

New Federal Trade Secrets Law Contains A Hidden Trap



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, writes **Michael Greco** in Fisher Phillips' **Non-Compete and Trade Secrets blog**. However, in the midst of celebrating this new federal cause of action, many employers are overlooking a requirement embedded deep within the statute.

"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," he writes. "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."

He explains that "the immunity notification requirements of the DTSA are less than straightforward. If employers intend to avail themselves of the new federal cause of action, they should carefully analyze their agreements and policies to ensure compliance."

Read the article.