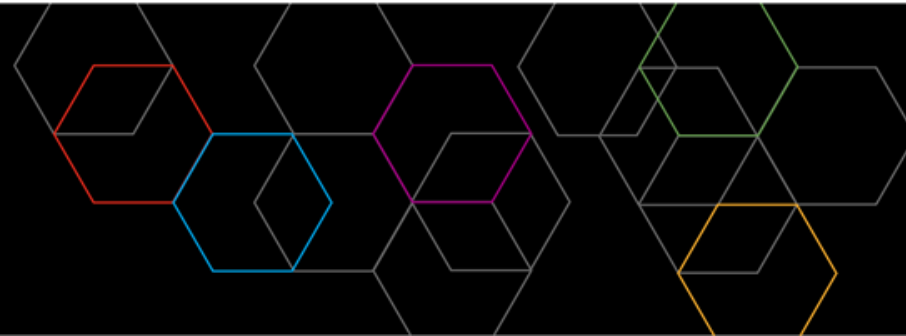


# eLunch Presentation— Trade Secret Protection

June 12, 2018

Steve Grimes, Shannon Murphy, & Ben Ostrander  
Privacy & Data Security Task Force



# Today's eLunch Presenters



**Steve Grimes**

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**Shannon Murphy**

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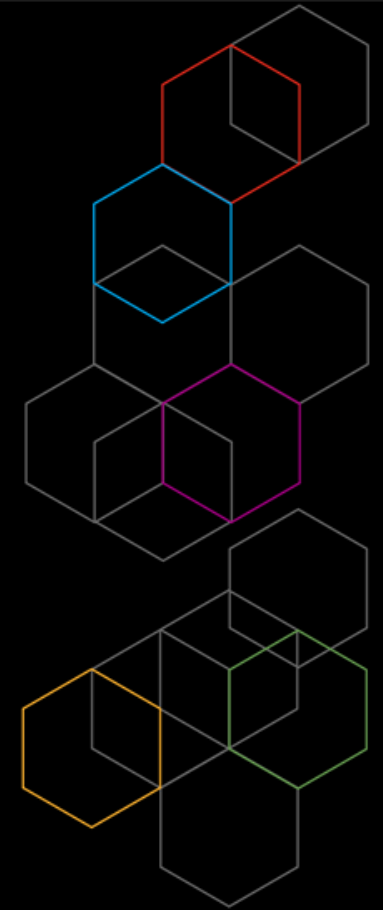


**Ben Ostrander**

Labor & Employment  
Chicago, IL

[bostrander@winston.com](mailto:bostrander@winston.com)

- Co-leader of the firm's Global Privacy and Data Security Task Force.
- Former Chief Compliance Officer and senior litigation counsel to a Fortune 500 company, which affords him the perspective to provide clients with a pragmatic problem-solving approach.
- Conducted numerous investigations and tried ten federal jury trials as a federal prosecutor.
- Member of the firm's Global Privacy and Data Security Task Force.
- Over a decade of criminal justice experience protecting clients' rights.
- Leverages knowledge of the law and computer forensics to provide expertise to clients in litigation, investigations, and corporate data protection, with a focus on data security and theft of trade secrets.
- Member of the firm's Labor and Employment Group.
- Significant investigation, counseling, and litigation experience in competition and trade secret matters.



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# Potentially Overlooked Threat -- Data Theft



THE PRESENT

**WHEN**

THEFT WILL OCCUR &

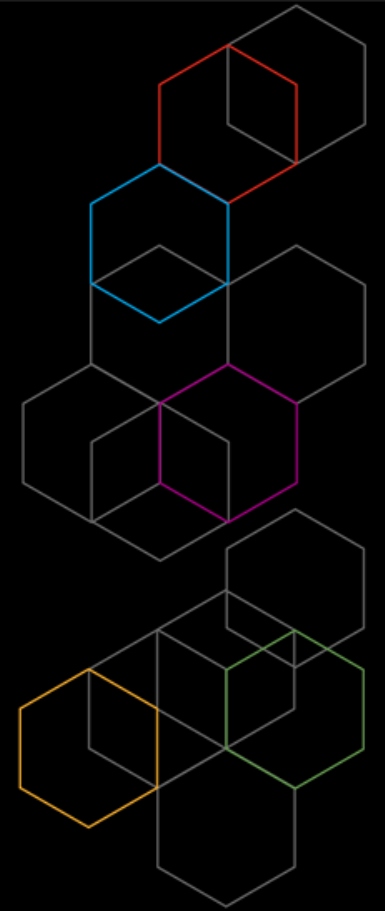
**HOW**

DAMAGING WILL IT BE

THE PAST

**WHETHER**

THEFT WOULD OCCUR

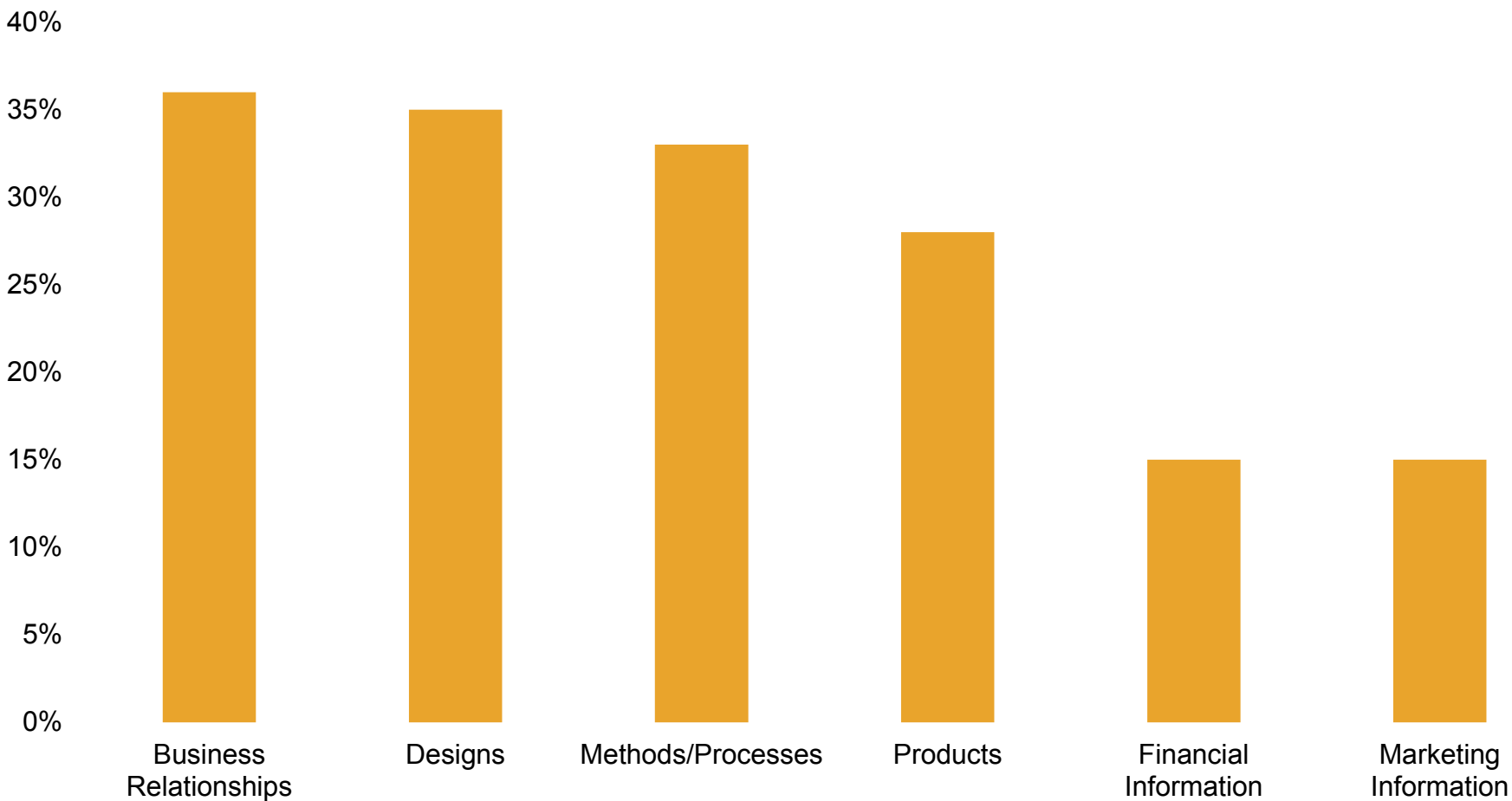


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# All Companies Have Secrets

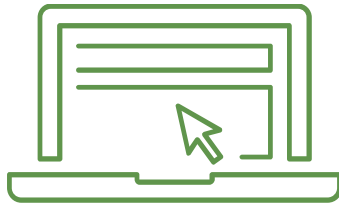
Trade Secret Types



# Employees Are Not Protecting Trade Secrets



50% -- *Keep confidential data*



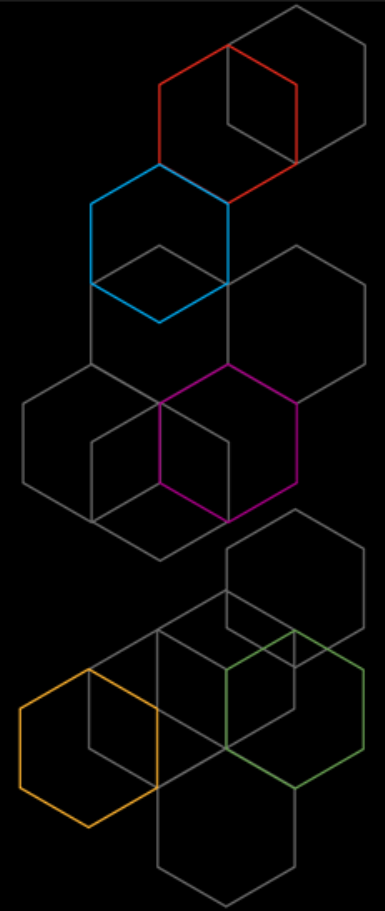
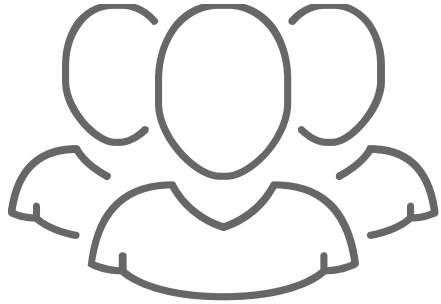
40% -- *Plan to use data at new job*



62% -- *Transfer data to personal devices*



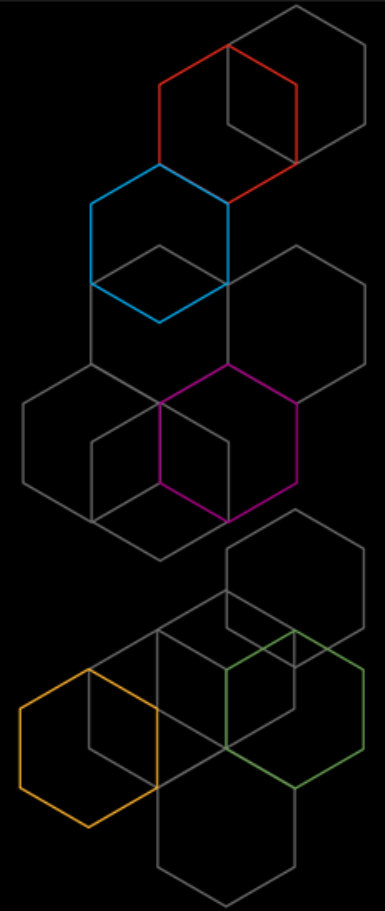
56% -- *Do not believe it is a crime to use a competitor's trade secrets*



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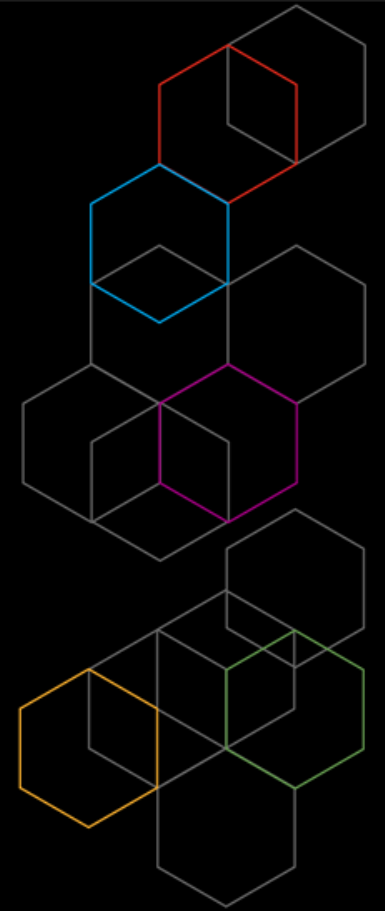
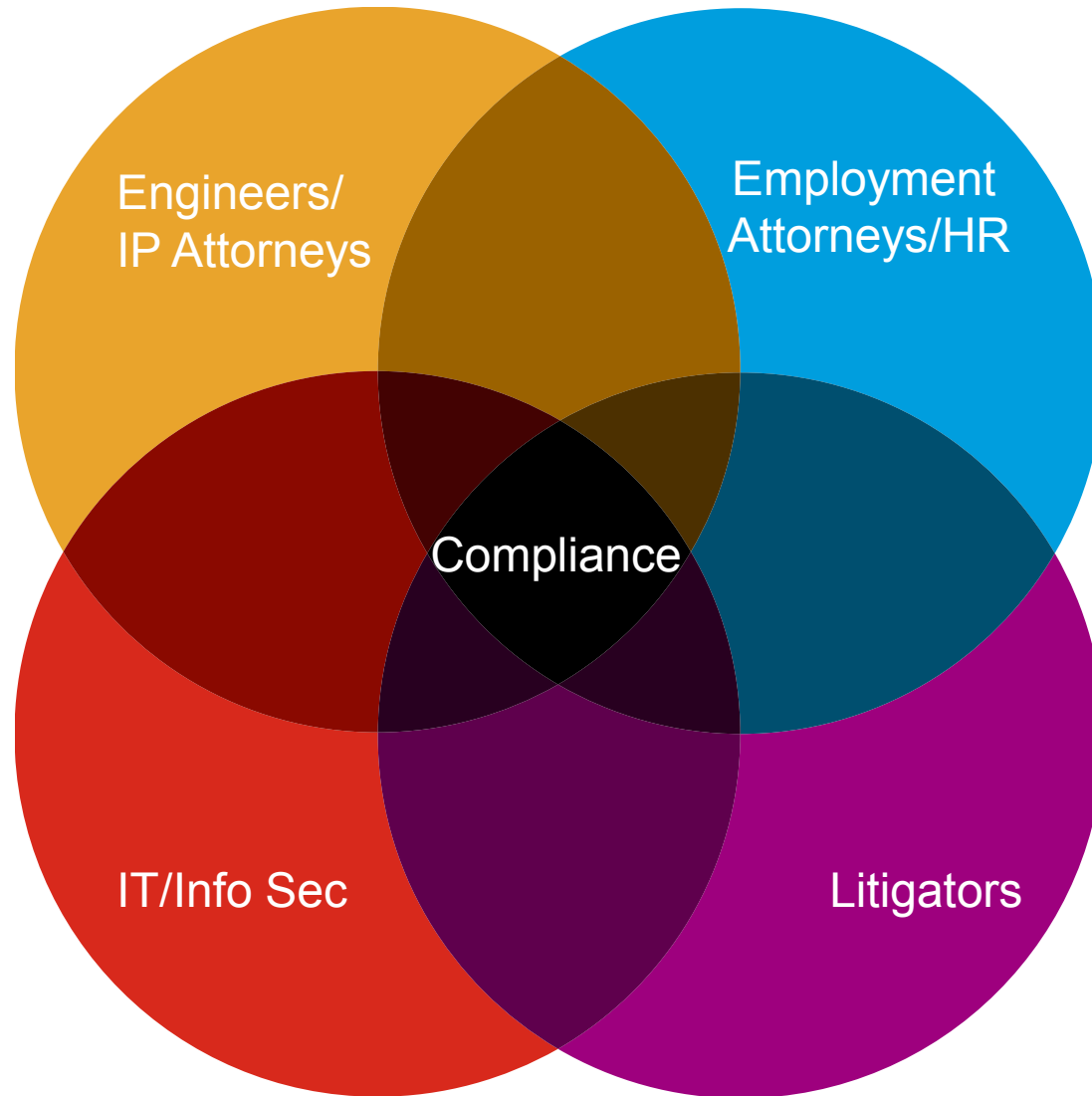
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# To Refer or Not to Refer...?



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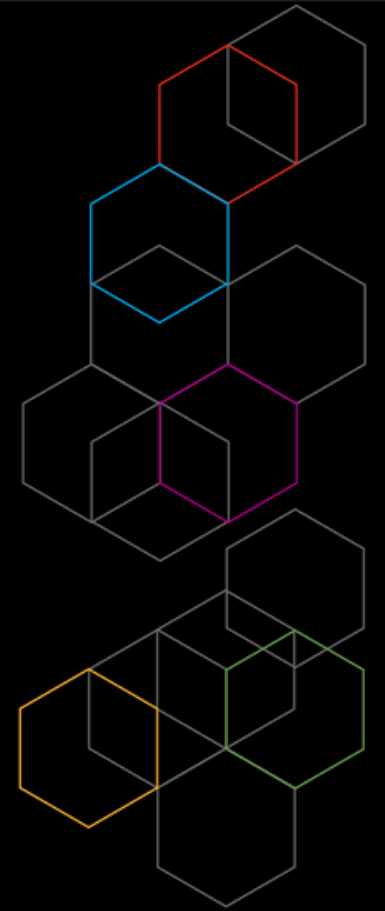
# Who owns this issue?



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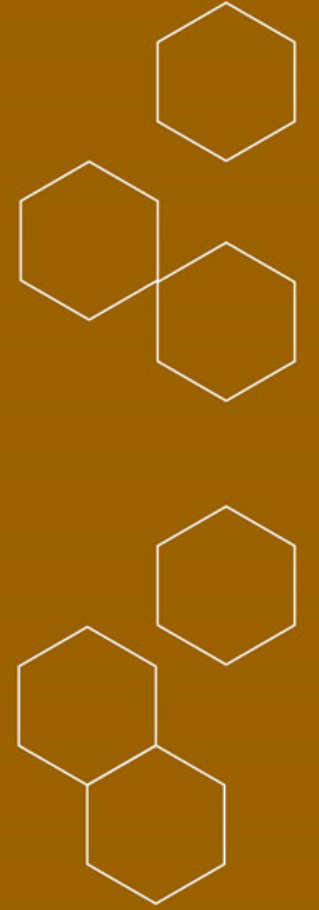
# Trade Secret Plan: Two Goals



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# WHAT TO DO BEFORE THEFT OCCURS



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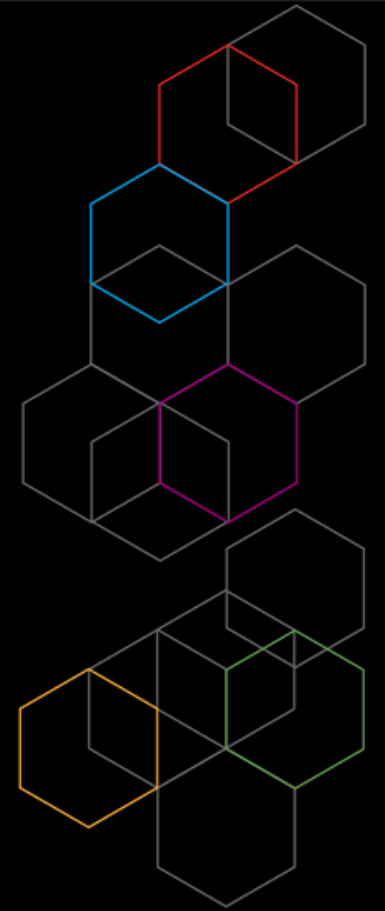
Identify trade secrets + Limit Access



**NOT**  
reasonably protected

**=**

**NOT**  
a trade secret



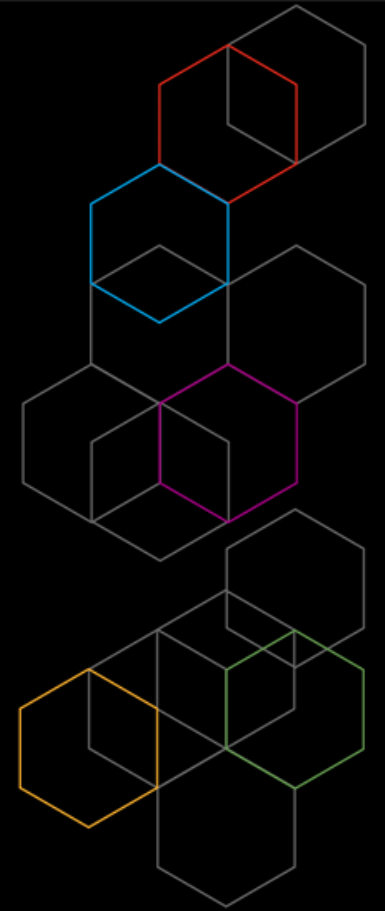
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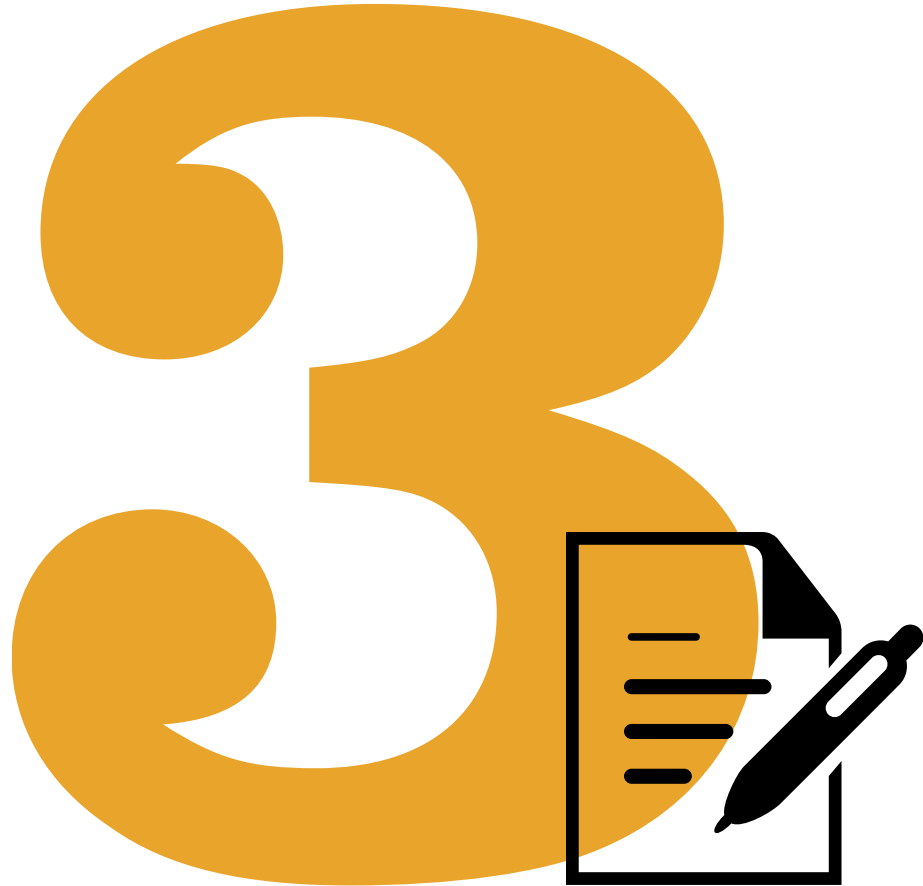
# Use enforceable agreements



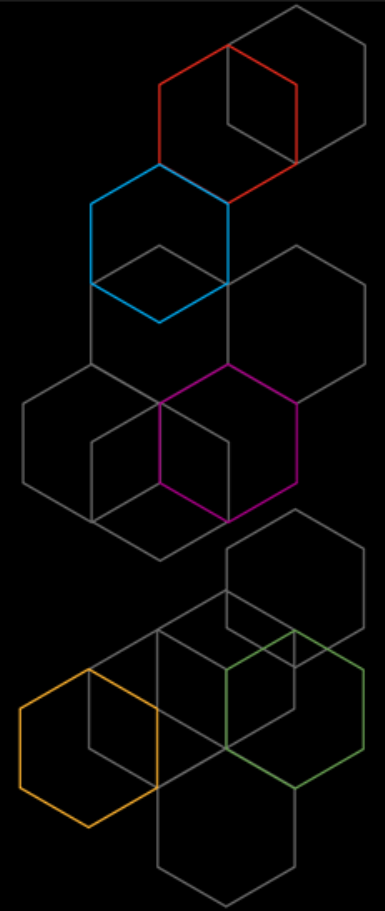
- Nuances of states' restrictive covenant laws
- “Reasonable” restrictions
- Key stipulations to bolster enforceability
- Sufficient protections for confidential information



# Draft precise policies + Train employees



- IP ownership
- Confidentiality
- Acceptable IT and email use
- Indemnification
- No expectation of privacy
- Cooperation obligation

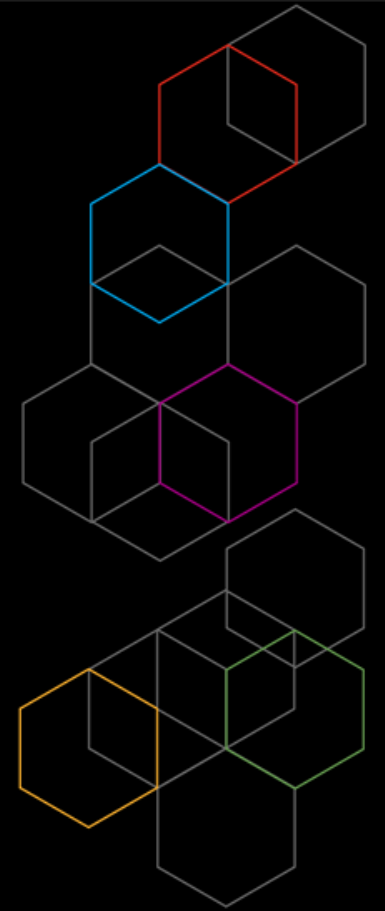


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# Implement ways to catch theft



- Download alerts
- Email attachment alerts
- Monitoring
- Software  
(i.e. homing beacon)

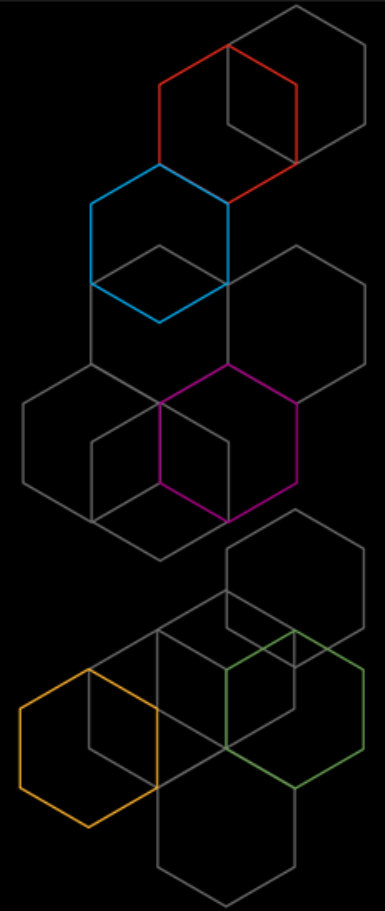


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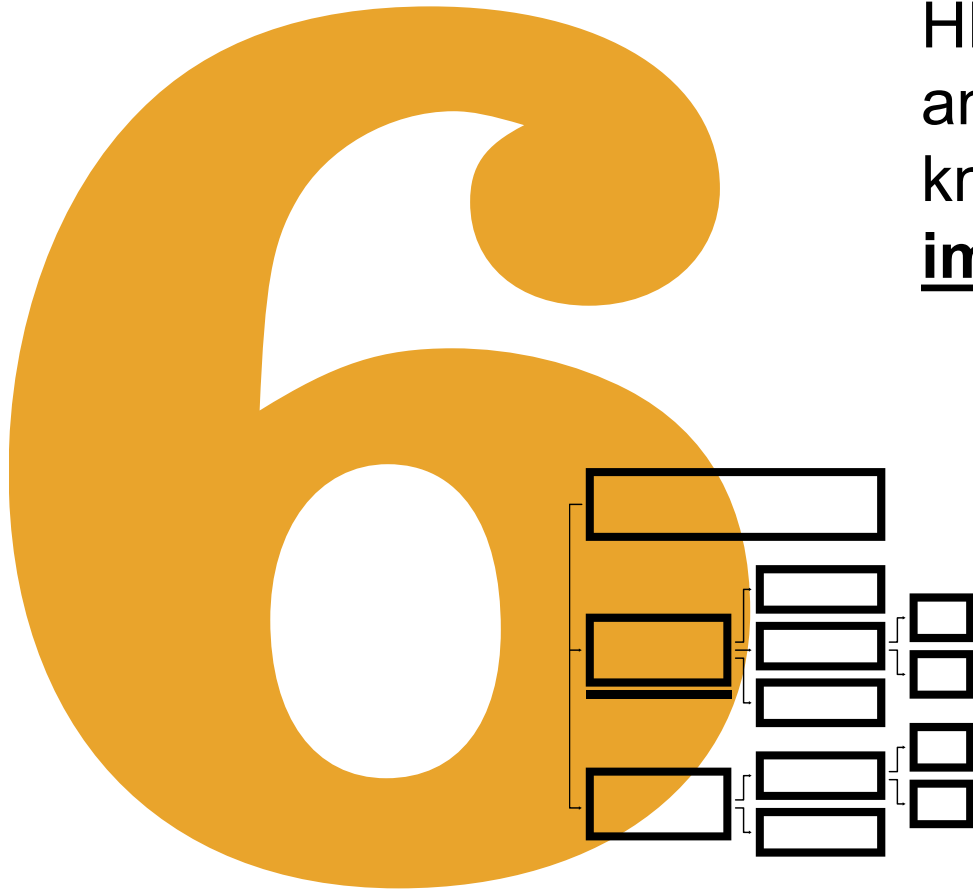
# Have sufficient exit protocols



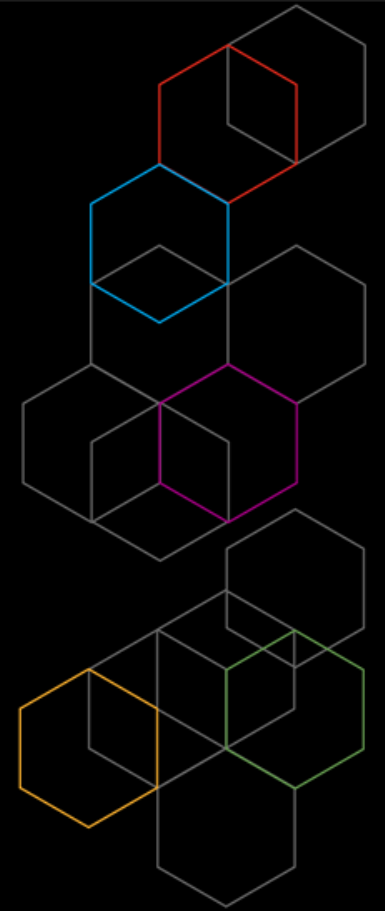
- Terminate physical and electronic access completely and promptly
- Conduct an exit interview
- Require the employee to re-certify obligations
- Assess risk of theft



# Failing to have a response protocol



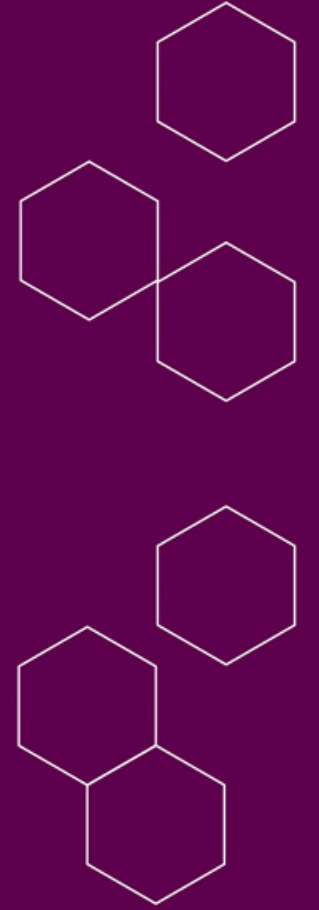
HR, legal, managers, IT  
and other key players must  
know specific steps to take  
**immediately**



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# WHAT TO DO AFTER THEFT OCCURS



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# Properly preserve evidence

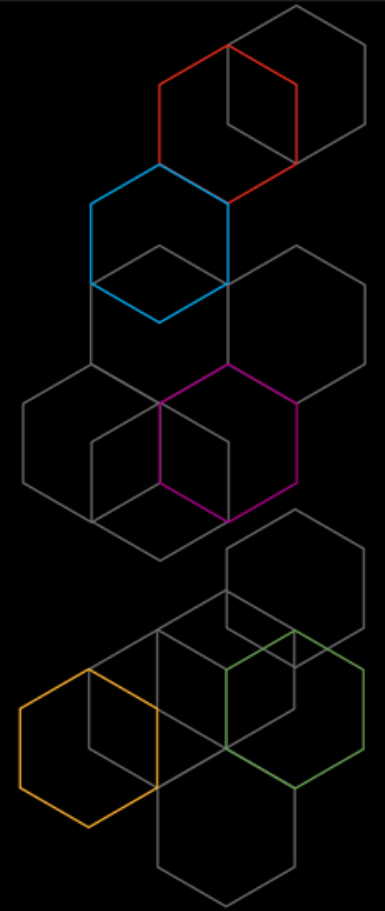


- Must promptly preserve:

- Devices
- Logs
- Emails
- Documents
- Video
- Online storage/apps

- Risks:

- Destruction/loss/corruption of key evidence
- Missing pieces of the puzzle
- Spoliation



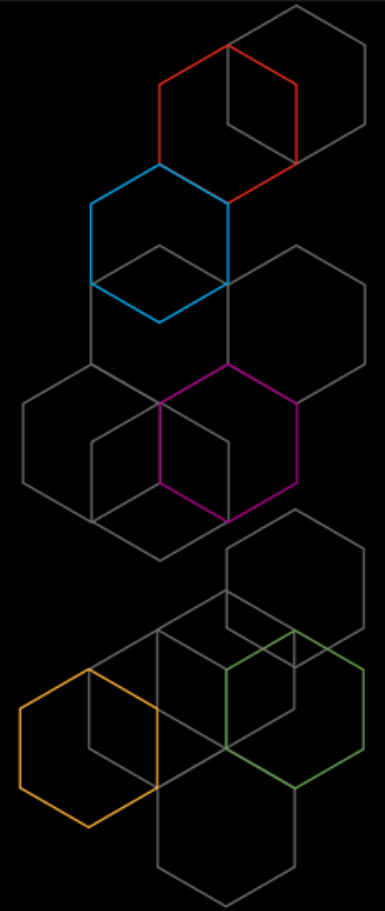
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# Send a cease and desist letter



Dissemination, destruction,  
or use by employee or  
future employer

**CONTAINING THE  
PROBLEM IS CRUCIAL**



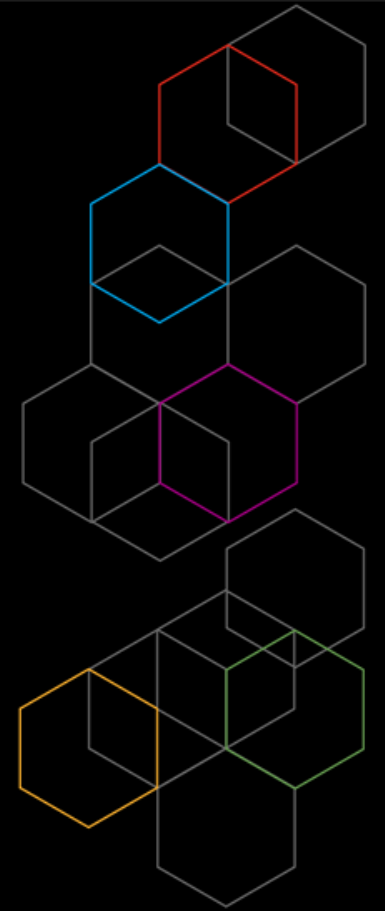
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# Maintain privilege

## • Nuanced Privilege Issues

- Take investigative steps “at direction of counsel”
- Mark documents, notes, and memoranda
- Give Upjohn warnings
- Take care disclosing information to government agencies

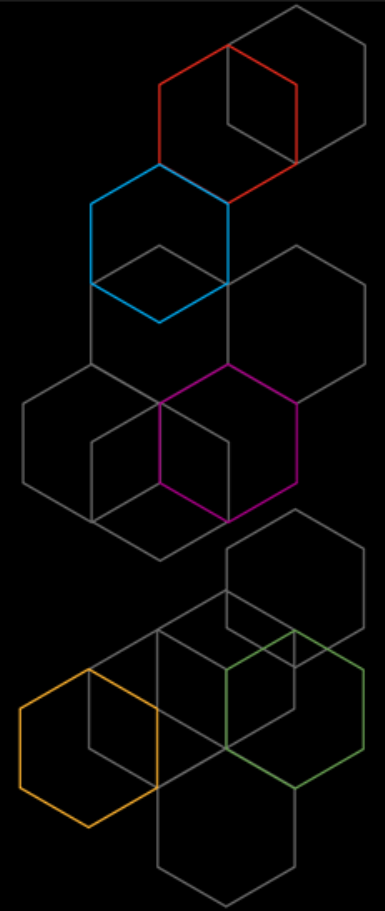


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# Consider hiring outside counsel



- Cross-functional expertise
  - Investigation/forensics
  - Criminal
  - IP
  - Employment/privacy
- Quick filing of TRO/PI
- Outside resources
- Increase credibility of investigation
- Protect privilege

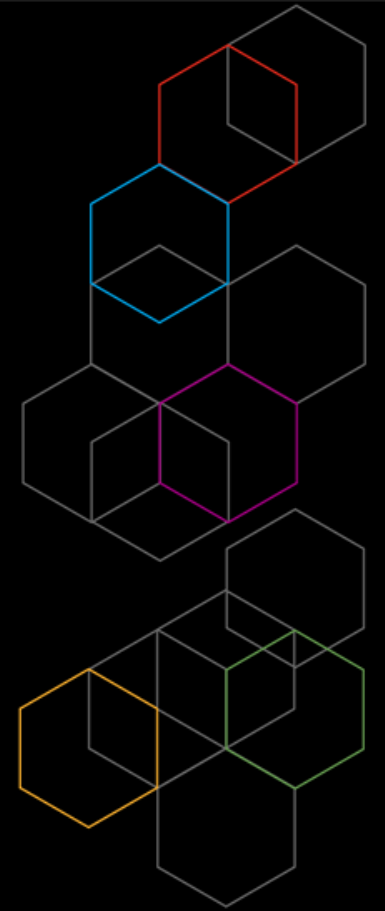


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# Properly handle parallel cases



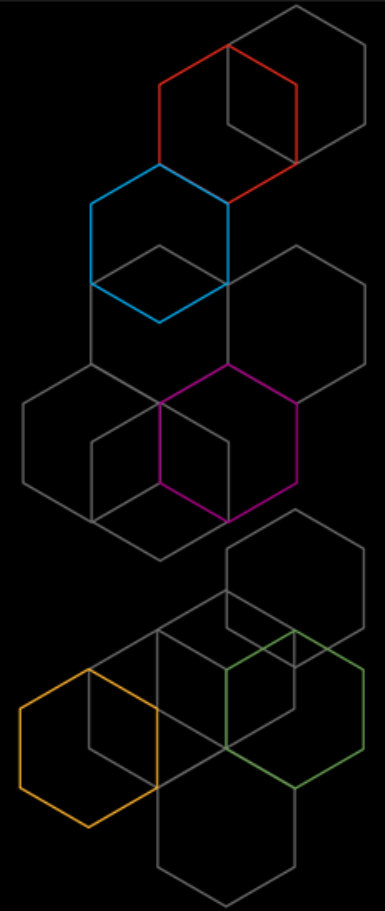
- Parallel cases present numerous pitfalls
  - Cannot threaten criminal action to get civil advantage
  - Avoid a civil protective order that hinders sharing of information
  - Need to separately track civil and criminal work to maximize restitution
  - Criminal referral requires higher level of evidence



# Prevent stolen secrets from entering the company

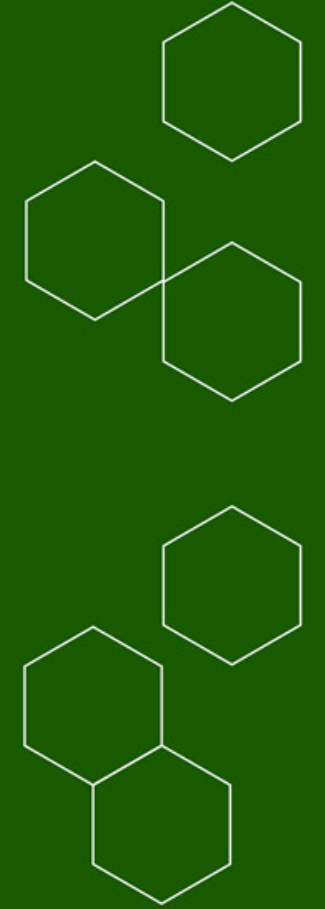


- Employee uploads/uses former employer's secrets
  - Civil litigation & liability
  - Criminal prosecution & conviction



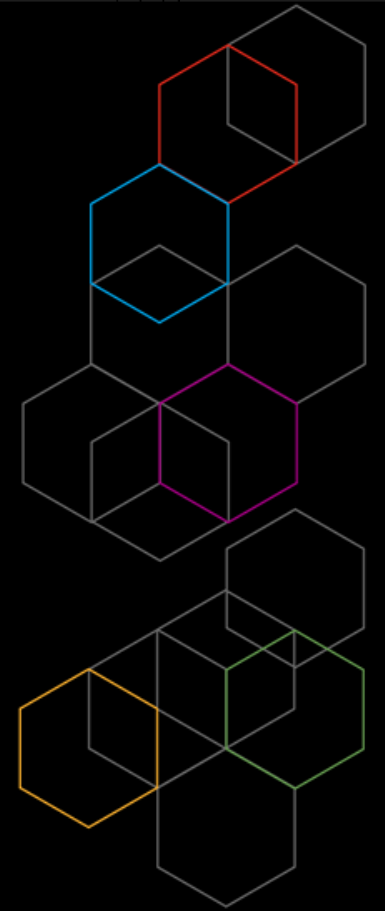
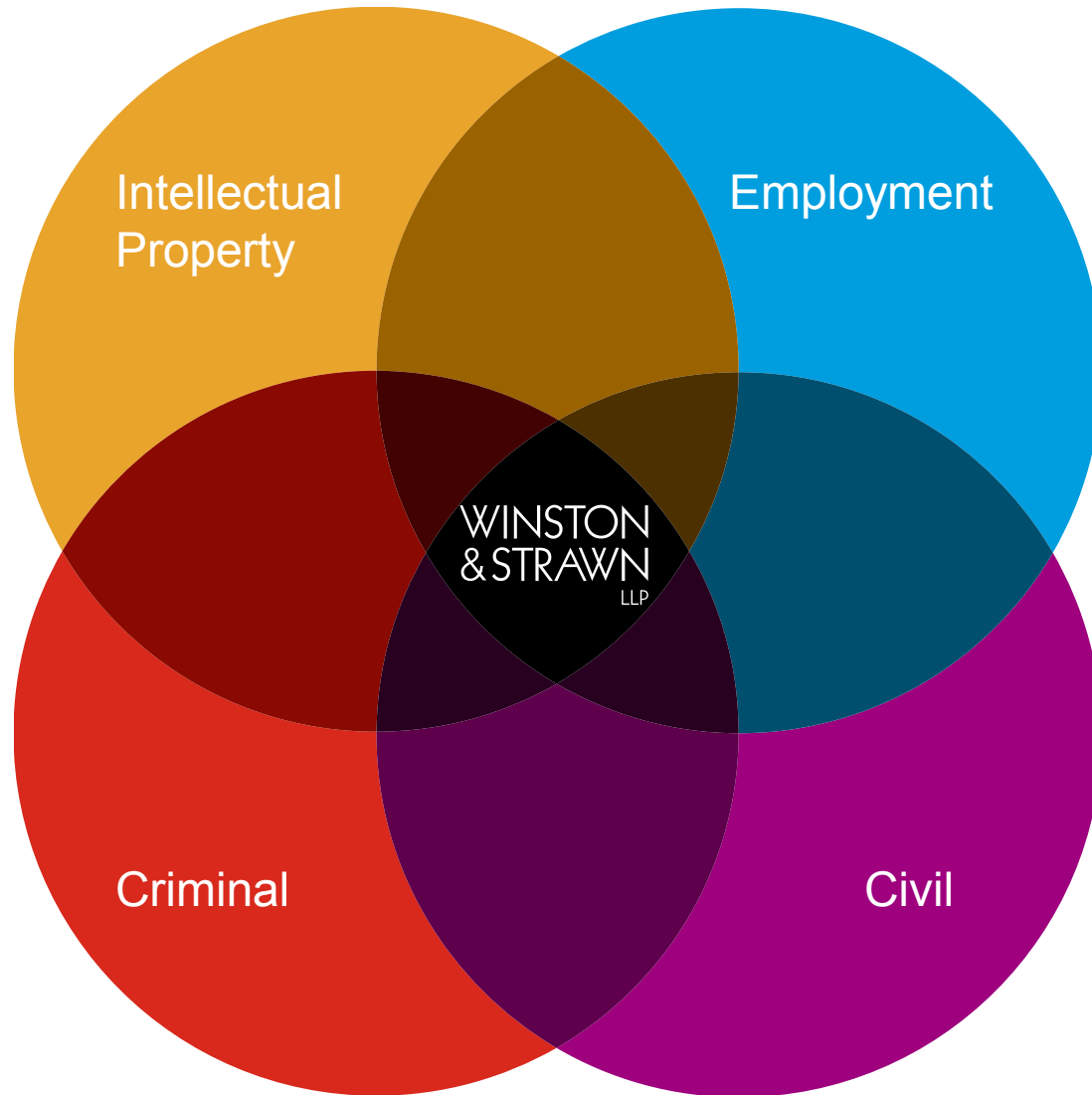
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# HOW WINSTON CAN HELP



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# A Cross-functional Task Force

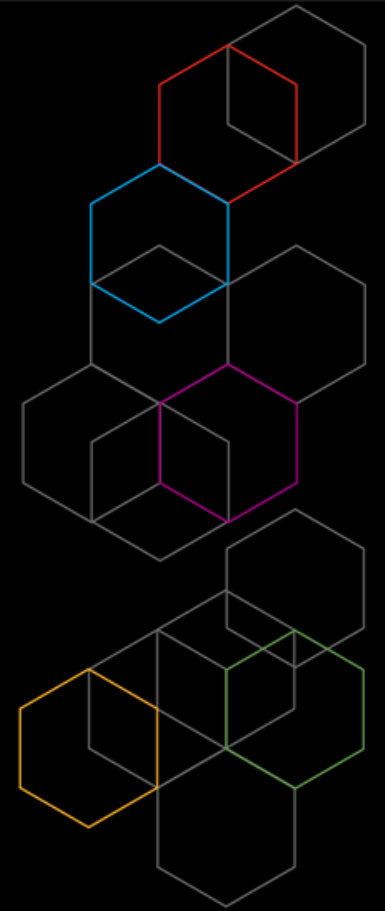


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# Winston's Trade Secret Audit

- Winston performs standardized data protection audits (potential fixed-fee arrangement) tailored to the size of a company and industry.
- Audits include:
  - Interviews of key stakeholders (HR, IT, Compliance, Legal, IP/engineers, select business leaders)
  - Review of trade secret protections and related policies, procedures, and agreements
- Output provided:
  - Privileged report and maturity model
  - Identification of highest priority action items
  - Executive-level presentation regarding findings



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# Thank You.



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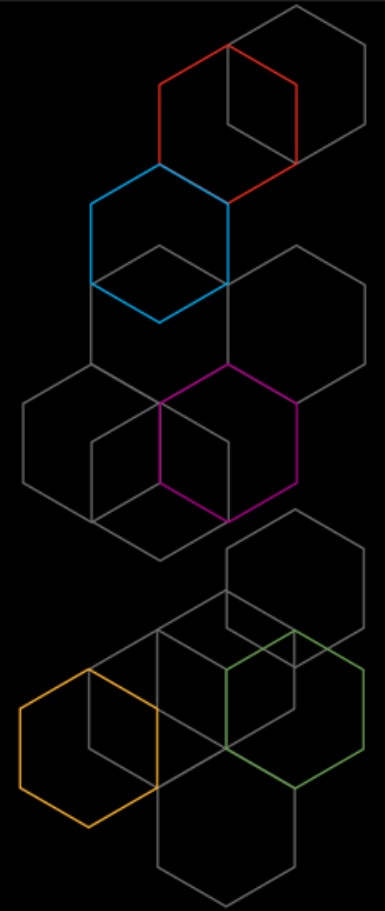


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