

## Protecting Trade Secrets

Any information that is unique to your company, but isn't public knowledge, can be considered a trade secret and, in many cases, can be protected under both state and federal law.

### Prevent Trade Secrets from Becoming Public Knowledge

- Have every employee sign a confidentiality or non-compete agreement as a condition of employment.
- Distribute written confidentiality or non-compete policies to all employees.
- Require vendors, suppliers and customers to sign non-disclosure agreements regarding any confidential materials or information made available to them.
- Identify information that is considered confidential and always label the file with "confidential and proprietary" on it.
- Limit access to trade secrets or confidential materials on a "need-to-know" basis.
- Construct barriers around trade secrets by placing materials into a separate, locked file or a password protected area.
- If applicable, post "Authorized Personnel Only" signage at access points containing trade secret information.
- Establish sign-in procedures or security card key access in order to track or limit employees' comings and goings.
- Establish document destruction measures such as shredding confidential materials.
- Establish and maintain rules for handling, distributing and collecting confidential materials—both printed and electronic.

- Distribute smaller components of the trade secret to separate departments or privileged individuals.
- Create an understanding among employees and third-parties that any confidential information about the company belongs to the company.
- Consistently remind employees what is regarded as confidential business information.

### When an Employee Leaves the Company

The biggest challenge most companies face regarding trade secrets comes when someone who has been privileged to confidential information leaves the company. To protect your confidential material, you should:

- Conduct thorough and extensive exit interviews.
- Prior to leaving the company, require all confidential information and materials – either at work or at home – be returned to the company.
- Remind the exiting employee of their confidentiality or non-compete agreement with the company.



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