

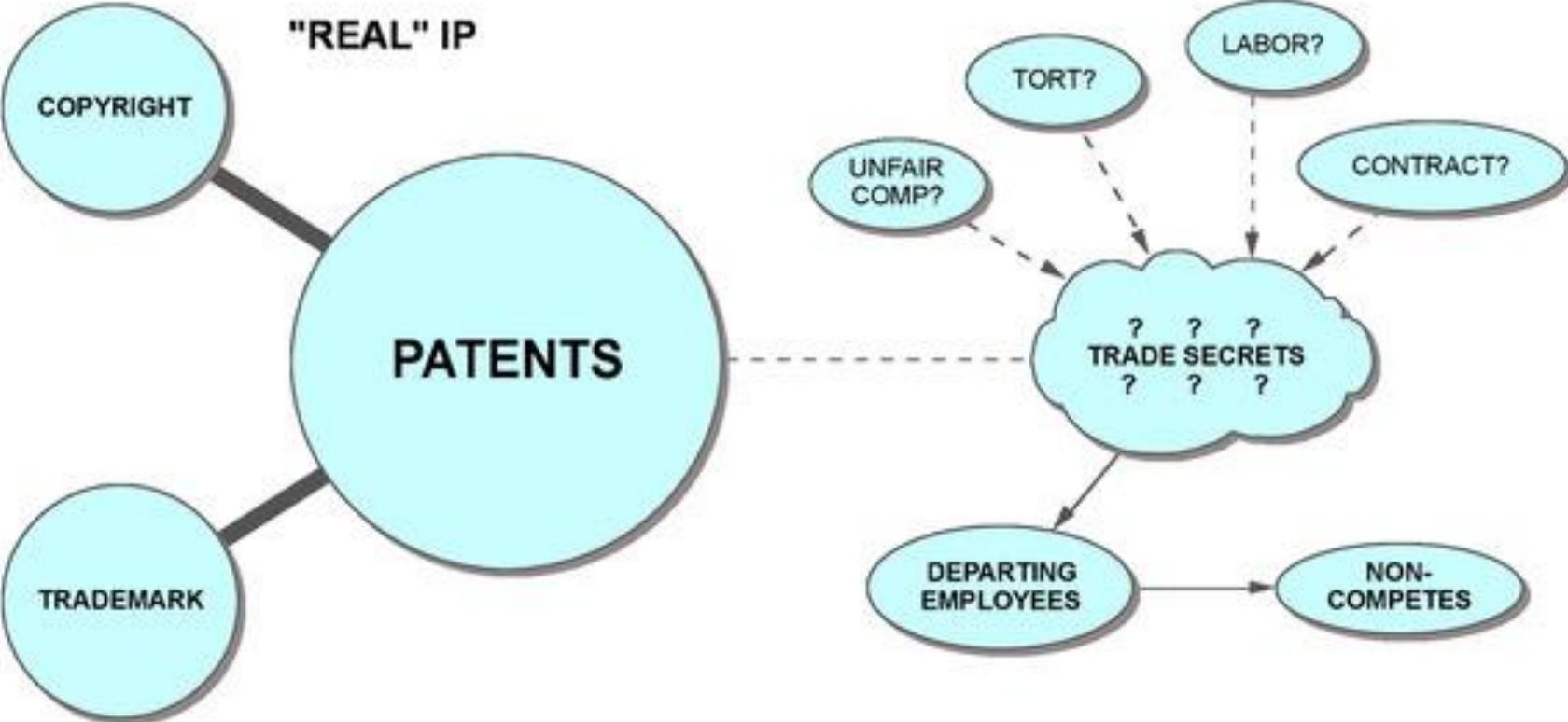
# **MANAGING TRADE SECRETS WHEN YOU KNOW PATENTS**

**JAMES POOLEY**

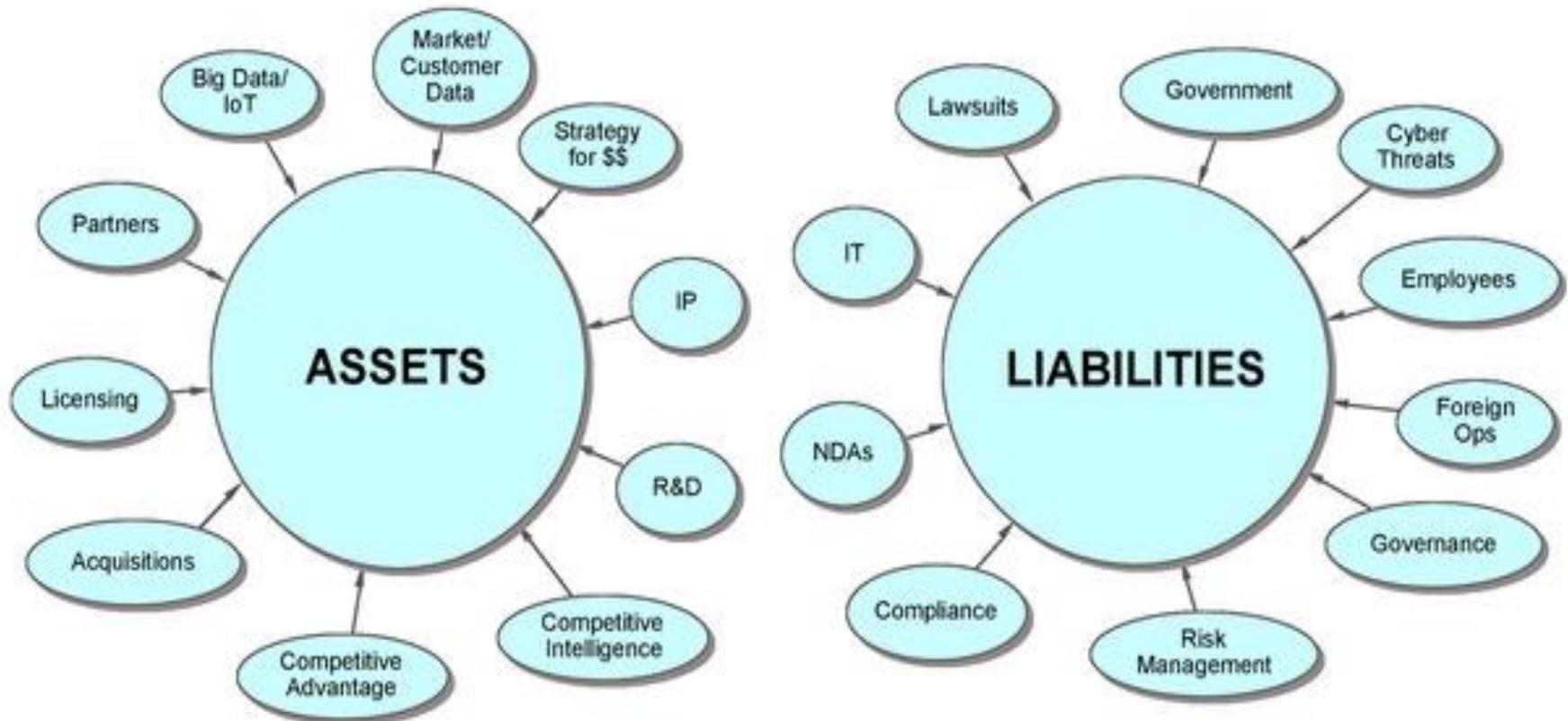
**2018 FICPI WORLD CONGRESS**

**JUNE 6, 2018**

# HOW LAWYERS SEE TRADE SECRETS



## HOW CLIENTS SEE TRADE SECRETS



# **TS VS. PATENTS: THE CLASSICAL VIEW**

*Kewanee*: TS are weak; if you can, you'll patent it

The usual factors

**Risk of reverse engineering**

**Period of commercial exploitation**

**Suitability for licensing**

**Difficulty of design-around**

**Critical need to use the invention**

**Procurement and maintenance costs**

**Patent as leverage or message**

# **BUT PATENT RIGHTS FEEL DIMINISHED**

**Judicial opinions on procurement**

***KSR*: obviousness**

***Bilski*: business methods**

***Mayo*: diagnosis**

***Nautilus*: definiteness**

***Akamai*: divided infringement**

***Alice*: software**

# **PATENT RIGHTS FEEL MORE DIMINISHED**

**Judicial opinions on enforcement**

***eBay*: injunctions**

***Sandisk*: declaratory relief**

***Laser Dynamics*: damaged**

***Octane Fitness*: fee shifting**

**And then there's the AIA:**

**PGR and IPR => uncertainty of title**

**Will the pendulum swing back?**

# **MEANWHILE, TRADE SECRETS ARE ASCENDANT**

**2012 NSF/Census: TS important >2X patents**

**Defend Trade Secrets Act of 2016**

**EU Trade Secrets Directive**

**Bilateral and regional trade agreements**

***TianRui*, 661 F.3d 1322 (Fed. Cir. 2011)**

Moore dissent: TS reduces patent disclosure

**Note: DTSA extraterritoriality not resolved**

# **AIA ALSO REDUCES TS ANXIETY AND RISK**

**Best mode is virtually dead**

**But residual anxiety for prosecutors?**

**Secret prior art is likely dead**

**Prior user anxiety mostly gone**

**So . . . reconsider the cost/benefit analysis**

# **PRACTICAL IMPLICATIONS**

**The question is not binary, and it's not static**

**TS are mostly supplemental and complementary**

**Patents remain valuable and often critical**

**Not just protection but also signaling**

**And remember *Kewanee*: TS are weak and risky**

**Strategy level: rethinking the calculus and balance**

**Buy time with provisional, maybe U.S. only**

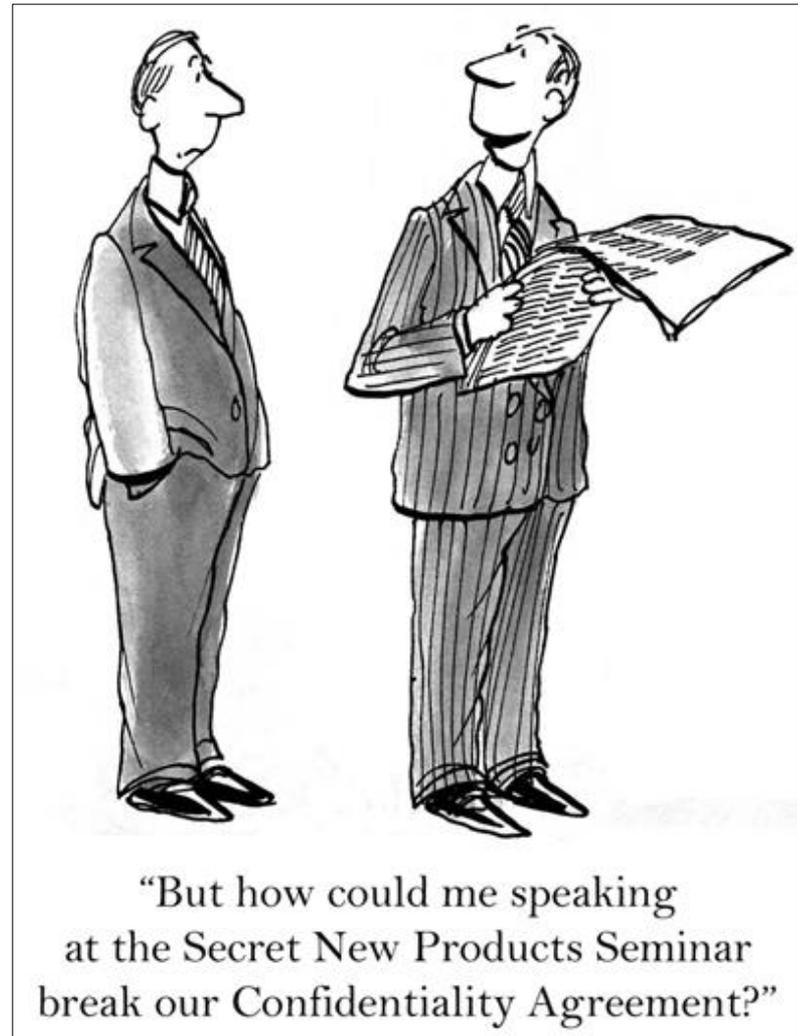
**Accelerate examination**

**Tactical: watch NDA partners for leaks, derivative claims**

# IN THE MEANTIME . . .

## TS are about Risk Management

- **People:** recruiting, training, termination
- **Process:** policies, access controls, endpoint controls
- **Management:** NDAs, supply chain, litigation avoidance



Thank you!

**JAMES POOLEY**

[www.pooley.com](http://www.pooley.com)

+1 650 285 8520