

Proposed Legislation Seeks to Expand Protection for Trade Secrets



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Yesterday, three **U.S. Senators** introduced the **Protecting American Trade Secrets and Innovation Act of 2012 (the Act)**. The legislation is aimed at reducing the billions of dollars lost each year to **trade secret theft** by providing U.S. companies an easier road to defending themselves against such economic espionage.

Currently, a company must file suit in state court and depend on individual state laws to compensate for its losses and injuries. The Act expands the legal options for victims by allowing them to bring civil lawsuits in federal court. Companies would then have the benefit of using the federal court system. Major trade secret cases often require tools more readily available in federal court such as nationwide service of process for subpoenas, discovery and witness depositions. In addition, for companies operating nationwide, a single federal statute is more efficient than navigating 50 different state laws.

The Act is not the first Senate bill introduced to address economic espionage. In 2011, **Senator Herb Kohl (D. Wis)**, also a sponsor of the Act, introduced the **Economic Espionage Penalty Enhancement Act of 2011**, which proposed to increase the penalties for those involved in economic espionage. This bill is still pending consideration by the full Senate. The House Judiciary Committee has also introduced a bipartisan version of the Espionage Penalty Act, H.R. 6029 that would

increase penalties for economic espionage.

Theft of a company's trade secrets, including client lists, technology, and product designs, threaten its ability to compete in the global marketplace. The senators are hopeful that the Act will help victims of economic espionage maintain their global competitive edge.

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