New Federal Trade Secret Statute Requires Important Updates to Contracts

With the recent passage of the Defense of Trade Secrets Act (DTSA), businesses are welcoming the many benefits the statute brings, including federal jurisdiction, robust equitable relief, and the ability to recover compensatory damages, punitive damages, and attorneys' fees, according to a report by **Fisher & Phillips LLP**.

The article points out that many employers may overlook a requirement that requires revisions to existing confidentiality agreements and restrictive covenants.

"Namely, employers are required to provide employees with notice that they are entitled to immunity if they disclose a trade secret for the purpose of reporting suspected illegal conduct," writes **Michael R. Greco**. "If employers fail to give notice in the manner required by the DTSA, they will not be able to recover punitive damages or attorneys' fees. Consequently, employers must pay careful attention to the DTSA notification requirements, which are not as straightforward as many believe."

Read the article.