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Kelly Irene Phair

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Enabling American High-Tech Companies to Protect Their Secrets Abroad: A Comparative Analysis of Irish and American Trade Secret Regulation

BY KELLY IRENE PHAIR

Introduction

"[W]e hereby proclaim the Irish Republic as a Sovereign Independent State, and we pledge our lives and the lives of our comrades-in-arms to the cause of its freedom, of its welfare, and of its exaltation among the nations."¹

The men who were executed for signing the above declaration did not die in vain. Ireland, a country that has had its share of war and poverty, has seen tremendous growth and success in the 1990s and is continuing that success in this new century. In fact, Ireland has been able to boast the fastest growing economy in Europe and has shown little sign of slowing down.² This growth has been extremely noticeable in the high-tech sector.

Why is this? How has a country that just recently achieved zero net immigration and a population of roughly 3.5 million been able to succeed in such a short period of time where others could not?³ Ireland joined the European Union (EU) in 1973 and has benefited tremendously from the membership. While helpful, this is not the


1. The Proclamation of the Irish Republic (1916) (this document is the equivalent to the United States' Declaration of Independence and was presented to the English government and to the people of Ireland during the Easter Rising of 1916).


3. As of July 2000, the actual population was 3,797,257. CIA WORLD FACT BOOK, JULY 2000, at 241.
sole reason for the country’s success. “Many EU countries offer incentives to businesses looking for a European location, but for compelling reasons, the Republic of Ireland has been the top choice for many large U.S. high-tech companies.” These incentives come in a variety of forms and are largely implemented by a governmental agency called the Industrial Development Agency of Ireland (IDA), which was established by the Industrial Development Act of 1993. The IDA even has an office in San Jose, California dedicated to enticing Silicon Valley companies to set up shop in Ireland. The IDA claims that the quality and number of science and engineering graduates in Ireland is what interests high-tech companies. The agency also points to Ireland’s policy of providing extremely competent export-oriented middle managers to assist U.S. companies in selling their products to the European market as well as the country’s “pro-business” legislation and user friendly bureaucracy. Companies interviewed on the subject have also emphasized the tax structure, which allows companies to avoid double taxation, as well as the added security of a stable economy.

These incentives have worked to provide an environment that is extremely favorable to U.S. business and, in particular, high-tech companies in Silicon Valley. The system has been so successful that high-tech giants such as Intel, Microsoft, IBM, Seagate, Oracle, Hewlett Packard, Dell, Apple, Novell, General Instrument, Motorola, SCI Systems and many others have established operations in Ireland.

As these companies’ physical plants expand to the Emerald Isle, so do their legal issues. As is the nature of high-tech companies, the protection of their intellectual property is of the utmost importance. Thus, companies investing in Ireland must be familiar with Irish

5. “The Industrial Development Act of 1993... allow[s] the government, mostly through the IDA, to offer a number of investment incentives to firms wishing to establish in Ireland.” National Trade Data Bank, Ireland– Investment Climate, in MARKET REPORTS 2 (1998).
7. Id.
8. Id.
9. These incentives were mentioned by Dave Young of Hewlett Packard. THE IRISH TIMES, July 19, 1996, at 14.
intellectual property regulation and understand how ownership and other rights differ from American protection.

This note will outline the differences and similarities between American and Irish trade secret regulation. Trade secrets are unique among the different forms of intellectual property in that they do not require any sort of registration with a central body and they derive their value from the mere fact that their owners are able to keep them secret from the public and, most importantly, from competitors. It is therefore extremely important for businesses to familiarize themselves with any foreign laws that define a trade secret differently than the United States or which may require the company to take certain measures to maintain its property right to the trade secret.

This note will first provide a brief overview of the basic tenants of U.S. trade secret law. It will then discuss Irish trade secret regulation along with an explanation of the Irish legal system and compare and contrast the two countries' laws. This comparison will pay particular attention to those differences that have potentially adverse affects on American companies' ownership rights in the case of non-compliance. In addition, it will discuss Ireland's membership in the EU and the TRIPS agreement's effect on Irish trade secret law. Finally, it will provide practice tips for American attorneys who have clients with branches in Ireland or who may be interested in expanding to that country.

I. What is a Trade Secret?

"There is no uniform definition of a 'trade secret' that is accepted around the world, and even within the United States, where trade secret law is largely a function of state regulation rather than federal law... variations exist." However, there are similar requirements contained in definitions given throughout the world. The most noticeable of these requirements is that of secrecy. "As a general rule, a trade secret can be any information not commonly known in the relevant industry that is used in connection with a business to obtain a competitive advantage and the information is secret, is identifiable, and not readily ascertainable." As this note

13. Id.
will show, this basic definition varies depending on the country and the specific facts of the cases involved.

**Trade Secret Law in the Employment Context**

Modern trade secret law has seen the most use in employer-employee situations where employees change companies and bring with them confidential information they gained from their previous employment. This information can then be utilized by the new company to the detriment of the old employer. This is especially prevalent in the high-tech sector where skilled employees are in high demand. In this "seller's market," employees are constantly courted by rival companies with increased stock options and other benefits that have become common to the Silicon Valley "dot-com" world.

This phenomenon has provided an environment that has become an easy target for trade secret litigation. Trade secret litigation has raised many policy issues regarding the respective rights of employees and employers. For example, an employee's knowledge of a trade secret or confidential information makes him or her desirable to a new company. This in turn may provide incentive for the current employer to increase his or her salary to discourage such a defection. However, the possession of such knowledge may have the effect of restricting the employee's movement to another company or may restrict that employee from using his or her general knowledge or expertise at a new job for fear of becoming the subject of a lawsuit. As a result, the knowledge of secret information of a former employer may have the basic effect of forbidding an employee from changing jobs and may preclude him or her from benefitting from the favorable job market.

While these problems may result for the employee, the company also has interests at stake. If an employee has the unrestricted ability to move from job to job, the former company may be forced to pay exorbitant salaries in order to provide incentive for the employee to stay. If the company does not do this, it will face the very unattractive possibility of the dissemination of its confidential information to competing companies. These are the problems that a large portion of


trade secret regulation attempts to address. However, each country deals with such issues in a slightly different way and it is important for a company to understand these differences in order to obtain the most protection.

II. Trade Secret Law in the United States

Unlike other areas of intellectual property such as trademarks, patents, and copyrights, there is no federal body of law that encompasses trade secret law. As a result, trade secret regulation differs from state to state, creating an eclectic body of precedent in the area. However, there is a noticeable uniformity in many states’ decisions and their definitions of a trade secret. This uniformity is largely the result of two main bodies of law from which states draw to create their trade secret regulations. The first may be found in sections 757 and 758 of the first Restatement of Torts. These sections were later removed from the Restatement and added to the Restatement (Third) of Unfair Competition, but the subject matter remained the same. The second body of law is the Uniform Trade Secrets Act (UTSA). This Act was created in 1979 and revised in 1985; as of 1994, thirty-nine states have adopted either one form or another of the Act.

The Uniform Act was intended to codify and further unify state trade secret provisions. In many respects the Uniform Act codified common-law rules that had already been established by the courts, with the influence of the Restatement... Thus, [the two bodies] are similar in many respects and the Restatement provisions continue to be influential in interpreting the law, even in jurisdictions that have adopted the Uniform Act.

It should be noted that some believe there is still not enough uniformity in the laws as they currently exist. Some believe the need for trade secret protection has increased in recent years and should be

19. See id.
21. See id. at 37.
22. See id.
23. Id.
regulated on a federal level in the current information age. 24 The federal government has yet to act on such suggestions. Accordingly, the following is an analysis of the current trade secret laws and how they work to protect trade secret ownership.

A. Public Policy Behind the Laws

In order to understand U.S. trade secret regulation, there must be a basic understanding of the competing interests and basic tenants of public policy that surround the creation of such regulation. Trade secret regulation seeks to address four main goals.

First and foremost among the policy considerations is the importance of maintaining a sense of morality and good faith on the part of modern companies. 25 To accomplish this goal, trade secret law attempts to discourage the unethical collection of trade secrets by implementing punishment provisions aimed at those who engage in unethical practices, such as free riding. 26 However, it allows a company to keep information, which otherwise would be classified as a trade secret, if the company obtained the information through proper means such as reverse engineering. 27 The law's method of regulating such activity forces companies to engage in a cost-benefit analysis when they consider attempting to gain trade secret information through improper means. By making the costs higher than the benefit, the law forces companies to make the "moral" choice.

The second aspect of public policy is the desire to encourage innovation. 28 Development of innovations can be time consuming and expensive. "If [companies] cannot be assured that they will profit or gain competitive advantage by exploiting their innovations, ... then they are without an economic motivation to innovate in the first

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24. For an in-depth discussion of the need for the federalization of trade secret law in the United States, see Lao, supra note 18, at 1633.
26. See id. at 846.
27. See id.; see also E.I. duPont deNemours & Co. v. Christopher, 431 F.2d 1012, 1017 (5th Cir. 1970) (deciding that aerial photographs of a duPont plant under construction were not proper means); BARRETT, supra note 20, at 66 ("If the defendant's (or its source's) means of obtaining the trade secret are 'proper,' and there is no duty of confidentiality, the defendant is free to use or disclose the trade secret with impunity.").
instance."\(^2\) Trade secret law dispenses with the need for companies to create their own costly means of preventing the misappropriation of the secret and allows enhanced profit making opportunities.\(^3\) In addition, the regulation "enables an inventor to maintain the secrecy of new technologies or business methods during the early stages of development and commercialization."\(^4\)

Third, trade secret law seeks to protect an employee's freedom to move and change jobs as needed. "[N]o restrictions should fetter an employee's right to apply to his own best advantage the skills and knowledge acquired by the overall experience of his previous employment."\(^5\) Therefore, trade secret law attempts to prohibit employees from using information that is unique to the trade.\(^6\) However, this area of protection can become extremely complicated when the line between confidential information and general employee knowledge becomes blurred.\(^7\)

Finally, there is the interest of society in maintaining a free market in order to allow the best possible innovations to be created.\(^8\) In order to have this free market, there must be some sharing of information between rival innovators. Trade secret law attempts to address this problem in the same way it deals with the employee movement issue. That is, the law attempts to limit protection only to what is truly novel.\(^9\) In doing this, the law may still encourage improvements on existing innovations.

\(^{29}\) Id. at 847.
\(^{30}\) See id. at 848.
\(^{31}\) Id. at 849.
\(^{32}\) Jim W. Miller Constr., Inc. v. Schaefer, 298 N.W.2d 455, 459 (Minn. 1980) (quoting Reed, Roberts Assoc., Inc. v. Strauman, 353 N.E.2d 590, 593 (N.Y. 1976)).
\(^{33}\) See Unikel, supra note 25, at 850.
\(^{34}\) This is often an issue when the information involved is a customer list, sales technique, or a business plan. See Fleming Sales Co. v. Bailey, 611 F. Supp. 507 (N.D. Ill. 1985) (at issue was a customer list, which defendants claimed was not a trade secret because the information could be derived from other sources). See also Pepsico, Inc. v. Redmond, 54 F.3d 1262 (7th Cir. 1995) (at issue was a detailed marketing and business plan of which employee had knowledge when he began employment with a competitor).
\(^{35}\) See Unikel, supra note 25, at 850.
\(^{36}\) See id.
B. Key Elements of U.S. Trade Secret Regulation

1. The Use Requirement

One issue that often arises in trade secret litigation is the concept of use. For those states that have adopted the UTSA, the requirement that an idea or innovation actually be put to use by its holder before it can become a trade secret is not present. Under the UTSA, an innovation qualifies as a trade secret if it “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use....” However, this “economic value” standard seems hard to determine. Comment b to section 757 of the Restatement of Torts states that the original holder’s use of the innovation is what qualifies it as a trade secret. Despite the fact that the Restatement (Second) of Torts has been replaced by the Restatement (Third) of Unfair Competition, section 757 continues to influence interpretation of the UTSA, and this interpretation is reflected in the case law. In the relevant case law, decisions have essentially been made on a case by case basis, with some courts finding a use requirement while others have not. In general, the basic rule may be that “in many instances information of ‘negative value’ may be used, to commercial advantage, in business. A preliminary idea or notion, defining a desired result but not concretely achieving it or commencing to achieve it, is not a trade secret.”

37. UNIF. TRADE SECRETS ACT § 1(4)(i) (as amended 1985).
38. RESTATEMENT OF TORTS § 757 (1939).
39. BARRETT, supra note 20, at 36-37.
40. See MILGRIM, supra note 16, at 1.137.
41. See Heatbath Corp. v. Ifkovits, 254 N.E.2d 139, 142-43 (Ill. App. Ct. 1969) (concluding that information was protectable, even though it was in the public domain, because the employer had spent considerable time creating individual formulas for each customer); see also Ferroline Corp. v. Gen. Aniline & Film Corp., 207 F. 2d 912, 921 (7th Cir. 1953) (concluding that use requirement was satisfied when the innovation was not currently in use but had been before). But see Victor Chem. Works v. Iliff, 132 N.E. 806, 812 (Ill. 1921) (requiring plaintiff to show it was using the manufacturing process in question in addition to proving that the process was in fact a trade secret).
42. MILGRIM, supra note 16, at 1-144-45.
2. The Secrecy Requirement

Although it may seem to go without saying, a trade secret must be information that is in fact a secret. It is this secrecy from which the information derives value. Whether a piece of information is adequately secret is a question of fact left for determination by the trier of fact, and it is this piece of information that may determine whether an innovation is deemed worthy of trade secret status.

An innovation will not meet the secrecy requirement if it is considered to be a part of the public domain. This leaves open the question of what exactly is considered to be in the public domain. It is well accepted that items of common knowledge are not protectable, but the line blurs in other matters. However, the general rule remains that secrecy must be present in order for trade secret protection to be present.

3. Efforts Required of the Trade Secret Holder

In order for a trade secret to be utilized and turned into a profit making enterprise, it is necessary for the holder of the secret to reveal that secret to others. However, the holder is still obligated to prevent the information from being released into the public domain or into the hands of competitors. This is another issue for the trier of fact to determine in the course of litigation. In examining this issue, the trier of fact is looking to see whether the efforts taken to maintain the secrecy of the information were reasonable considering the entirety of the circumstances. The efforts must be sufficient under the circumstances to minimize the probability of the unauthorized use of the secret. Factors that a court may examine when determining reasonableness include: extent of notice to

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43. See id. at 1-152-53.
44. See id. at 1-152-53.
45. See id. at 1-156.
48. MILGRIM, supra note 16, at 1-164.
49. See Mason v. Jack Daniel Distillery, 518 So. 2d 130, 133 (Ala. Civ. App. 1987) (concluding plaintiff had been in possession of a valid trade secret partly because of his efforts to keep the drink formula secret).
employees that the information is secret, the nature of posted warnings about the information's secrecy, extent to which visitors are restricted from viewing certain areas, and methods of keeping documents secret. On the other hand, courts have not typically found that a holder of a trade secret must use every possible precaution to protect the secret regardless of how costly the measure. The standard draws the line at only what is reasonable.

It is important to note that the reasonableness standard is a sliding scale and may change with time. With the advance of modern technology, measures that may have been considered reasonable in the past may be outmoded. Particularly, "[t]he age of the Internet...may alter the analysis of whether a trade secret holder has truly taken 'reasonable efforts' to protect the information." Thus, it is important for holders of trade secrets to be mindful not only of what is reasonable, but also of what is reasonable at that particular time in light of current technology.

4. What Constitutes the Loss of a Trade Secret

American courts generally agree that the loss of trade secret status involves the unprotected disclosure of a trade secret into the public domain. "Since secrecy is a requisite element of a trade secret, it follows that unprotected disclosure of the secret will terminate that element and, at least prospectively, forfeit the trade secret status." However, courts do differ on what exactly constitutes unprotected disclosure. Most commonly, secrecy is lost through certain types of sale, display or circularization of goods that embody the trade secret. It is important to examine the case law in each jurisdiction to determine what may be considered an unprotected disclosure.

Reverse engineering is another way for an item to lose its trade secret status. Both the relevant Restatement provisions as well as the UTSA provide that good faith reverse engineering is acceptable. In fact, "[s]ection 1(4) states that in order to be protected, information must 'not be readily ascertainable by proper means.'... Thus,
information obtained by a competitor by reverse engineering is not protected under the Act.\textsuperscript{59} Again, it is important to examine the case law in the relevant jurisdiction in order to determine what actions taken under the guise of reverse engineering will be considered acceptable.

5. Obligations of Third Party Recipients of Secret Information

Third parties are divided into those who received the secret information directly from the plaintiff and those who received the information from an intermediate source other than the plaintiff.

The liability of third parties that are the recipients of the information from an intermediate source hinges upon whether the third party had notice that the item was, in fact, a trade secret. "To be liable under either the Restatement or the Uniform Act, persons obtaining a trade secret through an intermediate source . . . must have notice, or reason to know, that the information is a trade secret and was obtained or is being disclosed through improper conduct or a breach of confidence."\textsuperscript{60}

The liability of a third party who receives the information directly from the plaintiff also depends on whether the third party had notice of the fact that the information was a trade secret.\textsuperscript{61} Most situations where this is an issue involve a new employer who has hired the employee with the trade secret knowledge. Therefore, it is not easy to show whether there was notice of the item's trade secret status.

C. Trade Secret Issues in the American Employment Relationship

Many trade secret disputes involve an employee who has received the information in the course of his or her employment.\textsuperscript{62} An employee may obtain such information directly from the employer, or the secret may be an innovation the employee discovered during employment.\textsuperscript{63} In order to compare the American

\textsuperscript{60} BARRETT, supra note 20, at 46.
\textsuperscript{61} See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 40 (1995); see also UNIF. TRADE SECRETS ACT § 2(ii)(b) (1985).
\textsuperscript{62} See W. Med. Consultants, Inc. v. Johnson, 80 F.3d 1331 (9th Cir. 1996) (presenting case where former employee used information about clients and business location to start her own company to compete with the former employer).
\textsuperscript{63} In re Innovative Constr. Sys. Inc., 793 F.2d 875 (7th Cir. 1986) (holding defendant, a former plant manager, guilty of misappropriation and breach of
and the Irish systems, it will be helpful to provide a brief overview of some of the common issues that arise in the American system.64

1. The Type of Employment Involved

Whether an employee is required to maintain the confidentiality of a trade secret involves a variety of factors. The first of which, as discussed above, is the effort the employer has taken to notify the employee of the secrecy of the information and to establish a system to prevent outsiders from viewing the information.65 Also important is the status of the employee within the company.66 Although level of skill and compensation may not be a foolproof indicator, high level employees may have a higher duty of secrecy than low level employees.67 As a result, when examining the facts of a case, it is prudent to take note of the type of employment involved.

2. The Doctrine of Inevitable Disclosure

Often, subject matter that the employer considers to be a trade secret may be viewed by the employee as merely part of his or her general knowledge.68 This problem requires courts to distinguish between these two points of view. In such a situation it may be impossible for an employee to refrain from utilizing the information in question at his or her new place of employment. This concept, referred to as the "Doctrine of Inevitable Disclosure," states that in some situations, an employee will be unable to work at his or her new job while at the same time keeping the information in question a secret.69

64. A potentially infinite number of issues can arise in such litigation, and only the most common ones are discussed here.


66. See In re Innovative Constr. Sys., 793 F. 2d at 875 (finding liable an employee who had held the high level position of plant manager); see also Frontier Corp. v. Telco Communications Group, Inc., 965 F. Supp. 1200 (S.D. Ind. 1997) (rejecting defense argument that former employees held only low level positions, which should impose less of a duty than if they had been high level employees).

67. See In re Innovative Constr. Sys., 793 F. 2d at 875.


This doctrine places an extreme burden on the employee and may effect his or her freedom to move from job to job. As a result, the courts have been careful in their rulings in such cases. In some jurisdictions, when revealing a trade secret would be inevitable, an injunction may be issued to prevent that secret from being revealed.70 “However, in order to procure injunctive relief in such a situation, the plaintiff must go well beyond the apprehension of improper use of its trade secrets by its former employees.”71 As a result, a person leaving one employer to work for a competitor will not automatically be subject to an injunction under the inevitability doctrine. It should also be noted that California does not yet allow trade secret protection based on the doctrine of inevitability.72

3. Implied Non-Disclosure Agreements

While an employee is employed, he or she is under a duty not to reveal his or her employer’s trade secrets to those not authorized to have the information. This duty of loyalty is considered an implied non-disclosure agreement between the employer and the employee.73 The employees who hold this knowledge are then required to keep this information secret in future employment situations.74 Although this sort of implied agreement exists, it is usually in the best interest of the employer to execute express non-disclosure agreements with employees to whom he or she conveys precious trade secrets.75

4. Express Non-Disclosure Agreements

Express non-disclosure agreements may take a variety of forms. Such agreements may be “[a]t the minimalist extreme, a promise by the employee not to use or disclose; at the other extreme, a restriction on the types of competitive activity where the threat of unauthorized use or disclosure would most likely arise.”76 Many employers argue

71. MILGRIM, supra note 16, § 5.48.
72. Bayer Corp. v. Roche Molecular Sys., Inc., 72 F. Supp. 2d 1111 (N.D. Cal. 1999) (“The theory of ‘inevitable disclosure’ is not the law in California and, at trial, plaintiff will have to demonstrate actual use or disclosure, or actual threat thereof.”).
73. MILGRIM, supra note 16, § 5.02.
74. Pepsico, Inc. v. Redmond, 54 F.3d 1262 (7th Cir. 1995).
75. See MILGRIM, supra note 16, §5.02.
76. Id. § 6.01.
that a non-disclosure agreement may be enforceable regardless of the subject matter sought to be protected. However, "[c]ourts have indicated . . . that non-disclosure agreements that unreasonably restrain competition or unduly hinder an individual from pursuing his chosen livelihood will be unenforceable. Courts are unlikely to permit parties to do by non-disclosure contract what they are prohibited from doing by covenant not to compete." Express non-disclosure agreements, however, are generally enforceable.

III. The Irish Legal System

In order to understand the relevant aspects of Irish trade secret regulation and the policy behind those laws, it is helpful to understand the legal system in Ireland and the institutions that make up that system. When American companies find themselves in a situation in Ireland, it may be helpful to know exactly whom to call and what the legal system of the country looks like.

As in the United States, the Irish legal system is a common law system. Ireland was the first country colonized by the Normans after England. As a result, Irish case law is almost identical to the common law of England, and English case law has persuasive value in Irish courts. Ireland and the United States share some common law insofar as the United States may rely on case law dated before the establishment of U.S. courts. In addition, the two countries may rely on the same cases for persuasive value.

Ireland divides the legal profession into two distinct groups, solicitors and barristers, with each group performing separate and distinct functions. In general, solicitors are directly involved with the public and dispense day to day legal information and advice to clients. Barristers, on the other hand, may only become involved in a legal matter when recommended or approached by a solicitor. In terms easily understood by American lawyers, solicitors are roughly equivalent to transactional attorneys while barristers could be compared to litigators.

With modernization and a booming economy there has been a

77. BARRETT, supra note 20, at 61.
79. Id. at 20.
80. See id.
81. Id. at 47.
82. Id.
significant increase in the number of solicitors in Ireland.\footnote{See id. at 51 (the Report into Restrictive Practices in the Legal Profession, in FAIR TRADE COMMISSION REPORT 80 (1990), shows the number of solicitors in Ireland increased from 1,335 in 1960 to 3,422 in 1989, and the Law Society of Ireland's report indicates there were 4,000 solicitors by 1995).} While solicitors are not limited to the practice of any particular type of law, most solicitors stay away from the advocacy law of court rooms and concentrate on the areas of wills and conveyancing (wills and trusts).\footnote{See Byrne, supra note 78, at 55.} As a result of the Courts Act of 1971, solicitors have the same right to appear in any of Ireland's courts as barristers.\footnote{Id. at 57 (the Courts Act of 1971 was enacted to address the rigidity of the court system in Ireland and to give legal professionals more opportunities).} However, most solicitors choose to refer these cases to barristers and assist at trial with non-adversarial tasks.\footnote{See id. at 56.}

Barristers, whose main task is courtroom litigation, have increased in numbers over the past twenty years.\footnote{See Byrne, supra note 78, at 56.} In the past, barristers were absolutely prohibited from receiving instructions or inquiries for service from anyone other than a solicitor and "once a barrister received instructions from a solicitor, he or she was obliged to accept the instructions unless it was in an area in which the barrister had no previous experience or expertise."\footnote{Id. at 58 (the Report into Restrictive Practices in the Legal Profession, in FAIR TRADE COMMISSION REPORT 80 (1990), shows the numbers of barristers in Ireland increasing from 217 in 1968 to 722 in 1989, and the Bar Council of Ireland's report indicates there were just under 900 barristers in 1996).} This ban is currently in flux and the Fair Trade Commission has recommended allowing barristers to accept instructions directly from clients with the option of insisting that a solicitor be brought in on the matter.\footnote{Byrne, supra note 78, at 62.} This change has been met with opposition and barristers are still not entitled to take instruction from the public.\footnote{Id. at 63.}

Articles 34 through 38 of the Constitution of Ireland\footnote{See id.} contain provisions establishing a national court system. However, the system as it exists today was not in place until the Courts Act (Establishment and Constitution) of 1961.\footnote{See Byrne, supra note 78, at 78.} The Irish court system consists of five

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83. See id. at 51 (the Report into Restrictive Practices in the Legal Profession, in FAIR TRADE COMMISSION REPORT 80 (1990), shows the number of solicitors in Ireland increased from 1,335 in 1960 to 3,422 in 1989, and the Law Society of Ireland's report indicates there were 4,000 solicitors by 1995).
84. See Byrne, supra note 78, at 55.
85. Id. at 57 (the Courts Act of 1971 was enacted to address the rigidity of the court system in Ireland and to give legal professionals more opportunities).
86. See id. at 56.
87. See id. at 58 (the Report into Restrictive Practices in the Legal Profession, in FAIR TRADE COMMISSION REPORT 80 (1990), shows the numbers of barristers in Ireland increasing from 217 in 1968 to 722 in 1989, and the Bar Council of Ireland's report indicates there were just under 900 barristers in 1996).
88. Byrne, supra note 78, at 62.
89. Id. at 63.
90. See id.
91. In Gaelic, the other national language of Ireland, the document is entitled Bunreacht na hEireann.
92. For a discussion of the interplay between the two legislative acts that established these five courts, see Byrne, supra note 78, at 80.
courts: the Supreme Court, the Court of Criminal Appeal, the High Court, the Circuit Court, and the District Court.\textsuperscript{93}

The High Court and the Supreme Court are the only courts mentioned by name in the Constitution.\textsuperscript{94} These two courts perform a similar function to that of American courts in that they have the power of judicial review. However, they differ in this respect as well in that the Irish court’s powers of judicial review are specifically stated in the country’s Constitution,\textsuperscript{95} while the American version was established by the courts themselves.\textsuperscript{96} The High Court has a wide range of jurisdiction\textsuperscript{97} as well as the authority to determine the constitutionality of laws.\textsuperscript{98} The Supreme Court is then given appellate jurisdiction over all cases from the High Court and other courts as well.\textsuperscript{99}

The lower three courts are also provided for in the Constitution.\textsuperscript{100} However, these are not referred to by name like the higher courts. Accordingly, the court system has not granted these courts such sweeping jurisdiction as the higher courts enjoy:

Of course, the courts envisaged by Article 34.3.4 cannot be conferred with the “full” jurisdiction already reserved for the High Court and the Supreme Court. The use of the words “local and limited” indicate that there should be a geographical limit on the jurisdiction of a District Court or a Circuit Court judge and that the

\textsuperscript{93} Id.

\textsuperscript{94} “The Courts shall comprise Courts of the First Instance and a Court of Final Appeal. The Courts of First Instance shall include a High Court invested with full original jurisdiction in and power to determine all matters and questions whether of law or fact, civil or criminal. . . . The Court of Final Appeal shall be called the Supreme Court.” IR. CONST. art. 34.2.4.

\textsuperscript{95} “Save as otherwise provided by this Article, the jurisdiction of the High Court shall extend to the question of validity of any law having regard to the provisions of this Constitution, and no such question shall be raised . . . in any Court established under this or any other Article of this Constitution other than the High Court or the Supreme Court.” IR. CONST. art. 34.3.2.

\textsuperscript{96} “It is emphatically the province and duty of the judicial department to say what the law is.” Marbury v. Madison, 5 U.S. (1 Cranch) 137, 177 (1803).

\textsuperscript{97} BYRNE, supra note 78, at 88.

\textsuperscript{98} Id. at 89.

\textsuperscript{99} “The Supreme Court shall, with such exceptions and subject to regulations as may be prescribed by law, have appellate jurisdiction from all decisions of the High Court, and shall also have appellate jurisdiction from such decisions of other courts as may be prescribed below.” IR. CONST. art. 34.4.1.

\textsuperscript{100} “The Courts of the First Instance shall also include Courts of local and limited jurisdiction with a right of appeal as determined by law.” IR. CONST. art. 34.3.4.
nature of the cases (whether civil or criminal) would be relatively less serious than those in the High Court.\textsuperscript{101}

As a result of this analysis, the lower courts have been referred to as "Creatures of Legislation" because they only have the power that statutes grant to them.\textsuperscript{102}

IV. Trade Secret Law in Ireland\textsuperscript{103}

The main sources of Irish trade secret regulation\textsuperscript{104} are the Irish Competition Acts of 1991 and 1996\textsuperscript{105} as well as case law in contract and equitable intervention.\textsuperscript{106} When a non-disclosure agreement is at issue, the Irish Competition Acts are used to deem contracts unenforceable agreements that have the effect of stifling competition.\textsuperscript{107}

When a trade secret is revealed without the authorization of the holder and there is no contract requiring secrecy, the injured party may have a cause of action for breach of confidence in the Irish courts. If the misappropriation is done in an employment context, there may be other causes of action available to the employer. The breach of confidence claim is the most common and is therefore the main subject of this analysis. Case law has created three elements required for a successful prosecution of this cause of action.

(1) The confider must establish that the information which he imparted had the necessary "quality of confidence" about it. As such, he must prove that the information divulged was not "in the public domain," but rather the information was...
"inaccessible" to the public, and had thus attained a sufficient level of secrecy to be worthy of protection.

(2) The confider must establish that the confidential information was disclosed in circumstances imposing an obligation on the confidant to use the information for a limited purpose only.

(3) Having established that the information has the necessary quality of confidence and that such information was imparted in circumstances imposing an obligation of confidence, the confider must show that the confidant has breached such obligation and has made an unauthorized use of the information by using it for a purpose other than that for which it was intended.108

All of these elements must be present for a successful cause of action in breach of confidence.

A. Public Policy Behind Irish Trade Secret Law

The main public policy concern in Irish trade secret law is the need for the continuation of the currently growing economy. In order to prevent stagnation of an economy, innovation is necessary. For innovation to result, companies need to have incentives to commit resources to research and development.109 Providing protection to companies that hold valuable trade secrets makes the companies feel secure in the knowledge that if their secrets are revealed, they will have a remedy in the courts.110 Those companies are then encouraged to continue with further research and development to create new technology and products, which perpetuates the current success of the competitive marketplace.111

The main competing public policy concern in Irish commercial secret regulation is that of employee rights. Of particular concern is the right of the employee to move from job to job notwithstanding his or her knowledge of the former employer's trade secrets. Such knowledge gives him or her the ability to remain effective in an industry, even though that secret information was entrusted to the employee by a former employer.112 "It is arguable ... that the breach

108. These requirements were first set out in an English case but are now used in Ireland. See Coco v. A.N. Clark (Engineers) Ltd., [1969] R.P.C. 41 (Ch. 1968).
110. See id.
111. See id. at 5.
of confidence action has developed in a way which takes account of these competing interests of competition and confidentiality protection, and balances them in a very fair way." In doing this, the law requires the former employee to distinguish information that may be classified as a trade secret from that which is merely acquired skill and general knowledge. In making this determination, the employee is required to keep trade secret information in confidence but is free to use his or her general knowledge in future employment. Although it is often hard for the employee to separate these two categories of information, the concept shows that public policy recognizes the worker's interest and tries to reconcile that interest with that of the need for a company's right to secrecy.

Another policy consideration is that of the overall morality needed in the business world. In attempting to achieve this, Irish trade secret regulation makes the blatant theft of secret information a criminal offense. However, the law makes it perfectly legal for a competitor to appropriate a secret through honest means. Honest means include the discovery of a competitor's trade secret through independent research and development as well as through "reverse engineering" of a competitor's product. In creating this distinction, Irish trade secret law avoids what is referred to as the "springboard doctrine." This doctrine describes a situation where a competitor uses a misappropriated trade secret to "spring" forward in the market with new innovations built directly off of the previously secret information. In allowing discovery through honest means, Irish laws are able to strike a balance between another set of competing interests: the need for new innovation and the need for original holders of the trade secret to reap some benefit from the secret.

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113. LAVERY, supra note 105, at 6.
114. See id. at 6-7.
115. See id. at 7.
116. See the third element of a breach of confidence claim. BYRNE, supra note 78 and accompanying text.
117. See LAVERY, supra note 105, at 6.
118. Id.
119. This concept was first introduced in an Irish patent case. See Terrapin Ltd. v. Builders Supply Co. (Hayes), [1967] R.P.C. 375; see also House of Spring Gardens Ltd. v. Point Blank Ltd., [1984] I.R. 611 (Ir. H. Ct.).
B. Key Elements of Irish Trade Secret Law

Based on the first element of the action for breach of confidence, the basic definition of a commercial secret is that the information must have a necessary "quality of confidence" in that it is "inaccessible" to the public.\textsuperscript{123} What is required to have that "quality of confidence" is discussed below.

1. The Secrecy Requirement

First and foremost, a piece of information may not be considered a trade secret unless it is in fact a secret. As a result, it cannot be a matter that is in the public domain or one that is considered common knowledge. To be considered a part of the public domain, the information must be widely known to the section of the public that has an interest in knowing it.\textsuperscript{121}

Another factor contributing to the finding that information is secret is inaccessibility.\textsuperscript{122} "[I]n the commercial sphere, information will be regarded as confidential where some special labours would be required in order to reproduce that information."\textsuperscript{123} Therefore, if the only ways for a competitor to acquire the information in question are through illegal misappropriation, independent research and development, or reverse engineering, then that piece of information may be considered confidential. If this is the case, then the information cannot be considered to be in the public domain and is deemed secret.

2. What Constitutes Termination of Secrecy

The general rule for disclosure is that regardless of how information has entered the public domain, once it has entered this domain, it is no longer a secret and is therefore unprotectable.\textsuperscript{124} In some cases this may be done by publication. "Whether a publication of information will be such as to destroy confidentiality will depend on the facts of the case, the type of publication made and the nature

\textsuperscript{120} Supra note 108 and accompanying text (the first element of breach of confidence claim).
\textsuperscript{122} See Lavery, supra note 105, at 59-63.
\textsuperscript{123} Id. at 59.
\textsuperscript{124} See Phillips, supra note 106.
of the industry within which such publication is made.\textsuperscript{125} Indeed, in some cases, limited disclosures made in trade publications will not be considered to be an entry of the information into the public domain.\textsuperscript{126} The factors that may contribute to the loss of secrecy may be the type of publication, the extent of information that was revealed, the typical competitiveness of a specific industry, etc.\textsuperscript{127} "However, . . . once it is proved that there is a publication such that the relevant public know all the details of the information, there can be no further protection given through the breach of confidence action."\textsuperscript{128}

Although the trade secret may never be considered secret again, sometimes a temporary injunction may be granted to prevent a competitor who has obtained the information illegally from gaining an unfair advantage from future innovations based on the original secret.\textsuperscript{129}

3. Third Party Obligations

A third party who receives information that is supposed to be secret may be subject to liability based on principles of equity.\textsuperscript{130}

[T]he concept of third party liability has . . . allowed employers to restrain competitors from using information disclosed to them in a breach of confidence by the employers' former employees, and has allowed the originators of commercial ideas to prevent third party recipients from using such ideas, after they had been disclosed to them by erring confidants with whom the confiders had entered into business negotiations.\textsuperscript{131}

The cases involving third party liability are divided into three categories based on whether the third party: (1) had actual knowledge that the information was secret, (2) had constructive knowledge of the secret, or (3) was merely an innocent receiver.

If a third party is proven to have had actual knowledge that the information he or she received is, in fact, a commercial secret, he or she will be liable under a cause of action for breach of confidence for any disclosure or use he or she makes of that information.\textsuperscript{132} In such a

\textsuperscript{125} LAVERY, supra note 105, at 71-72.
\textsuperscript{126} See id. at 72.
\textsuperscript{127} See id. at 69-73.
\textsuperscript{128} Id. at 73.
\textsuperscript{129} See PHILLIPS, supra note 106.
\textsuperscript{130} LAVERY, supra note 105, at 121.
\textsuperscript{131} Id. at 122.
\textsuperscript{132} Id. at 123.
case, injunctions may be granted to keep the third party from using the information to his or her advantage.\textsuperscript{133} That a third party had constructive knowledge of the confidentiality of the received information may also open the third party to liability. However, there is little Irish case law discussing this issue. "It is submitted, however, that an Irish court, when forced to decide on the issue, would probably favour constructive knowledge as a basis of imposing an obligation of confidence."\textsuperscript{134}

If the third party is an innocent receiver of information that is deemed confidential, then he or she will not be liable for his or her use or dissemination of that information.\textsuperscript{135} The standard for determining innocent receipt is that of reasonableness. In other words, the third party's lack of knowledge must be reasonable in the eyes of the law.\textsuperscript{136} Although the innocent third party will not be liable for damages, he or she may be enjoined from using the information in a way that would harm the prior holder. As a result, the innocent third party might not derive any benefit from their innocent acquisition.\textsuperscript{137} In doing this, the law gives the information back to the previous owner and deprives the innocent receiver of the information.

\textbf{C. Trade Secret Law in the Irish Employment Relationship}

Trade secret protection in connection with an employment relationship differs slightly from the general trade secret regulation in Ireland.\textsuperscript{138} However, the policy and ultimate goal of the two areas are remarkably similar. "When determining whether trade secret protection is warranted, courts must strike a balance between the conflicting social policies of freedom of contract, business ethics and private economic freedom."\textsuperscript{139} This section will discuss how the courts attempt to achieve this balance in the employment setting.

\textit{1. Information that is Protectable}

Irish courts have been careful to distinguish between trade secrets and an employee's general knowledge. The general rule is

\begin{enumerate}
\item \textsuperscript{133} Id. at 124 (citing Liquid Vaneer Co. v. Scott, 29 R.P.C. 639 (1912)).
\item \textsuperscript{134} Id. at 126.
\item \textsuperscript{135} Id. at 127.
\item \textsuperscript{136} See id.
\item \textsuperscript{137} See id.
\item \textsuperscript{138} See id. at 145.
\item \textsuperscript{139} Id. at 149 (quoting Laura Wheeler, \textit{Trade Secrets and the Skilled Employee in the Computer Industry}, 61 WASH. U. L.Q. 823 (1983)).
\end{enumerate}
that the body of information that constitutes an employee's acquired skill and basic knowledge in the art will not be protected, while those pieces of information that are unique to the employer and not generally known to competitors will be protected.\textsuperscript{140} However, it is seldom easy to distinguish between these two types of information, and judges use a relatively established body of law consisting of common law concepts and the few Irish cases to help them in their decisions.\textsuperscript{141}

As a result of this body of law, information in such disputes can basically be classified into three different areas. First, disputes may involve information that is genuinely given in confidence by the employer to the employee.\textsuperscript{142} Such information could include a secret process for producing a product or a detailed customer list created by the employer and given to the employee in the course of his or her employment.\textsuperscript{143}

Second, disputes may involve information which, although acquired by the employee as a direct result of his or her employment, may also be acquired by investigation of information that is readily available to the public.\textsuperscript{144} It could be argued that such information could have been acquired by the employee at any place of employment in that particular industry. Finally, disputes may involve information that is considered to be an element of the employee's general knowledge. One court described such information as those facts that the employee "could not help acquiring."\textsuperscript{145} However, there have been found "specific trade secrets so confidential that, even though they may necessarily have been learned by heart, and even though the servant may have left the service, they cannot lawfully be used for anyone's benefit but the master's."\textsuperscript{146}

2. The Nine Factors to Determine Trade Secret Status

In examining what constitutes a trade secret in an employment context, the Irish courts have historically taken into account nine different factors.\textsuperscript{147}

\textsuperscript{140} See id.
\textsuperscript{141} See id.
\textsuperscript{142} See id. at 151 (quoting Wessex Dairies v. Smith, 2 K.B. 80, 89 (1935)).
\textsuperscript{143} See id. (citing E. Worsley & Co. v. Cooper, [1939] 1 All E.R. 290).
\textsuperscript{144} See id. at 150 (quoting Faccenda Chicken Ltd. v. Fowler, [1985] F.S.R. 105).
\textsuperscript{145} Id. (quoting Faccenda Chicken Ltd. v. Fowler, [1985] F.S.R. 105).
\textsuperscript{146} Id. at 151 (quoting Wessex Dairies v. Smith, [1935] 2 K.B. 80, 89).
\textsuperscript{147} See id. at 156.
First, the nature of the employment at issue may be considered. Irish courts recognize that some types of employees come in contact with sensitive information more regularly than others.\(^\text{148}\) This may be due to the tasks that come with the position or the level of the employee.

Next, courts may examine the nature of the information that is being given to the employee.\(^\text{149}\) In general, "secret processes of manufacture or scientific formulae for use in medicinal or other commercial products are more likely to be regarded as trade secrets capable of... protection than generalized bodies of information that are more likely to be regarded as part of an employee's skill and knowledge."\(^\text{150}\)

The third factor includes the measures taken by the employer to let the employee know that the information was confidential. This shows that the law may have sympathy for those employers who are proactive in protecting their trade secrets.\(^\text{151}\)

Next are the measures an employer has taken to keep the information secret from the general public and from employees not authorized to know the information. If the employer took reasonable efforts to keep information secret, this will be favorable for him or her in litigation.

Fifth, courts may consider whether the information for which the employer is requesting protection is distinguishable from information that is not protectable.\(^\text{152}\) This factor is based on the presumption that, in order to be granted protection, an employee must know exactly what information will be protected.\(^\text{153}\) The decision on this element is made using a reasonable person test.\(^\text{154}\)

Next is the extent to which the information in question is known in the industry. This factor is used for two reasons. First, if the information is known to an employer's competitors, it may be

\(^{148}\) See Meadox Meds. Inc. v. V.P.I. Ltd., unreported, Q.B. (1982) (holding that engineers in a company were deemed to possess information classified as a trade secret).

\(^{149}\) See Lavery, supra note 105, at 160.

\(^{150}\) Id. (quoting Meadox Meds. Inc. v. V.P.I. Ltd.).

\(^{151}\) See House of Spring Gardens v. Point Blank Ltd., [1984] I.R. 611 (Ir. H. Ct.) (examining case where inventor of a revolutionary type of bullet-proof vest revealed the trade secret to his business partner but had kept the information secret otherwise).

\(^{152}\) See Lavery, supra note 105, at 168.

\(^{153}\) See id.

\(^{154}\) See id.
considered to be in the public domain. Second, "even if the information is not classified as being in the public domain, the fact that it is known to some competitors may suggest that it represents the general skill and knowledge of the industry rather than the specific, identifiable trade secrets of an individual firm."\(^{155}\)

Seventh, the value of the information in question may be considered. If the information is valuable to the employer it may effect the court’s analysis of the other factors on this list. For example, if the information is extremely valuable, a court may not be very sympathetic if the employer did not take strong precautions to protect the information.

The next factor that may be taken into account is the ease or difficulty of duplicating the information in question. "If a competitor does not go to the trouble of independently learning the information, but instead used the confidential information of the confider, he circumvents the necessary special labours and gains an unfair headstart. This factor therefore highlights whether information is confidential or in the public domain."\(^{156}\)

Finally, courts consider whether the information in question is easily memorized by the former employee.\(^ {157}\) If such information is easily memorized, it may suggest that the information should be considered part of the employee’s general knowledge.\(^ {158}\)

These nine factors should be viewed as a balancing test where no single factor is determinative. In fact, not all of the factors will apply in every case. However, the list of factors can serve as a road map for judges who must make very fine points of distinction.

V. The Effect of TRIPS and Ireland’s Membership in the European Union

During the Uruguay Round of multilateral treaty negotiations under GATT, a new treaty regarding intellectual property was put into place. This agreement was called the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS).\(^ {159}\) TRIPS was enacted with relatively

\(^{155}\) Id. at 171.
\(^{156}\) Id. at 175.
\(^{157}\) See id.
\(^{158}\) See id.
\(^{159}\) Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex
little difficulty because current members had to agree to the terms of TRIPS in order to remain a member of the World Trade Organization.

Article 39 of TRIPS is devoted to the topic of trade secrets and both the United States and Ireland are signatories of the treaty. Under TRIPS, a trade secret is defined as a piece of information that is:

(a) not generally known or readily accessible to persons within the circles that normally deal with the kind of information in question;

(b) has commercial value because it is secret; and

(c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.\(^\text{160}\)

Although it is clear from the above discussion of the two countries' laws that both Ireland and the United States provide more than required by TRIPS, it is comforting for American companies to know they are entitled to at least the TRIPS level of trade secret protection in Ireland.

Ireland is also a member of the European Union and subject to the provisions of the Treaty of Rome.\(^\text{161}\) Article 85 of the Treaty "renders void any agreement or concerted undertaking between parties that has as its object or effect the prevention, restriction or distortion of competition within the EC or a substantial part of it."\(^\text{162}\) This must be taken into consideration when drafting employee non-disclosure and non-competition agreements.

VI. Comparison of Irish and American Trade Secret Regulation

When comparing Irish and American trade secret laws, one sees many similarities and relatively few differences. This section will flesh out those similarities and differences in order for practitioners to be aware of how their companies can be effected by Ireland's laws.

\(^{160}\) Id. at art. 39(2).

\(^{161}\) See PHILLIPS, supra note 106, § 12.05.

\(^{162}\) Id.
A. Similarities

Both countries agree that the information at issue must be, in fact, a secret. As a part of this determination, each country believes that information cannot be a secret if it is present in the public domain. In addition, both countries examine the concept of inaccessibility as evidence of that information's secrecy status.

Both countries also recognize some level of the use requirement concept. In the United States, some cases have required use of the trade secret but others have not. In the states that have adopted the UTSA, however, there does not appear to be a use requirement. In researching Irish case law, the term "use requirement" is not used. However, there is evidence that the concept does exist and could be used in an argument. Because one of the nine factors the Irish courts use to determine trade secret status is the extent to which that piece of information holds monetary value for the holder, one could probably argue that a secret that is not in use is not valuable and is therefore not a valid trade secret. Although this concept is plausible, there is little evidence to suggest that Irish courts have taken such a concept into consideration.

Additionally, both countries require employers to take adequate precautions both when revealing the secret to employees who need the information as well as when keeping that information out of the hands of those who should not have it. In the United States, the courts use a standard of reasonableness when evaluating the appropriateness of the employer's actions. In Ireland, the standard also seems to be what is reasonable under the circumstances.

163. For Ireland's view on the subject, see House of Spring Gardens Ltd. v. Point Blank Ltd., [1984] I.R. 611 (Ir. H. Ct.) ("[I]nformation, to be confidential, must ... have the necessary quality of confidence about it, namely, it must not be something that is public property and public knowledge."). For America's view, see supra note 42 and accompanying text.

164. For an example of the United States approach, see Fleming Sales Co. v. Bailey, 611 F. Supp. 507 (N.D. Ill. 1985), where customer lists that could be compiled from the yellow pages and magazines were deemed accessible to the former employee and therefore not secret enough to be considered a trade secret. In Ireland, the general rule is if the only way to obtain the information is through reverse engineering, extensive research or misappropriation, then the information probably possesses the requisite amount of secrecy. See discussion supra Part IV.B.1.

165. See supra note 41.

166. See discussion supra Part II.B.3 for American requirements and Part IV.C.2 for Irish requirements.

167. See discussion supra Part II.B.3 for American standards and Part IV.C.2 for Irish standards.
both countries, an employer who does not take appropriate action to protect his or her secret information may be in danger of losing the trade secret status.

Both countries also tend to agree on what constitutes the loss of a trade secret. Each country recognizes reverse engineering as a legal way to discover a competitor’s trade secret. In addition, both countries acknowledge that a secret may be lost through certain types of publication, sale, display or circulation of the confidential information. This shows that practitioners need to be extremely careful when the companies they represent endeavor to market a product containing the trade secret.

In determining the liability of third parties, both countries look to the level of culpability of that third party. In determining culpability, the courts examine whether the third party had notice that the information was the proprietary secret of another. As a remedy for illegal misappropriation, both countries allow injunctions to prevent the third party from benefiting from that information.

Both countries recognize that non-disclosure agreements are a valid method of protecting a company’s secret. However, in the United States, attorneys must carefully draft such agreements so as not to “unreasonably restrain competition or unduly hinder an individual from pursuing his chosen livelihood.” Likewise, in Ireland such agreements must be drafted in accordance with the Treaty of Rome and the Irish Competition Acts.

Finally, Ireland’s nine point balancing test used to determine the existence of a trade secret contains concepts that are also found in American law. However, Ireland’s test specifically singles out the monetary value of the trade secret as well as how distinguishable the trade secret is from information that is not secret. These two concepts have not seen as much attention in American law. It logically follows that Irish courts may place more of an emphasis on

168. See discussion supra Part II.B.4 for American views on reverse engineering and Part VI.B.2 for the Irish perspective.
169. See discussion supra Part II.B.4 for the American standards and Part IV.B.1 for the Irish standards.
170. See discussion supra Part II.B.5 for the American process and Section IV.B.3 for the Irish process.
171. See supra note 70 and accompanying text.
173. See supra Part IV.C.2 for discussion of the nine factors.
these factors than American courts.

B. Differences

The first and most obvious difference between the two bodies of laws are the sources of those laws. The American system derives its regulations from the Restatement (third) of Unfair Competition and the UTSA. Indeed, in those thirty-nine states that have adopted the Uniform Act, there exists a clear body of statutes for courts to follow. In Ireland, however, there is a mixture of sources, namely case law regarding contract and equitable intervention as well as Article 85 of the Treaty of Rome. The effect of this difference is that the outcome of a matter may not be as predictable in Ireland as it would be in the United States.

Additionally, there seems to be a difference in the public policy reasons each country finds as the justification for trade secret regulation. While they both cite the same four main policy considerations, the hierarchy of the considerations differs. For example, much of the American case law suggests that the need for a moral corporate environment is of the utmost importance. While the other reasons are also mentioned, the morality issue is emphasized constantly. Ireland, on the other hand, seems to emphasize the need to continue free trade and perpetuate the country's growing economy. While a moral corporate environment is important, Ireland seems reluctant to sacrifice economic growth for minor slips in morality.

In terms of the doctrine of inevitability, the United States is still struggling with the validity of the concept and the conflicts it presents with employees' interest in job mobility. Although this concept has not been published in Irish case law, it is probably safe to assume that such a concept would be in violation of Ireland's obligations under Article 85 of the Treaty of Rome in that it may be seen to restrict competition. The Irish Competition Acts may also have the same effect in a purely domestic dispute.

174. See supra Part II for discussion of sources of American trade secret law.
175. See supra Part II for discussion of these statutes.
176. PHILLIPS, supra note 106, § 12.05.
177. See supra Part II.A for American public policy behind trade secret laws.
178. See supra Part IV.A for Irish public policy behind trade secret laws.
VII. Suggestions for American Attorneys Faced with Trade Secret Protection Issues in Ireland

When American companies establish branches or subsidiaries in foreign countries, it is important that a company be aware of any foreign laws that may affect them. The best way to do this is to retain counsel in that country. In fact, many American attorneys feel "local counsel is essential for effective management and execution of legal transactions in foreign jurisdictions." The same is true for the protection of trade secrets. While American attorneys can be familiar with the laws of Ireland, such knowledge is a far second to the advantages of retaining Irish counsel. Not only will Irish solicitors be more familiar with the law of the country, but they have access to areas of the legal system that foreign lawyers could not gain instantly. Indeed, Irish representation may be required because while EU law "provide[s] that any lawyer qualified in an EC Member State has the right of audience in the courts," there is no such regulation regarding American attorneys.

While Irish counsel will be able to direct a company as to the best course of action, only the company itself is intimately familiar with its product. As a result, it is important for the in-house counsel to understand enough about Irish trade secret regulations and the legal system itself to ask the right questions and assist the Irish counsel in providing the best possible legal advice.

As discussed in previous sections, Ireland and the United States are both common law systems with relatively similar bodies of trade secret law. As a result, the actions a company takes to protect its trade secrets will also be similar. First, the American company will need to determine if its confidential information can qualify as a trade secret under Irish law. In doing this, the company must determine whether the concept would be considered part of the public domain and what level of inaccessibility the secret possesses. The company

179. This is by no means a complete practice guide. Rather, through her research, the author has been able to make some suggestions that may be helpful in the area.

180. Interview with Joseph Phair, Corporate Vice President Administration, General Counsel and Secretary, Varian Medical Systems, Inc., Palo Alto, Cal. (Mar. 5, 2000).

181. BYRNE, supra note 78, at 76.

182. See supra Part III for comparison of Irish and American legal systems.
should keep in mind the extent to which the information has been published and made available to the average person knowledgeable in the field.

Next, the company must consider whether the information, once revealed to an employee could be considered part of his or her general knowledge upon termination of the employment relationship. Although this is hard to determine without the precise facts of the case, it is still a topic worthy of attention.

Next, the company must decide which actions it will take to keep the information secret. Action should be taken in four main areas: the method of relaying the information to employees who need it; the method of informing those employees that the information is considered a trade secret; the method of keeping the information secret from employees who do not need it as well as from those outside the company; and the method of distinguishing information that is secret from that which is not.  

When relaying the information to those employees who need it, the companies should strongly consider creating non-disclosure agreements that the employees must sign before the secret is revealed. However, in drafting this agreement, the attorney must be extremely careful to create an agreement that will be upheld under the Treaty of Rome and the Irish Competition Acts. If this is not done, the agreement will be unenforceable and the secret could be revealed. The non-disclosure agreement also performs the function of informing the employee that the information is, in fact, a secret. This notice to the employee may be a key factor should litigation be needed.

Companies should then be careful not to reveal the secret to employees who do not need the information. Because Ireland uses the same reasonable person standard as the United States when examining the actions of the employer, the company does not have to use every means possible to protect the secret. However, it may be prudent to err on the side of caution when designing a plan for the protection of the secret.

Finally, the company should define what exactly makes the secret distinguishable from non-secret information. With this sort of information at its fingertips, the company may take action on a moment's notice when a trade secret is on the verge of being revealed.

183. See supra Part IV.C.2 for discussion of factors that Irish courts find important.
While it is impossible to conceive of every possible situation that could arise in terms of trade secret issues, it is important to create a body of information at the company's disposal. In the event of a problem, the appropriate actions can be taken and the company may be able to avoid the potentially disastrous situation of losing proprietary rights in a trade secret.

VIII. Conclusion

In a world of rapidly advancing technology, an advantage one company has over a competitor may mean the difference between success and failure. This advantage may come in the form of a trade secret. The protection of these secrets becomes no less important when the company expands its business abroad. As a result, it is extremely important for American companies to be familiar with foreign trade secret laws.

Ireland has become a very popular country for high-tech American companies. Therefore, an understanding of Irish trade secret laws is crucial for attorneys practicing in the high-tech sector. While American and Irish trade secret regulations are strikingly similar, there are some important differences that must be recognized. The hiring of Irish counsel will help protect an American company's interests abroad. However, the company's American counsel should also know enough about the two bodies of law to be able to ask the right questions and assure the proper issues are addressed.