
William L. O'Brien

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TRADE SECRET RECLAMATION: AN EQUITABLE APPROACH IN A RELATIVE WORLD

WILLIAM L. O’BRIENT†

I. INTRODUCTION

Clients often come to their corporate or licensing lawyers after those clients have had some success either as a start-up or following the introduction of a technology product and at that point discuss the history of the technology that serves as the foundation of their efforts. Based on these narratives, counsel sometimes will learn that due to business needs or the development history of the technology, classifying the technology as trade secrets may best protect the proprietary nature of aspects of the technology or, in fact, that trade secret law affords the only possible intellectual property protection. These histories, however, will often also include accounts of marketing or investment disclosures, perhaps even presentations at investors’ conferences or general demonstrations to prospective customers, that, under a traditional, property-oriented analysis of trade secrets, make the continued existence of confidentiality difficult to defend and then only pursuant to ambiguous assertions of an implied obligation of confidentiality. Among licensing counsel especially, this dilemma presents itself continually: have activities with regard to presenting or marketing a technology, the value of which may only arise out of it being defined at least in part as a trade secret, caused its secrecy to be lost and, if so, can the “trade secret” status be reclaimed? A legal resolution of that dilemma that leaves technology, which the market would recognize and rely upon as valuable, without proprietary protections is both contrary to general expectations and defeats the expansion of business opportunities.

This commentary, by focusing as a starting point on the concept of trade secret recapture as a solution to this dilemma, first determines that a reliance on strict property analysis of trade secrets is misplaced.

† William L. O’Brien is a May, 2003 candidate for an LL.M. degree in Intellectual Property, Commerce and Technology at Franklin Pierce Law Center in Concord, New Hampshire. He is Vice President and General Counsel at Availant, Incorporated of Waltham, Massachusetts. E-mail: wobrien@availant.com.
Based on this conclusion, it further suggests an analysis and approach that both return to the principles underlying trade secret law and allow this area of the law to fulfill both societal and market expectations. This review and analysis is presented in several sections, starting with a presentation of the issue in the context of the definitional sources of trade secret protection, continuing with an analysis of the dilemma presented by these definitions and concluding with a proposal that is based upon a more practical recognition of the relative nature of trade secret confidentiality and the equitable basis for identifying and protecting trade secrets.

II. ANALYSIS

A. Sources of Trade Secret Definitions and the Extent to Which Each Definition Recognizes Secrecy is Relative

As one court remarked in a 1983 decision, "[t]here is a labyrinth of law concerning trade secrets and unfair competition."1 This maze has not become more decipherable or its dead-ends less apparent over the years following that observation. Indeed, the varying sources of trade secret law have multiplied with the publication of additional commentaries and legislative enactments. Moreover, the complexity of the issues has advanced further as the importance of intellectual property that cannot be categorized in one of the federal statutory schemes for intellectual property has grown, or at least become more recognized. Thus, starting from a common law, or state decisional law basis, we now have a number of judicial, statutory and quasi-statutory definitional sources for trade secrets.

Among the latter sources for defining trade secrets are found in The American Law Institute's often cited 1939 Restatement (First) of Torts and 1995 Restatement (Third) of the Law of Unfair Competition.2 The relevant language of 1939 Restatement assumes the existence of a trade secret and then imposes liability for the unprivileged disclosure or use of that trade secret upon a showing of one of the following: (i) the secret was discovered by improper means; (ii) disclosure constitutes a breach of confidence; (iii) knowledge of the secret came from improper means or breach of a duty by another; or (iv) it is known to be secret and knowledge of the secret came as a result of a mistake.3 With regard to the necessity of secrecy, the drafters of this earlier restatement did not impose an absolute requirement of concealment; rather they expressly required merely "a substantial element of secrecy" such that proper

2. Restatement (First) of Torts § 757 (1939).
3. Id.
acquisition of it would be “difficult.”

The factors cited by the commentators to the *Restatement (First) of Torts* as being relevant to the existence of this secrecy are: (i) the extent to which the information is known outside of the owner's business; (ii) the extent to which it is known by employees and others involved in the owner's business; (iii) the extent of measures taken by the owner to guard the secrecy of the information; (iv) the value of the information to the owner and to the owner's competitors; (v) the amount of effort or money expended by the owner in developing the information; and (vi) the ease or difficulty with which the information could be properly acquired or duplicated by others. Those factors continue to this day to the foundation of judicial analysis in this area. Reviewing these factors demonstrates that the drafters of the 1939 *Restatement* considered secrecy to be a relative concept, the existence of which in any particular circumstance is dependent to a large extent on considerations of fairness to the putative trade secret owner. Courts, in deciding whether the existence of a trade secret has been proven, often consider these factors. It continues to be important to consider the extent to which the information is known outside of the owner's business, how much effort was taken to maintain the secrecy of the information, the business value of the information and the cost of developing the information, in order to confirm the existence of a trade secret.

Rather than listing factors to be considered as pertinent to finding a trade secret in a comment to the language of the relevant section, the drafters of the *Restatement (Third) of Unfair Competition* explicitly defined trade secrets as encompassing certain elements. They did so, however, in language that expressly recognized that it was not merely information that is absolutely confidential or unknown that is protected, thus reaching substantially the same result on this issue as their predecessors from the first half of the twentieth century. Under the language of § 39 to the 1995 *Restatement (Third) of Unfair Competition*, information that is used commercially and “that is sufficiently valuable and secret to afford an actual or potential economic advantage” is a trade secret. The bright-line definition suggested by this language from § 39

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4. *Id.* at cmt. b.
5. *Id.* (adding as a seventh factor the defendant's actions in obtaining the information, for “[t]he protection is merely against breach of faith and reprehensible means of learning another’s secret”).
6. *Thin Film Lab, Inc. v. Comito*, 218 F. Supp. 2d 513, 520 (S.D.N.Y. 2002) (stating a coating formula used by former employee and his new company not a trade secret; information that is readily ascertainable from non-confidential sources cannot be trade secrets).
7. *See e.g.* *Pyromatics*, 7 Ohio App. 3d at 134.
8. *Restatement (First) of Torts* § 757 cmt. b.
was somewhat dulled however in the comments to the section. In those comments, the drafters essentially turned to the half-century old language of the 1939 *Restatement (First) of Torts* by stating that factors such as value, secrecy and definiteness of information, as well as the “nature of the defendant’s misconduct” must be considered in determining if information is a trade secret. Nonetheless, whether under their language in § 39 or in their incorporation of those factors relevant to finding sufficient secrecy listed in the comment to the *Restatement (First) of Torts*, the drafters of the *Restatement (Third) of Unfair Competition* not only recognized the relative nature of the necessary confidentiality underlying protectable trade secrets, but also demonstrated that they clearly understood that the answer to a question of what information was sufficiently secret and therefore worthy of protection, turned on the comparative merits of the parties’ conduct.

In more recent judicial decisions, the most widely quoted definition of a trade secret is likely to be drawn from the *Uniform Trade Secrets Act* (“UTSA”), which was initially adopted by The National Conference of Commissioners on Uniform State Laws in 1979, and thereafter amended by that organization in 1985. In § 1 of the UTSA, a trade secret is defined simply as information that derives economic value from not being known or readily ascertainable by proper means from others who can gain such value by use or disclosure, so long as reasonable efforts have been used to maintain the secrecy of such information. Courts have correctly recognized that this definition does not require absolute secrecy, but rather that measures to maintain confidentiality must be reasonable. Thus, in its choice of language and as its approach has been judicially construed, the UTSA has adopted both the equitable considerations of the *Restatement (First) of Torts*, as well as that earlier commentary’s recognition of the relative nature of confidentiality, in determining the existence of trade secrets worthy of protection.

The language of the UTSA, and therefore that of the 1939 *Restatement of Torts*, have found further expression in the federal Economic Es-

10. *Restatement (Third) of Unfair Competition* § 39 cmt. d; see also id. at cmt. f, which more explicitly returns to the factors outline in *Restatement (First) of Torts* § 757 cmt. b.
13. See e.g. *Thin Film Lab, Inc.*, 218 F. Supp. 2d at 520 (stating that only a substantial element of secrecy need exist); see also 1 Roger M. Milgrim, *Milgrim on Trade Secrets* § 1.07[2] (1998) (stating that “[t]he prevailing . . . school is that secrecy need be but relative”).
The Economic Espionage Act of 1996. The Economic Espionage Act adopts the UTSA's focus on the economic value of the information being considered for trade secret status and the reasonableness of the efforts to preserve the confidentiality of that information. In that sense, the Economic Espionage Act puts itself into the mainstream of statutory and quasi-statutory analysis of the basis of trade secret protection, which is that the existence and scope of trade secrets are founded on equitable considerations.

B. JUDICIAL TRENDS AND THE POLICY CONSIDERATIONS UNDERLYING THE RELATIVE NATURE OF SECRECY REQUIREMENTS

While these definitional sources existing in uniform laws, as well as legislative enactments, provide fairly clear guidance as to what trade secrets deserve protections and under what circumstances they are to be protected, not surprisingly given the fact specific nature of these inquiries, court decisions on this issue are less clear. In fact, on the issue of defining secrecy sufficient to support trade secret protection, and despite the language of the Restatements and the statutory enactments of the UTSA, some courts have introduced a "property" as contrasted with an "equitable" analysis to determine the existence of a trade secret. This former approach, a perspective that views trade secret misappropriation...

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17. There also exist various other statutory enactments, mostly in the form of criminal statutes that define “trade secrets” for the purpose of establishing crimes for their misappropriation. A brief review of these laws suggests a less careful or nuanced consideration of the requirement of secrecy. For example, in Texas, the secrecy requirement is not expressed in the statutory language; rather the statute requires that the trade secret merely has to be certain scientific or technical information of value for which the owner has sought to prevent access by others. See generally Peterson, 507 PLI/Pat 351 (1998). In Massachusetts, by contrast, there is a secrecy requirement expressed in its statute defining trade secrets that could be the subject of criminal misappropriation, however the extent of that secrecy, that is whether it is secrecy from all the world except the owner or secrecy from some more limited group, is not suggested in the statutory language. See M.G.L. ch. 266, § 30(4).
18. See Ed Nowogroski Insurance, Inc. v. Rucker, 137 Wash. 2d 427, 436 (1999) (stating that “determination in a given case whether specific information is a trade secret is a factual question”).
19. Thus, the comment in the prefatory note to the UTSA explaining that state trade secret law has not developed satisfactorily and arguing a need for clear, uniform trade secret protection. See generally Unif. Trade Secrets Act, supra n. 11.
20. See e.g. Group One, Ltd. v. Hallmark Cards, Inc., 254 F.3d 1041, 1045, 1051-52 (Fed. Cir. 2001) (applying pre-UTSA Missouri law, the court “glean[ed] from the law” that the Missouri Supreme Court would adopt a property theory of trade secret law).
21. Beyond the scope of this article is the extent to which a trade secret should be considered “property” once its existence is confirmed. Noting such concepts as the assignability of a trade secret, that a trade secret may be the res of a trust, and that a trade secret...
tion as an encroachment of a property right, appears to take the factors enunciated by the comment to § 757 in the Restatement (First) of Torts and apply those factors as elements, the proof of which is necessary to find a property interest.\textsuperscript{22}

To the extent there exists a doctrinal dispute as to whether trade secrets are best defined under "equitable" or "property" theories, the existence of this dispute appears to arise out of a discomfort on the part of some courts in either or both defining what will be thought of as property based on ephemeral considerations of equity, and imposing expectations of confidentiality outside of an employment or other contractual relationship. In such decisions there appears to be a desire on the part of the courts to first find a property interest outside of the context of the parties' actions, much as one would when defining rights to tangible property. Only when a property interest is found will those courts then seek to determine whether the defendant has encroached on that property right. Thus, we even find one court stating that, "[t]he starting place in every case [of trade secret misappropriation] is not whether there was a confidential relationship, but whether, in fact, there was a trade secret to be misappropriated."\textsuperscript{23}

An analysis by which one would seek to identify a trade secret as if it were a tangible item of property that merely needs to be discovered to be protected is divorced from the rationale that gives rise to the recognition and protection of trade secrets. It allows a trade secret to exist out of context and without sufficient justification, and only then asks whether the trade secret is worthy of protection. Thereafter, in a similarly myopic inquiry, it would seek to limit the answer to that question of whether protection is warranted to looking only to the defendant's actions.

The effect of such a "property law" oriented perspective in attempting to resolve the hypothetical lawyer's dilemma outlined initially in this commentary would be to become overly concerned with the concept of property rights being "lost" or "abandoned."\textsuperscript{24} This is where the U.S. Court of Appeals for the Fourth Circuit found itself recently in consider-

\textsuperscript{22} See \textit{Ruckelshaus v. Monsanto Co.}, 467 U.S. 986, 1002-04 (1984) (citing and quoting \textit{E.I. du Pont de Nemours Powder Co. v. Masland}, 244 U.S. 100, 102 (1917)); \textit{Monolith Portland Midwest Co. v. Kaiser Aluminum & Chemical Corp.}, 407 F.2d 288, 293 (9th Cir. 1969) (stating "California does not treat trade secrets as if they were property").

\textsuperscript{23} See \textit{e.g. Kodekey Elecs., Inc. v. Mechanex Co.}, 486 F.2d 449, 455 (10th Cir. 1973);
\textit{ElectorCraft Corp. v. Controlled Motion, Inc.}, 332 N.W.2d 890, 900 (Minn. 1983).

\textsuperscript{24} \textit{Hoechst Diafoil Co. v. Nan Ya Plastics Co.}, 174 F.3d 411, 411-415 (4th Cir. 1999).
ing whether the unsealing in court records of a document containing confidential information about polyester film filed in court to enforce trade secret rights automatically destroyed the trade secret status of that information.\textsuperscript{25} The defendant, a competitor of the developer of this unique polyester film, had obtained such information by paying a faithless former employee of the plaintiff, but later learned of the unsealed court record.\textsuperscript{26} Based on the facts of the case it is a fairly evident conclusion that societal expectations based on the equitable conduct of the parties and the actual continued confidentiality of the information outside of the defendant's wrongdoing would have easily led to a holding that the information remained a trade secret and the defendant's wrongful acts in misappropriating that trade secret should be sanctioned by allowing the plaintiff to recover its losses. However, in applying South Carolina law, the Fourth Circuit appeared compelled to analyze the continued existence of the trade secret from a property perspective of whether the item of property had been "lost."\textsuperscript{27} Wrestling with a likely result from this approach that would have been unsatisfactory, the court resolved the issue by just pronouncing that for public policy reasons it was not going to hold such a loss or abandonment by a trade secret's owner, no matter how real, to require a finding that the information's status as a trade secret was likewise lost.\textsuperscript{28} Instead the court merely declared, based on public policy considerations, the continued existence of the trade secret.\textsuperscript{29}

A more straightforward approach for the \textit{Hoechst} court and one that would have been better grounded both in terms of societal expectations and judicial holdings as to the purposes of trade secret law, would have been to apply those factors first set forth in comment b to § 757 of the \textit{Restatement (First) of Torts}, and carried forward into the language and application of the UTSA.\textsuperscript{30} From that perspective, the inquiry merely would have been whether, in the context of the prior handling of the information, the information retained its commercial value and therefore existed as a trade secret, the wrongful acquisition of which by the defendant would allow recovery against the defendant.

In an earlier decision that also likely does not meet business expectations as to the continued value of commercial information or societal expectations as to the appropriateness of the business behavior, the First Circuit, apparently construing New Hampshire law, effectively held that a business owner who "accidentally" left his dealers list in his competi-

\textsuperscript{25} Id. at 418.
\textsuperscript{26} Id.
\textsuperscript{27} Id. at 418-19.
\textsuperscript{28} Id.
\textsuperscript{29} Id.
\textsuperscript{30} \textit{Restatement (First) of Torts} § 757 cmt. b.
tor's store had lost this "property" to the use of his competitor. As a matter of law, and without regard to whether societal norms would regard the use of the opportune discovery to be either honorable or worthy of protection, and therefore promotion, the court held that accidental loss of this property to a competitor destroys trade secret status.

While, of course, the existence of a trade secret is a matter defined by the laws of the individual states, to avoid conflicts preemption by federal patent laws, these state laws need be compatible with the purposes of patent law. The Supreme Court, in its 1974 decision in *Kewanee Oil Co. v. Bicron*, found this compatibility. While the *Kewanee* court holding was narrow in the sense that it merely dealt with Ohio trade secret law and the court's construction of trade secret law can be asserted to be so limited, the context of the decision, which was whether the underlying purposes and the consequences of Ohio's trade secret law allowed that law to avoid federal preemption, infuses greater significance in the Supreme Court's finding as to the purposes, and, therefore, the viability of Ohio's trade secret law. Where the Supreme Court opined as to the equitable purposes of the trade secret law and found those purposes, and therefore the Ohio trade secret laws, interacted in a compatible manner with the patent laws, its observations and opinion have acquired an importance, and precedential value, beyond that usually afforded a federal court attempting interpretation of state law. Thus, the purposes outlined by the *Kewanee* court are not merely of academic interest in the sense that it is an important court expounding on a limited issue. Presumably, other states' trade secret laws also will have to pass the same muster as those of Ohio and be found to have the same intent and consequences to avoid preemption. Because the Supreme Court cited these equitable considerations in upholding Ohio's trade secret laws, its conclusion is of great importance in understanding why an equitable analysis of the threshold questions of whether a trade secret exists or has been maintained is of great consequence. Thus, the *Kewanee* decision stands as a clear indication that we should avoid trying to put the round peg of trade secret definition into the square hole of traditional property law.

32. *Id.* The court in *Fisher Stoves* did note as well that there was evidence that the list was accessible to anyone who would ask the plaintiff, however there is no indication that this evidence led to a finding by the court or a jury determination in the lower court that such information was so accessible. *Id.*
34. *Id.* at 479 (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)). "The question of whether the trade secret law of Ohio is void under the Supremacy Clause involves a consideration of whether that law 'stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.'" *Id.*
35. *Id.* at 483.
analysis. To adopt such a property law analysis may well invite federal preemption. It certainly would ignore the valuable teaching of the Supreme Court as to the proper role of trade secret law.

As indicated, the *Kewanee* court noted two fundamental purposes or policies of trade secret law: "t[he maintenance of standards of commercial ethics and the encouragement of invention]." These principles are compatible with the Restatements of Law defining trade secrets and inevitably lead to the conclusion that the determination of a trade secret's existence or, in the case of trade secret "recapture," whether a trade secret remains viable, needs to be judged by reference to factors that seek to define ethical business dealings, and should not rest on whether there has been the technical existence or loss of a property interest. Given the importance of the *Kewanee* decision in carving a permissible scope for state trade secret law, and thus avoiding federal preemption, any definitional effort with regard to trade secrets should take care to address those purposes.

C. A Common Sense Rule for Trade Secret Recapture

It is tempting to say that the definition – indeed, the very existence – of a trade secret is simply defined by the words that are constituent to the term itself. There must be some manner of trade, i.e., a commercial nexus, and there must be a secret. It is really beyond dispute that such a simple definition is entirely sufficient with regard to the need to show a commercial relationship. This mandatory connection to commercial or economic activity has remained a constant in the various pronouncements of the standards governing trade secret law.

It is certainly not true, however, that the existence of a secret is likewise such an absolute prerequisite. Many examples exist that show that the secrecy requirement of a protectable trade secret is not only relative, but in some scenarios comes close to the apparent paradox of not even being necessary. For example, trade secret protection has been held to

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36. *Id.* at 481.

37. The absolute nature of the trade or commercial requirement - the business nexus - can be easily understood when one considers the fact that trade secret law is now acknowledged to arise out of the law of unfair competition, and not, for a possible example, some law of unfair gossip. *Restatement (Third) of Unfair Competition* §§ 39-46 (1995). With regard to such breaches of social confidentiality, ample and longstanding sources of remedy appear to exist where needed in the laws, and resulting civil actions, governing defamation, privacy and trespass. *See e.g.* W. Prosser, *Law of Torts* 637-39 (2d ed. 1955) (defining the tort of invasion of privacy).

38. *See Restatement (First) of Torts* § 757 cmt. b. Thus the drafters of an earlier effort to state a comprehensive theory of trade secret law recognized by way of example that a businessman breaking into his competitor's safe to procure the love letters of his errant spouse commits no violation of § 757 until he puts to business use the secret commercial information he serendipitously finds during his heart-broken journey.
persist even when the underlying secrecy has been lost, where the defendant has caused such loss.\textsuperscript{39}

The relative nature of the secrecy requirement is confirmed in other contexts. Depending on what source one might turn to in seeking a definition, it has been held that even where they may be actual confidentiality, there may be no trade secret protection where less than reasonable efforts have been used to maintain that confidentiality.\textsuperscript{40} Likewise, there may be no protection where the confidential information could be reproduced or discovered by another without undue effort, however well-established its confidentiality is in fact and however valuable that information is in a commercial context.\textsuperscript{41}

The relative nature of the secrecy requirement finds rationale and consistency, and thus avoids producing arbitrary results, in a fundamental policy underlying the need to define and protect trade secrets. The law of trade secrets is a direct reflection of principles of business ethics.\textsuperscript{42} It is an expression of the mores governing and seeking to establish the outer bounds of permissible commercial behavior, at least in the arena involving the use of valued information between or among competitors. Thus, the subsidiary inquiry as to whether there is “sufficient” secrecy to find a protected trade secret is truly an inquiry into what actions and omissions of both the would-be trade secret owner and the putative interloper we, as a society, wish to promote, tolerate or sanction. While the inquiry can seem as ambiguous and imprecise as trying to determine business ethics itself, it is nonetheless as important as the necessity to promote business ethics in general, and certainly possible based on existing statutory and case law. In the context of prior disclosure of confidential information, the inquiry properly should not be whether a trade secret has been lost and now may be recaptured. Rather the inquiry should be whether business ethics would seek to limit the competitive use of such information and, if so, whether the opportunity still exists to do so. It is not sufficient to argue that such an analysis is too ill-defined and speculative, and a more prosaic approach is required. The goal of defining and enforcing acceptable behavior is no less fundamental or elusive in this context than in other areas of the law. Neither is it sufficient to say that such a standard would be too equivocal to be either useful or predictive. To the contrary, the hope should be that standards would evolve to reflect a growing expectation of business ethics.

\textsuperscript{39} Goldberg v. Medtronic, Inc., 686 F.2d 1219, 1228 (7th Cir. 1982).

\textsuperscript{40} See e.g. Rockwell Graphic Systems Inc. v. DEV Industries, Inc., 925 F.2d 174, 178-79 (7th Cir. 1991).

\textsuperscript{41} Water Services, Inc. v. Tesco Chemicals, Inc., 410 F.2d 163, 172 (5th Cir. 1969).

A court called upon to define the boundaries of trade secrets must balance the ethical and innovative purposes of trade secret law together with a policy of not unnecessarily inhibiting competition. The test should not be premised on whether a property interest per se has come into existence or has been maintained. Each scenario should be approached from the perspective of whether commercial ethics are being promoted, inventions encouraged, and reasonable expectations concerning business investments, as evidenced by efforts to maintain useful information as confidential, are being respected.

Returning then to the hypothetical lawyer's dilemma, in seeking to answer the question whether a trade secret that has been presented generally to an investors’ conference or that has been discussed in some depth with prospective customers, remains in existence, or thereafter can be resurrected, the answer ought to promote the policies supporting trade secret law. Trade secret status ought to be found when societal expectations of commercial ethics and market expectations of competition would place a value on the continued protection of the information as proprietary. If there is evidence that such information remains valuable to the presenter and generally confidential, the factual inquiry then should be whether ethical considerations would dictate its continued status as a trade secret.

III. CONCLUSION

Incorporating the goals of promoting innovation and securing reasonable expectations concerning business investments that are commonly attributable to patents, but also reaching for a purpose that goes beyond those of encouraging invention and protecting for innovators the fruits of their labors, trade secret law seeks as well “to maintain and promote standards of commercial ethics and fair dealing.” It encourages these goals by looking both to “the conduct of the parties and the nature of the information.” These inquires, reflected in the six factors suggesting the existence of a trade secret that are outlined in comment

43. Fleming Sales Co., Inc. v. Bailey, 611 F. Supp. 507, 513-14 (N.D. Ill. 1985) (concluding easily obtainable customers lists do not fall within the definition of trade secrets under Indiana law); see also Salsbury Laboratories, Inc. v. Merieux Laboratories, Inc., 908 F.2d 706, 710 (11th Cir. 1990).

44. Levine v. Beckman, 48 Ohio App. 3d 24, 28 (Ohio App. 10th Dist. 1988).

45. Enterprise Leasing Co. of Phoenix v. Ehmke, 197 Ariz. 144, 151 (1999) (concluding the leasing company's financial records and customer service worksheet information were confidential and misappropriated by former senior-level manager).


to the 1939 *Restatement (First) of Torts*, effectively define the existence of a trade secret.\(^{48}\)

The appropriate test is one that addresses both societal and market expectations. It addresses societal expectation by asking what behavior do we seek to promote, and what behavior do we seek to avoid among or between competitors in dealing with information. Do we find it acceptable or within the permissible realm of vigorous competition when a competitor flies an airplane over another's partially constructed plant in order to appropriate valuable and otherwise secret information?\(^{49}\) Do we find it tolerable for another company to take advantage of the clearly inadvertent loss on its premises of a list of dealers?\(^{50}\)

This inquiry addresses market expectations by asking whether the market would continue to view the information as valuable due to its relative confidentiality. Thus, if the pictures of a competitor's construction site may be obtained through the use of publicly accessible satellites and the company's construction of a new plant is accessible to all, however reprehensible we may view a competitor's actual actions in accessing that information, trade secret loss cannot be established. Similarly, if one can obtain a competitor's dealer list by easily compiling the information from generally available sources or, indeed one can obtain that dealer list from the competitor by merely asking for it, market considerations would put little or no value on the compilation of such information and thus it would not be worthy of trade secret protection, however dishonorable we may think it to be to exploit a document inadvertently left on a company's premises.

These considerations of societal and market expectations suggest that the rule governing an issue such as trade secret recapture, or any issue that concerns the continued existence of trade secret status, ought to be premised on consideration of the factors listed sixty-three years ago in the commentary to the *Restatement (First) of Torts*. Those factors, however, ought to be understood as just that and no more or less. They are not elements that must be proven in order to establish the existence of a trade secret. They are inquiries needed to establish whether it is equitable to find both that trade secret status exists over certain information and a defendant ought to be held liable for the misappropriation and commercial use of such information. They are factual inquiries that

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\(^{48}\) See generally *Restatement (First) of Torts* § 757.

\(^{49}\) See generally E.I. du Pont de Nemours & Co. v. Christopher, 431 F.2d 1012, 1015 (5th Cir. 1970) (quoting *Hyde Corporation v. Huffines*, 158 Tex. 566, 580 (1958)) (constructing Texas law in a case of aerial, commercial espionage, the court stated, "the undoubted tendency of the law has been to recognize and enforce higher standards of commercial morality in the business world").

\(^{50}\) *Fisher Stoves*, 626 F.2d at 196 (concluding even a bona fide trade secret is not protected against discovery by fair means, including accidental disclosure).
in each instance where there is credible evidence should be submitted to
the fact finder. These inquiries should be the basis of a trade secret law
that is allowed to develop in a context of evolving standards of business
ethics.