



A new legal framework for the protection of trade secrets

Law 1/2019, of 20 February, on Trade Secrets, came into force on 13 March 2019

The new Trade Secrets Law (TSL) transposes Directive 2016/943 into Spanish law. The TSL defines 'trade secret' as any technological, scientific, industrial, commercial, organisational or financial information or knowledge meeting all the following conditions: (i) is secret (in the sense that it is not generally known or readily accessible to persons who normally deal with said information or knowledge; (ii) has real or potential commercial value, precisely because of being secret; (iii) has been subject to reasonable steps to keep it secret by the person lawfully in control of such information or knowledge. For example, formulas, manufacturing processes, business forecasts, client lists, prices and costs can be considered as trade secrets.

Unlawful conducts

According to the TSL, the acquisition of trade secrets without the consent of the trade secret holder is considered to be unlawful when carried out by (i) unauthorized access to, appropriation of or copy of any document in any format containing the trade secret (or from which the trade secret can be deduced); or (ii) any other conduct which is contrary to honest market practices. Likewise, the use or disclosure of a trade secret is considered unlawful when carried out without the consent of the trade secret holder by a person who acquired the trade secret unlawfully or who is in breach of a confidentiality or similar agreement. Also, according to the TSL, the acquisition, use or disclosure of trade secrets is considered unlawful when a person, at the time of acquisition, use or disclosure, knew or

ought to have known that the trade secret had been obtained from another person who was using or disclosing the trade secret unlawfully. Finally, the marketing of products or services using a trade secret unlawfully obtained is prohibited under the TSL.

Defense of trade secrets

The following claims can be brought against those who have carried out unlawful conducts in connection with trade secrets: (i) infringement declaration; (ii) prohibitory injunction, (iii) delivery of documents containing or goods using the trade secrets, (iv) seizure of the infringing goods; (v) transfer of ownership of the infringing goods, (vi) compensation for damages and (vii) publication of the judgement. The party affected by the infringement has three-year period to exercise these claims.

On the other hand, the TSL includes several rules to protect confidentiality of information that can be considered as trade secret, which is provided or generated in a judicial process. For example, the number of persons having access to documents as well as the number of assistants to the hearings can be restricted. Also, a non-confidential version of the judgement can be published.

Finally, the TSL provides some rules that are applicable in case there is no agreement regulating how the potential ownership and transfer of trade secrets is managed, particularly if carried out by means of contractual licenses.