

President Obama Signs into Law the Federal Defend Trade Secrets Act

May 11, 2016

On May 11, 2016, President Barack Obama signed into law the federal Defend Trade Secrets Act (DTSA), creating federal court jurisdiction for trade secret claims. The DTSA aims to stem the rising economic costs of trade secret theft, address the difficulties of protecting trade secrets today given technological advances and globalization, and enhance uniformity in trade secret law and litigation. The DTSA will now apply to any trade secret misappropriation for which any act occurs on or after the DTSA's enactment. Accordingly, technology, life sciences and consumer products companies should prepare now for significant changes in how and where they pursue trade secret claims, and should also – proactively – ensure that they are properly protecting their trade secrets.

The DTSA promises profound changes because trade secret law has historically been the only major area of intellectual property law governed exclusively by the separate state law of all 50 states, rather than federal law as applied consistently across all federal courts. The DTSA provides for federal court jurisdiction, development of a new substantive body of federal trade secret law and a potentially potent ex parte seizure remedy that can stop the transport or destruction of stolen trade secrets.

Given the DTSA's significant implications for the intellectual property of Cooley's high-tech, life sciences and consumer products clients, Cooley partners Tony Stiegler and Adam Gershenson have been tracking the DTSA and its potential real-world consequences in a series of three articles, slated for publication in Inside Counsel. Read the first two articles which provided an overview of the act and its jurisdictional implications:

[Are They Going to Federalize Trade Secrets Law?](#)

[Trade Secret Bill Could Redefine Protection for Company Secrets](#)

The third article will detail the DTSA's provisions for ex parte seizures of stolen trade secrets. In addition, Tony and Adam, along with Cooley partner Greg Tenhoff, are hosting a webinar on June 7, 2016 to discuss the practical implications of the DTSA for your business and the proper means of protecting your trade secrets.

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