



# Congress Finally Moving to Protect Trade Secrets Bill Moves to President Obama's Desk

## Client Advisories

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On April 4, 2016, the United States Senate unanimously approved the Defend Trade Secrets Act of 2016 (DTSA), which creates a federal private right of action for the protection of trade secrets. On April 27, 2016, the House Judiciary Committee also passed the bill by a vote of 410-2. This bill will now move on to the White House, where it is expected that President Obama will sign the bill into law within the next several days.

### Summary of the DTSA bill:

This bill amends the federal criminal code to create a private civil cause of action for trade secret misappropriation. Specifically, the bill authorizes a trade secret owner to file a civil action in a U.S. district court seeking relief for trade secret misappropriation related to a product or service in interstate or foreign commerce. It establishes remedies, such as an injunction and damages. The statute of limitation is set at five years from the date of discovery of the misappropriation.

A trade secret owner may apply for and a court may grant a seizure order to prevent dissemination of the trade secret if the court makes specific findings, including that an immediate and irreparable injury will occur if seizure is not ordered. A court must take custody of the seized materials and hold a seizure hearing within seven days. Any party harmed by the order may move to dissolve or modify the order and may also seek relief against the applicant of the seizure order for wrongful or excessive seizure. The Department of Justice must submit to Congress and publish a biannual report on trade secret theft outside the United States.

The bill expresses the sense of Congress that: (1) trade secret theft occurs in the United States and around the world, (2) trade secret theft harms owner companies and their employees, and (3) the Economic Espionage Act of 1996 applies broadly to protect trade secrets from theft.

If you have questions about the Defend Trade Secrets Act of 2016, please contact [Thomas A. Muccifori](#) at (856) 354-3056 or any member of Archer's [Trade Secret Protection and Non-Compete Group](#) Haddonfield, N.J., at

(856) 795-2121, in Hackensack, N.J., at (201) 342-6000, in Philadelphia, Pa., at (215) 963-3300, or in New York, N.Y., at (212) 292-4998.

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## Related People



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- Trade Secret Protection & Restrictive Covenants

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