

Summary

In today's highly digitized world, an employee can leave the office with a small flash drive containing thousands of files, or even snap pictures or videos of plant equipment or processes with an iPhone, capturing critical trade secrets and other valuable business information. How do companies within the industrial sector protect themselves from this happening?

"Clients report a personal and tailored service provided by a 'classy' team that 'pulls out all the stops'" Legal 500 UK

*"They have depth, a broad skill set and high-end clients."
Chambers USA*

Creating an effective employee intellectual property and non-compete agreement

- *Non-Disclosure/Inventions Agreement*
A necessary step to protect a company's trade secrets is ensuring that all employees with access to any confidential information sign such agreement. Not only does such document provide notice and clarity to employees as to what constitutes protected information and who owns it, but it helps demonstrate that the company takes reasonable measures to protect the secrecy of its critical confidential information.
- *Non-compete Agreement*
In today's environment, every industrial company should consider some form of employee non-compete covenants to protect legitimate business interests such as long-term customer relationships, goodwill, confidential information and trade secrets. It is essential to carefully tailor such a contract in accordance with the applicable state law and ensure it is reasonable in time, geography and scope of proscribed activity to ensure maximum enforcement.





Other steps to secure company intellectual property

- Beware of inadvertently disclosing your protected information through the company website, trade shows and professional gatherings, articles and other publications, job interviews, customers, vendors and consultants.
- Store and secure databases appropriately and limit employee access.
- Review and improve plant visitor policies to ensure protection of confidential and proprietary information.
- Mark sensitive documents “Confidential.”
- Adopt preventative employment practices – make reference in employee handbook, annual reminders, incorporate into training, pop up” reminders when employees sign onto computer system, IT support to monitor “suspicious” activity, exit interview to reiterate ongoing obligations.

Squire Sanders has decades of experience advising clients within the industrial sector on how best to legally and practically protect their intellectual property.

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Recent examples

- Developed a comprehensive employee intellectual property agreement with non-compete provisions tailored for maximum enforcement in more than 40 US states and countries for one of the largest plastic pipe manufacturer and distributor in the world.
- Successfully prosecuted scores of trade secret misappropriation and employee non-compete violations on behalf of our industrial clients in multiple jurisdictions around the world, and are intimately familiar with the associated issues unique to this sector.
- Advising a leading global manufacturer of a wide range of bearings on its US national employment compliance issues including protection of trade secret protection.
- Serving a global diversified industrial leader in market-driven innovation and science as preferred panel counsel to represent the company in all types of employment-related litigation, including the prosecution of employee trade secret misappropriation claims.
- Serving a leading global manufacturer of precision instruments as corporate counsel on all matters relating to labor and employment including providing counseling to each of its business units across the US in the best practices to protect intellectual property and good will.