Resolution

Question Q215

Protection of trade secrets through IPR and unfair competition law

AIPPI

Noting that:

1) AIPPI has studied aspects of trade secret protection in previous questions, leading in particular to:
   a) The resolution of Q53A Melbourne in 1974 in which AIPPI studied know-how. The Executive Committee adopted a resolution that contains a definition of know-how and basic principles for the legal protection of know-how with a proposal for additional provisions in the Paris Convention.
   b) The resolution of Q115 entitled "Effective protection against unfair competition under Article 10bis Paris Convention of 1883" in Copenhagen. AIPPI broadly studied unfair competition including trade secrets at the Copenhagen ExCo meeting in 1994. The Q115 resolution adopted in Copenhagen lists certain acts as examples of the violation of trade secrets (Q115 Copenhagen). AIPPI continued its work on trade secrets under Q115 during the Montreal Congress in 1995 (Q115 Montreal), focusing on the situation where the trade secret was received in good faith. The Q115 Montreal resolution included the analysis of the liability of a third party that received a trade secret in good faith.
   c) The resolution of Q138A. Q138A was a continuation of Q138, which did not specifically deal with issues related to trade secrets. Under Q138A, AIPPI studied confidentiality, disclosure and publication of data in information networks, and the national groups were invited to describe the legal and deontological rules resulting from such usage and to determine which information needs to be considered as confidential in this context.

2) AIPPI has not studied the overall state of protection of trade secrets through IPR laws and unfair competition law.

3) It was concluded during the TRIPS negotiations that undisclosed information is a category of intellectual property.

4) It has been a little more than 15 years since the TRIPS Agreement was concluded in 1994, and all countries which are the members of WTO agreed to ensure effective protection for undisclosed information in accordance with Art 39.2 of TRIPS Agreement.

Considering that:

1) The focus of Q215 will be limited to how trade secrets, as part of the intellectual property of a company or person, can be protected through IPR laws or provisions against unfair
competition.

2) Espionage on government or national security information per se is outside the scope of Q215. Also, undisclosed test or other data, as mentioned in Article 39.3 of TRIPS, is excluded from Q215.

3) The TRIPS Agreement has had a strong impact in the area of trade secret protection in jurisdictions that did not have a well-established tradition of trade secret protection.

4) Effective enforcement of trade secret protection remains difficult generally.

Resolving that:

1) AIPPI re-affirms the Q115 Copenhagen resolution as far as the list of exemplary acts of the violation of trade secrets is concerned.\(^1\)

2) AIPPI finds that the acts of violation of "undisclosed information" presented in Art 39.2 of the TRIPS Agreement, complemented by its note 1, should give rise to legal and equitable remedies when sought by the person in lawful control of such information.

3) Every country should adopt the conditions of protection of "undisclosed information", as presented in Art. 39.2.(a)-(c) of the TRIPS Agreement, for establishing protection of trade secrets, preferably under statutory provisions of their domestic law or through direct application of TRIPS Agreement.

4) In addition to other remedies, every country should provide injunctive remedies for the threatened or actual violation of trade secrets.

5) A preliminary injunction should also be available as a type of injunctive remedy, which may be granted ex-parte with appropriate safeguards including the protection of confidential information.

6) Provisional ex-parte measures to preserve evidence such as by seizure in respect of threatened or actual violation of trade secrets should be available subject to appropriate safeguards including the protection of confidential information.

7) Every country should adopt provisions to provide effective and substantial means of protecting confidentiality of alleged trade secrets of any party during proceedings and of proven trade secrets after proceedings.

8) Trade secrets can be the subject of license agreements.

\(^1\) In Q115 Copenhagen Resolution, it was stated as follows:
11.10 confidential commercial and industrial information should be protected as a trade secret;
11.11 any violation of a trade secret should constitute an act of unfair competition, in particular
- industrial or commercial espionage,
- use or disclosure of a trade secret improperly obtained from the proprietor,
- unauthorized use or disclosure of a trade secret by a person, to whom the proprietor entrusted it,
- the use or disclosure of a trade secret without consent of its proprietor, which was received from a person to whom it was entrusted or who obtained it improperly, if the user knew or should have been aware of this fact,
- the question, whether this should apply even if the trade secret was received in good faith should be studied further.