

2022 AIPPI World Congress – San Francisco  
Adopted Resolution  
13 September 2022



## Resolution

### 2022 – Study Question – General

#### Protection of trade secrets during civil proceedings

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##### Background:

- 1) This Resolution concerns the protection of trade secrets in civil court proceedings, in particular with respect to cases involving the protection or violation of trade secrets as their main subject matter or cases involving trade secrets in the context of the enforcement and protection of IP rights as their main subject matter.
- 2) This Resolution does not aim to re-examine trade secret issues already considered in Q215 – “Protection of trade secrets through IPR and unfair competition law” (Paris, 2010) or Q247 – “Trade Secrets: Overlap with restraint of trade, aspects of enforcement” (Rio de Janeiro, 2015). This Resolution addresses:
  - a) specific measures that could and/or should be taken to protect, preserve and/or limit the disclosure of trade secrets in civil proceedings; and
  - b) the right of a party to know the case made against it and, consequently, the potential for conflicts between the requirement to protect trade secrets against disclosure on the one hand and the right to a fair defense of the party on the other hand.
- 3) The term “party” as used in this Resolution also covers third parties or intervenors who are not necessarily formally a party to the proceedings, but whose trade secrets are involved or who are involved in the proceedings where this is allowed by the civil procedure rules in a given jurisdiction.
- 4) Civil procedure rules in the various jurisdictions are based on different legal cultures and traditions and have their own concepts. At the same time, there is only a very small degree of international harmonization of civil procedure rules in general throughout the jurisdictions.

- 5) Civil proceedings in which trade secrets and their protection are involved cover a broad range of different legal fields and actions. Commercial litigation is increasingly global in scope and thus would benefit from enhanced harmonization.
- 6) This Resolution does not concern criminal proceedings, patent office proceedings, arbitration and administrative proceedings. However, disputes in the US International Trade Commission are within the scope of this Resolution.
- 7) This resolution addresses the protection of trade secrets in civil court proceedings while observing the principle of open justice to be applied by the courts in their respective jurisdictions.
- 8) 34 Reports were received from AIPPI's National and Regional Groups and Independent Members providing detailed information and analysis regarding national and regional laws relating to this Resolution. These Reports were reviewed by the Reporter General Team of AIPPI and distilled into a Summary Report (see link below).
- 9) At the AIPPI World Congress in San Francisco in 2022, the subject matter of this Resolution was further discussed within a dedicated Study Committee, and again in a full Plenary Session, following which the present Resolution was adopted by the Executive Committee of AIPPI.

**AIPPI Resolves that:**

1. There is interest in improving current law and practice relating to the protection of trade secrets during civil proceedings and development of best practices in order to enable and promote the fair protection of trade secrets, while seeking to reduce costs and increase efficiency.
2. While most countries have rules for managing access to trade secrets during litigation, the rules are limited and not consistent across all jurisdictions with respect to controlling access to trade secrets and while there should be flexibility for case-by-case determinations, additional specificity is desirable.

**Minimum level harmonization of trade secret protection in civil proceedings**

3. Trade secrets should be protected at every stage of civil proceedings. Measures that are appropriate to maintain and protect the secret nature should be available prior to, during and after the proceedings.
4. Since the very definition of a trade secret, as well as the principle of open justice, procedural rules in civil proceedings and notably the rules of evidence, differ between jurisdictions, harmonization should concern the principles of available protection and, where practicable, the particular concrete measures suitable to ensure said protection. Specifically, courts should have the authority to apply appropriate protection measures depending on the facts and circumstances of each proceeding.

### **Balancing trade secret protection and due process in civil proceedings**

5. The protection of the parties' trade secrets in civil proceedings must be balanced with safeguarding the right of all parties to fairly prepare their case, including the right to know the case made against them ("**the Fair Balance**"). The Fair Balance should also, in turn, be balanced with the principle of open justice which seeks to ensure that court proceedings are conducted in a transparent and fair manner.
6. Provided that the Fair Balance is reached, and depending on a number of factors, courts should have the possibility to restrict access to the trade secret to a limited number of individuals, especially if the parties agree, for example to:
  - a. a limited number of identified relevant in-house individuals from a given party to the civil proceedings, expert(s) and outside counsels; or
  - b. expert(s) and outside counsels only; or
  - c. outside counsels only.
7. Such factors to be considered by the courts should include without limitation:
  - a. the exact nature of the trade secret at stake;
  - b. the value of the trade secret at stake;
  - c. the stage of the proceedings concerned (prior to, during or after the proceedings);
  - d. the relevance of the trade secret for ruling on a particular issue at said stage of the proceedings;
  - e. the parties' interests, including any possible impact on the party against whom a claim is made and the legitimate holder of the trade secret in the event of a disclosure of said trade secret within the proceedings;
  - f. the role (e.g. lawyer, technical, or commercial) of any in-house individuals proposed to get access to the trade secret;
  - g. whether and to what extent sanctions against an individual who is granted access can be successfully enforced in cases of violations of the court orders to protect the trade secret;
  - h. the willingness of an individual recipient to agree to restrictions on his or her subsequent activities (e.g. the prosecution of patents or involvement in licensing negotiations), and
  - i. more generally the circumstances of the case.
8. At least during the proceedings, any party should be entitled to challenge whether or not information alleged to be a trade secret is eligible for protection.

### **Protection of trade secrets at various stages of civil proceedings, including disclosure actions**

9. Trade secrets should be protected at every stage of civil proceedings and in the corresponding materials, including at least:
  - a. pre-action processes;
  - b. complaints/pleadings/writ of summons initiating a proceeding;
  - c. any other pleadings or submissions filed in the context of a proceeding;

- d. production of documents during a disclosure phase or court-ordered production of evidence;
  - e. evidence seizure;
  - f. prepared-for-litigation technical description/declaration or any other exhibits;
  - g. witness statements made outside the hearings (e.g. deposition);
  - h. oral hearings;
  - i. hearing transcripts;
  - j. court decisions;
  - k. public and/or third party access to court documents.
10. Measures applied by a court to protect trade secrets during each stage of a proceeding should ensure that trade secrets that are obtained from any party during the proceeding are protected from future misuse, whether that may occur during or after the proceeding.
11. The onus is on the parties to inform the court what information they believe to be a trade secret and, where there is a dispute as to whether certain information is a trade secret, a mechanism should be agreed by the parties and/or set by the court to resolve that dispute. Such a mechanism should include timing requirements for requesting the resolution and resolving the dispute. Pending the resolution of the dispute, the information should continue to be protected as a trade secret.
12. During disclosure actions and/or other evidence collection procedures, protections should be put in place to limit the unnecessary production of trade secrets in order to reduce the risk of unnecessary disclosure to those involved in the proceeding and to the public. Such protection should include without limitation the following:
- a. where a court bailiff or other court-authorized person is conducting a seizure of evidence, such seizure should be conducted under a confidentiality regime that protects the information seized as a trade secret until the parties can make representations as to the status of the information seized and any dispute resolved under an appropriate mechanism. This may include the presence of a lawyer for the party subject to the seizure order who, at or following the seizure, can identify and designate the information which has been seized as a trade secret;
  - b. the hearing of a person testifying on the substance of a trade secret should be conducted in a private/closed hearing with restrictions on who can attend that hearing, as far as it deals with the substance of a trade secret;
  - c. effective protective measures prohibiting the unauthorized use of a disclosed trade secret.
  - d. the possibility of a party producing a document to redact certain sections, at least with regards to trade secrets that are unrelated to the dispute.

13. A trade secret that is disclosed during a proceeding without being under a confidentiality order may retain its secret character, provided that a party makes a respective request to the court, depending on the circumstances of the disclosure including without limitation:
- a. the person who disclosed the trade secret;
  - b. the method/manner of disclosure;
  - c. whether the trade secret was disclosed intentionally;
  - d. the number and role/function of individuals who had access to the trade secret and the nature of the entity to which those individuals belong;
  - e. whether the recipients of the trade secret were subsequently subject to a protective or other court order; and
  - f. the time frame over which the trade secret was available.

#### **Requirement to redact trade secrets in court documents**

14. Details of trade secrets should be redacted in hearing transcripts, audio, visual, or av recordings, court decisions or any other materials before disclosure to the public. The public should be excluded from hearings or parts thereof in so far as they are expected to deal with the substance of trade secrets.

#### **Preserving trade secrets after the conclusion of court proceedings by the Court**

15. Trade secrets should be preserved as such by the Court after a proceeding has concluded.

#### **Protecting trade secrets obtained in civil proceedings in other jurisdictions**

16. Decisions ordering protective measures for a trade secret obtained in civil proceedings before one court should be considered by courts involved in civil proceedings between the same parties involving the same trade secret in other jurisdictions.
17. It should be considered further whether decisions ordering protective measures for a trade secret obtained in civil proceedings in a jurisdiction are also given temporary effect by courts involved in civil proceedings between the same parties involving the same trade secret in other jurisdictions until those courts have determined the appropriateness of the protective measures.
18. Without prejudice to other courts' evidence gathering powers, a party bound by a court order prohibiting disclosure of information which they obtained in civil proceedings in one jurisdiction should not be able to use or disclose that information in other court proceedings or in other jurisdictions without obtaining the consent of the trade secret holder or obtaining an order from the original court permitting such use or disclosure.

Link:

- [Summary Report](#)