market, in order to promote its smooth functioning for information and know-how.

Today, consistency among the Member States is the key word for implementing R&D, competitiveness and business relationship. Moreover, it has to be considered that, even when Member States were coordinated on a certain extent, such as in the case of the implementation of the TRIPS

²² Art 114, Treaty of the functioning of the European Union (TFEU)

agreement, still they were not able to achieve a substantive degree of harmonization among their national rules. It is especially for these reasons that the issue has to be addressed on a European level and that harmonisation is the best mean to serve this objective.

Explanation and room for improvements

With the aim of creating a uniform legal framework against unlawful acquisition, use or disclosure of trade secrets by third parties, and at the same time of providing protection over the abusive litigation, the proposed directive lays down its regulation contained in twenty-eight recitals, four chapters and twenty articles.

Subject matter and scope of the draft Directive

Chapter I defines the subject matter and the scope of the directive in Article 1 and 2. According to article 1, the draft Directive regards the unlawful acquisition, disclosure and use of trade secrets and the procedures and remedies available. Moreover, it allows Member State to apply stricter measures according to the principle of minimum harmonization. Then, article 2 is about the key concepts and definitions of the directive: the proposed definition of trade secret, in particular, is based on the definition of undisclosed information contained in the TRIPS agreement. Yet, its point (iii) “the trade secret holder should have made reasonable efforts to keep it confidential” arises some uncertainty especially on the meaning of “reasonable efforts”, as this definition has been considered too mild and difficult to apply.

Scope of protection

Chapter II specifies when the acquisition, use or disclosure of a trade secret

is to be considered unlawful. As much as Article 3 is concerned, it requires Member State to implement protection against the unlawful acquisition, use and disclosure of trade secrets, explaining in details what it involves. Article 4, instead, describes what can be considered as a lawful acquisition of a trade secret, including for example, independent discovery or creation and observation, study and reverse engineering. In particular, including reverse engineering among the lawful way through which a trade secret can be acquired, has raised numerous objections among the owners of secrets that can be easily discovered through the new technologies of reverse engineering (i.e. perfumes and chemical industries). Finally, article 4 also provides for a general exception in order to permit the legitimate use of the right of freedom to expression and information. This provision too, has raised questions about the effective protection of the secrets if they could be disclosed by appealing to the right of freedom of expression.

Measures, procedures and remedies

Chapter III is divided in three sections and provides for measures and remedies available to the trade secret holder in case of a violation of their secrecy. Section 1 is about the general principles applicable to the civil enforcement instruments with the aim of preventing and repressing trade secrets misappropriation. It also set up a limitation period and gives judicial authorities mechanisms to preserve the confidentiality of secrets disclosed in courts during litigation, in a way to respect the rights of the parties of fair hearing. Section 2 ensures the equity and proportionality of the provisional and precautionary measures such as the precautionary seizure of infringing goods. However, the Directive does not provide for any support in gathering evidence of exploitation of secret information during

court proceedings, which, in turns, harms their defence. Finally, Section 3 is about particular actions that may be undertaken according to the case, including for example the prohibition to use the infringing goods or to place it on the market and the respective corrective measures. In particular, article 13 deals with the award of damages, setting forth that judges can order the infringer to pay the contender damages proportioned to the actual harm suffered by the owner. These damages are calculated not only on the basis of all the relevant factors but also on hypothetical royalties, which has raise questions on the exactitude of these evaluations. On this matter, the Directive allows for the enforcement in all Member States of a court decision prohibiting the imports into the common European market of infringing goods. In addition to this, article 14 provides for the possibility of publishing the results of the case on request of the plaintiff.

Sanctions, reporting and final provisions

Chapter IV provides for the application of sanctions in case on non-compliance with the measures of the directive. Moreover, as the directive is not extremely complex on a technical point of view and it contains only a few legal obligations that require transposition into national law, the latter should not create problems and should ease its own monitoring.

Controversies of the proposed directive and needs for amendments

According to a Multi-sectorial NGO coalition, the proposed directive would not only result in legal uncertainty, but it would also endanger “freedom of expression and information, corporate accountability and

information sharing in the EU²³, going in the complete opposite direction of the Commission's goals. In particular, there are some specific concerns that they address and some main reasons why great changes should be made on the directive.

The first concern raises the problem that company in the health, environment and food safety field could refuse to agree with transparency policies even in these cases in which the public safety is at risk. In the case of health secrets, for example, sometimes disclosure of pharmaceutical research is necessary to avoid unethical repetition of clinical trials on people²⁴. For this reason, the proposed directive should not hinder the transparency of this information. As long as environment is concerned, the protection of a trade secret could be called upon in order to avoid the release of information of hazardous and problematical products of the chemical industry that could cause damage to human health and environment.

Another problem that was underlined by the coalition was that whistleblowers can use undisclosed trade secrets to reveal malpractice only if it was in the public interest to do so. Yet, not only the latter condition can sometimes only be determined after the trade secret disclosure but sometimes is also ambiguous defining the meaning of misconduct, which creates uncertainty in particular to journalists.

²³Statement - EU trade secrets directive threat to health, environment, free speech and worker mobility Multi-sectoral NGO coalition calls for greater protections for consumers, journalists, whistleblowers, researchers and workers (Dec. 2014)

²⁴ Lemmens T and Telfer C "Access to Information and the Right to Health: The Human Rights Case for Clinical Trials Transparency" (September 22, 2011). American Journal of Law and Medicine 2012

Finally, this group of NGOs considers that the proposed directive can create “lock-in effects” for worker. In fact, there could be cases in which an employee will prevent entering in jobs in the same field of the previous ones, rather than risking to be liable for damages in the case he used his own competences. This, in turns, hinders one’s career path as well as the mobility of the labour market.

These were considered to be the main controversies regarding this directive. According to this coalition, they are sufficient reason to radically amend the directive toward a more strict and clear definition of trade secrets and a stronger safeguard to ensure the publication of data that, although could constitute trade secrets, are in the interest of the public to be disclosed.

Conclusion

Colin Powell used to say: “There are no secrets to success. It is the result of preparation, hard work, and learning from failure”. Yet, more and more often, success is based on secrets resulting from this preparation, hard work and learning from failure. It is especially because all of these efforts behind those discoveries that these secrets must be protected.

In my study, I tried to analyse the values of trade secrets, their importance for the market and their boosting capacities especially for small and medium enterprises (SMEs). I showed the threats they have to face, above all the lack of a harmonised legal framework in which they could otherwise freely circulate. In fact, this recognition, namely that this unevenness put in danger both the secrets holder and his competition on the one hand, the market and the possibilities for R&D improvements on the other, due to specific coordination failures caused by the present legislation, has been a great step toward their preservation. Also, considering that all the other threats - including technology, Internet and today’s working environment - cannot easily be controlled and fought back, the only impediments, which the European Union has a direct power on, is its own legal structure.

Indeed, the very definition of the internal market of the European Union describes it as a single market in which the free movement of goods, services, capital and persons is ensured and in which European citizens are free to live, work, study and do business, with the aim of creating more competition and new jobs. Particularly because of this framework, the European directive on the protection of undisclosed know-how and business information falls perfectly into the scope of the Union itself.

It is also completely legitimate to have doubts and concerns about the proposed directive and these very fears can help building a more balanced and proper regulation on the matter. Yet, the importance of this step undertaken by the Union toward a better protection of trade secrets is undeniable. It is true: there is no secret to success, but success can be made out of secrets that need protection. The Directive of the European Parliament and the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure is this protection and has to be enforced.

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Riassunto della tesi di laurea

La protezione del know-how riservato e delle informazioni commerciali riservate (segreti commerciali) contro l'acquisizione, l'utilizzo e la divulgazione illeciti:

Motivazioni, spiegazione e controversie legate alla proposta di direttiva del Parlamento Europeo e del Consiglio

Introduzione

La tesi che ho deciso di sviluppare verte principalmente intorno all'analisi del contesto che ha portato alla creazione della "Proposta di Direttiva del Parlamento Europeo e del Consiglio sulla protezione del know-how riservato e delle informazioni commerciali riservate (segreti commerciali) contro l'acquisizione, l'utilizzo e la divulgazione illeciti", avendo avuto innanzitutto l'opportunità di svolgere un tirocinio presso la Commissione ITRE del Parlamento Europeo e lavorando direttamente allo sviluppo della Direttiva. In secondo luogo, ho potuto realizzare quanto i segreti d'azienda e il know-how commerciale fossero stati spesso sottovalutati dalle legislazioni nazionali degli Stati Membri dell'Unione Europea e come, di conseguenza, non fossero stati mai giustamente protetti.

Oggi l'Unione Europea ha finalmente fatto un grande passo verso la protezione di una risorsa che è considerata indispensabile per lo sviluppo della libera concorrenza nei confini del mercato dell'UE. Fino ad ora infatti, la disparità tra le vari strutture legislative nazionali ha danneggiato e limitato oltremodo la competizione del mercato europeo e il suo sviluppo. Questa Proposta di Direttiva ha il fine di armonizzare la definizione di "segreti d'affari", di definire le forme rilevanti di appropriazione indebita e

di chiarire la differenza fra “informazioni commerciali riservate” e “proprietà intellettuale”. La mia tesi ha il fine principale di comprendere il contesto che ha portato al concepimento di questa direttiva.

Capitolo 1

La storia dietro la legislazione sui segreti d'affari

Nel primo capitolo ho trattato la nascita dei “segreti d'affari” attraverso un'introduzione al contesto storico in cui essi si sono sviluppati, tenendo in considerazione da un lato, gli Stati Uniti, la cui legislazione in materia ha guidato la costituzione della direttiva europea, dall'altro l'Italia, che, attualmente, detiene uno dei quadri normativi più ampi e comprensivi a riguardo.

Per quanto riguarda gli Stati Uniti, la normativa riguardo i segreti d'affari nacque con una sentenza della Corte suprema a metà del XIX secolo. Successivamente, il “Restatement of Torts” nel 1939 comprese una sezione che riassumeva la normativa riguardante i segreti d'affari. Il passo conclusivo della legislazione in materia avvenne quando nel 1978 i “Commissioners on Uniform State Law” redassero lo “Uniform Trade Secrets Act (UTSA)” con l'intento di codificare il diritto comune e promuovere l'armonizzazione. L'UTSA venne adottato l'anno seguente e fu generalmente accettato, tanto che ad oggi 47 Stati hanno optato per la sua implementazione.

Considerando il caso specifico dell'Italia, invece, la normativa sui segreti d'affari risale a prima del 1942, quando questi ultimi potevano trovare protezione tramite l'applicazione della normativa generale riguardante la responsabilità non contrattuale o la responsabilità civile. Tuttavia, il contesto giuridico cambiò completamente nel 1942 con l'entrata in vigore del Codice Civile in cui le opere intangibili erano protette esclusivamente da disposizioni speciali. La riforma sul diritto italiano dei brevetti del 1979, avvenuta in seguito al D.P.R. n. 338, considerava tuttavia che i segreti

d'affari non potessero qualificarsi come difendibili dal diritto di proprietà e di conseguenza erano da analizzare come questioni di concorrenza sleale. Ciononostante, l'adozione dell'Accordo TRIPS nel 1994 ha modificato e rafforzato la difesa delle informazioni commerciali riservate grazie alla creazione dell'articolo 6 bis. introdotto nel Diritto italiano dei brevetti.

Capitolo 2

Legislazione sui segreti d'affari

L'Accordo TRIPS del 1994 dell'Organizzazione Mondiale del Commercio ha introdotto il diritto della proprietà intellettuale nel sistema di commercio internazionale e ha fornito standard e principi adeguati sulla disponibilità, lo scopo e l'uso della proprietà intellettuale legata al commercio. Tuttavia, non vi è mai stata un'implementazione armonizzata di questo riferimento collettivo internazionale. Infatti, già nell'Unione Europea stessa è difficile trovare casi di Stati Membri che presentano lo stesso contesto giuridico sull'applicazione del diritto dei segreti d'affari.

Ad oggi, la Svezia è l'unico Paese membro dell'Unione con una legislazione ad hoc sui segreti commerciali, mentre nessun altro Paese presenta una disciplina specifica in materia né tanto meno sembra esserci equivalenza perfetta tra le varie normative. L'Italia e il Portogallo ad esempio sono gli unici due Stati ad aver adottato particolari disposizioni sulla protezione dei segreti commerciali nei propri codici di Proprietà Industriale. Altri Stati Membri come l'Austria e la Spagna fanno invece affidamento sul diritto della concorrenza sleale. Questa frammentazione è nei fatti negativa in quanto, dalla prospettiva del titolare del diritto, il regime giuridico summenzionato rende difficile la gestione su scala europea dei segreti commerciali e di conseguenza contrasta lo sviluppo di attività di ricerca basate sullo scambio di tali informazioni.

Uno dei maggiori inconvenienti prodotti dall'assenza di un regime giuridico armonizzato è la mancanza di una definizione univoca di "segreto commerciale", tanto che in alcuni stati membri quest'ultima risulta

equivoca o addirittura inesistente, come nel caso della Germania. Ovviamente, è possibile rintracciare dei requisiti comuni che i segreti commerciali devono soddisfare per essere considerati tali. Nella maggioranza degli Stati Membri, infatti, un segreto d'azienda è descritto come un'informazione tecnica o commerciale relativa all'attività in questione, che non è generalmente nota o facilmente accessibile e che ha un valore economico nel senso che la sua divulgazione potrebbe pregiudicare gli interessi del detentore.

A questo punto, ho aperto una parentesi sulla differenza tra la protezione dei segreti commerciali, i brevetti e la difesa della proprietà intellettuale. Questi strumenti di sicurezza infatti se da un lato sono complementari, dall'altro presentano effettivamente differenze tangibili. Partendo dal ruolo dell'informativa al pubblico, il principio dietro copyright e brevetti è che la creatività e l'innovazione sono premiati dalla legge tramite una protezione limitata, così da poter recuperare facilmente i costi di creazione. I segreti d'affari, al contrario, non sono né unici, né originali né tantomeno nuovi, eppure il loro proprietario ha un interesse materiale nel mantenere la loro riservatezza. Inoltre, a differenza dei brevetti, il diritto sull'informazione commerciale riservata garantisce la riservatezza di informazioni identiche qualora due imprese diverse scoprano indipendentemente il segreto in questione. Infine, molte altre informazioni quali idee, tecniche, elenco dei consumatori, non essendo soggette a copyright, potrebbero essere copiate senza violare le regole sulla Proprietà Intellettuale. Di conseguenza, il diritto dei segreti commerciali diventa fondamentale in casi in cui il copyright non è sufficiente.

Tra gli ulteriori svantaggi rintracciabili in un contesto giuridico quale quello europeo attuale, si riscontrano anche divergenze tra i prerequisiti per la richiesta di indennizzo e le azioni disponibili in caso di violazione dell'oggetto in questione. Generalmente, un aspetto tipico che il torto deve provare al fine di essere determinato tale include l'esistenza e la divulgazione di un segreto da proteggere e la natura illegittima dell'appropriazione da parte dell'imputato. Ciononostante, ci sono anche

casi, come ad esempio a Malta, in cui azioni contro la violazione di un segreto commerciale possono essere iniziate dal proprietario in causa solo nel caso di violazione di un obbligo contrattuale.

Capitolo 3

L'importanza dei segreti commerciali

In questo capitolo, ho analizzato le motivazioni più rilevanti che hanno accresciuto l'importanza e l'attenzione verso i segreti commerciali, soprattutto nell'era moderna.

Innanzitutto, i segreti d'affari giocano un ruolo chiave nelle imprese ed arrivano a possedere un valore commerciale immenso. In secondo luogo, le moderne tecnologie hanno reso più semplice l'appropriazione illecita: internet, la comunità cibernetica, gli hacker e il cloud computing giocano tutti a svantaggio della protezione e della sicurezza di informazioni riservate che oggi circolano principalmente in maniera virtuale. A ciò si aggiunge anche l'ambiente lavorativo in continuo cambiamento, soprattutto a causa dell'aumentata mobilità dei lavoratori. Ciò comporta infatti maggiori possibilità che un dipendente possa usare i segreti commerciali del proprio datore in un'altra impresa, tanto che in realtà i dipendenti costituiscono il gruppo solitamente più citato per l'appropriazione illegale di informazioni riservate. Un altro fattore gioca un ruolo importante nei rischi associati alla divulgazione di queste informazioni: la nuova giovane generazione di lavoratori, abituata ad esempio a connettersi a Facebook, dove più di 800 milioni di utenti condividono le proprie informazioni private, ha un concetto di segretezza talmente fragile da considerare la divulgazione di informazioni confidenziali tanto legittima quanto scaricare un film da Internet. Tutti questi rischi hanno fatto sì che la protezione dei segreti d'affari diventasse la forma più attraente, efficace e reperibile di tutela della proprietà intellettuale.

Studio di un caso

I segreti commerciali nell'industria delle fragranze: preziosi e tuttavia vulnerabili

Uno dei campi che ne più risentono del giro di affari derivante da un appropriazione illecita dei segreti commerciali è l'industria delle fragranze. L'Europa in particolare, presenta il più grande mercato delle fragranze ed è il più significativo esportatore netto mondiale di cosmetici e profumi. Per questo motivo, la profumeria è oggi considerata parte dell'eredità culturale europea, e come tale necessita di un'adeguata protezione.

Ad oggi, l'industria dei profumi è caratterizzata principalmente da piccole e medie imprese, la cui vulnerabilità è accentuata dal fatto che sono spesso prive di esperienza e risorse per proteggere il know-how sul quale fanno affidamento. Infatti, da un lato, le patenti non possono proteggere innovazioni in quanto costose in termini di denaro e di tempo; dall'altro l'uso del copyright per proteggere creazioni olfattive non è attualmente contemplato in Europa. In più, oltre agli sforzi di ricerca di esperti in ingegneria fisica e meccanica, si aggiungono al sapere da tutelare anche le liste di fonti affidabili di materie prime che costituiscono tra le informazioni più preziose dei produttori di fragranze.

Come nel caso generico dei segreti d'affari, anche le informazioni riservate nella profumeria sono soggette a numerose minacce. Tecnologie quali le tecniche di ingegneria inversa permettono di ricavare la formula originaria delle fragranze senza dover investire in ricerca. Inoltre i criteri sempre più rigorosi riguardo la trasparenza degli ingredienti nei prodotti richiedono spesso una divulgazione totale delle formule, senza che vi sia una significativa utilità ai consumatori. Per di più, nell'era dei trasporti economici e della comunicazione istantanea, la lealtà di un dipendente non è più tra le risorse su cui una casa di profumo può fare affidamento. Infine, un ulteriore problema si riscontra nel livello di protezione prevista per i segreti d'affari che differisce tra i vari Stati Membri dell'Unione Europea.

Per quanto riguarda invece i metodi di protezione fino ad ora utilizzati nei confronti delle informazioni riservate nell'industria dei profumi, i principali metodi rintracciati sono: accordi tra datore e dipendenti, formazione e attività di sensibilizzazione all'importanza dei segreti d'affari e restrizioni all'accesso delle informazioni. Purtroppo tuttavia, tutte queste forme di protezione sono spesso inutili se non fiancheggiate da un legislazione precisa che dia una definizione chiara di segreti d'affari e misure valide per le protezioni e le sanzioni.

Capitolo 4

Analisi della “Proposta di Direttiva del Parlamento Europeo e del Consiglio sulla protezione del know-how riservato e delle informazioni commerciali riservate (segreti commerciali) contro l’acquisizione, l’utilizzo e la divulgazione illeciti”

Attualmente, la mancanza di approccio comune alla protezione dei segreti commerciali a livello europeo ha portato alla frammentazione del mercato interno, ha indebolito l'effetto deterrente delle leggi esistenti, bloccato gli investimenti transfrontalieri e impedito la collaborazione tra Stati Membri. Per questi motivi, il 28 novembre 2013 la Commissione Europea ha inviato una proposta di direttiva al fine di creare un quadro giuridico comune sulla protezione dei segreti commerciali contro l'acquisizione, l'uso e la divulgazione illegittimi. La proposta introduce una definizione coerente, un set comune di rimedi contro l'acquisizione e l'uso illecito delle informazioni riservate e misure e procedure per preservarne la confidenzialità.

Per comprendere l'importanza dei segreti commerciali e la relativa necessità di implementare una direttiva per proteggerli, sono stati portati avanti due differenti studi: il primo ha sottolineato le differenze legislative tra gli Stati dell'Unione Europea; il secondo ha stimato l'importanza e il valore economico delle informazioni commerciali riservate. La valutazione d'impatto ha messo in evidenza che il presente quadro giuridico pregiudica

gli incentivi ad intraprendere attività di ricerca e sviluppo su scala transfrontaliera e di conseguenza una convergenza tra diritto nazionale e civile è stata considerata il miglior mezzo per raggiungere gli obiettivi prefissati. La base giuridica della proposta è l'articolo 114 del Trattato del Funzionamento dell'Unione Europea, che prevede l'armonizzazione del diritto nazionale se necessaria per il buon funzionamento del mercato interno.

La direttiva proposta è composta da ventotto “considerando”, quattro capitoli e venti articoli. Il Capitolo I definisce l'oggetto principale e l'ambito della direttiva negli articoli 1 e 2. Il Capitolo II specifica i casi in cui l'acquisizione, uso o divulgazione di un segreto commerciale deve essere considerata illegale e include gli articoli 3 e 4. Il particolare l'articolo 4, dove le tecniche di ingegneria inversa vengono considerate legittime nell'appropriazione di un segreto commerciale, ha sollevato non poche critiche tra le industrie chimiche e profumiere. Il Capitolo III si divide in tre sezioni e stabilisce le misure e i rimedi disponibili al detentore in caso di appropriazione illecita del segreto. La Sezione 1 riguarda i principi generali applicabili agli strumenti di tutela civile, la 2 assicura l'equità e la proporzionalità delle misure precauzionali e provvisorie e la sezione 3 infine presta attenzione alle azioni particolare che potrebbero essere intraprese a seconda del caso. Il Capitolo IV, in ultimo, riguarda l'applicazione di sanzioni in caso di inadempienza alle misure della direttiva.

Secondo una coalizione ONG multisettoriale la proposta di direttiva non solo porterebbe ad una situazione di incertezza del diritto, ma desterebbe anche numerose preoccupazioni. Il primo problema sorgerebbe nel caso in cui imprese operanti negli ambiti della salute, ambiente e sicurezza alimentare potrebbero rifiutarsi di concordare su politiche di trasparenza anche quando la salute pubblica sia a rischio. Un'altra apprensione sorge dal fatto che la direttiva potrebbe alterare notevolmente la mobilità dei lavoratori, creando un cosiddetto “lock-in effect”. Sulla base di queste affermazioni, la succitata coalizione ritiene che ci siano sufficienti ragioni

per emendare radicalmente la direttiva, provvedendo ad un tutela più forte sia nei confronti dei lavoratori sia degli interessi del pubblico.

Conclusioni

In questa mia tesi ho analizzato il valore dei segreti industriali, la loro importanza per il mercato e la loro capacità di potenziare soprattutto le piccole e medie imprese. Ho inoltre mostrato le minacce che si trovano ad affrontare oggi e ho concluso che, considerando che molte di queste non possono essere facilmente controllate, l'unico ostacolo su cui l'Unione Europea ha un potere diretto e su cui può agire rapidamente è il proprio quadro giuridico. Di conseguenza, nonostante i dubbi sollevati sulla proposta, l'importanza di questo passo intrapreso dall'UE è innegabile. Colin Powell diceva: "non ci sono segreti al successo. E' il risultato di preparazione, lavoro duro e imparare dagli errori". Tuttavia, il successo può essere basato su segreti che hanno bisogno di protezione: la "Proposta di Direttiva del Parlamento Europeo e del Consiglio sulla protezione del know-how riservato e delle informazioni commerciali riservate (segreti commerciali) contro l'acquisizione, l'utilizzo e la divulgazione illeciti" è questa protezione e deve necessariamente essere applicata.