



Recent Threats to Global Trade Secret Protection: Why Compulsory Licensing Is Not (and Should Not Be) a Viable Legal Option

Eric M. Solovy and Deepak Raju

OCTOBER 2021

Recent Threats to Global Trade Secret Protection: Why Compulsory Licensing Is Not (and Should Not Be) a Viable Legal Option*

ERIC M. SOLOVY AND DEEPAK RAJU

I. Executive Summary

In the wake of the ongoing COVID-19 pandemic, several governments, academics, and non-governmental organizations (“NGOs”) have argued that intellectual property (“IP”) protection creates a barrier to rapid access to life-saving vaccines and therapeutics for COVID-19, particularly in developing countries. Among the types of IP protection in their sights is the subject of this policy brief—i.e., trade secrets. Although trade secrets are protected differently depending on the country in which they are held, at their core they constitute valuable information and technology that is not publicly known, and which the right holder has taken reasonable precautions to keep secret.

It is robust IP protection, including, *inter alia*, patents and trade secrets, that must be credited with incentivizing the development of the technologies (including, e.g., mRNA technology) that the biopharmaceutical industry has developed and utilized to deploy multiple highly effective vaccines and therapeutics in record time. And it is such IP protection that will be required to develop vaccines that keep up with the COVID-19 variants and to ultimately prepare for future pandemics. In signing onto the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”), the 164 Members of the World Trade Organization (“WTO”) have accepted the fundamental understanding that the “protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology.”¹ This is precisely what has happened in terms of development and distribution of vaccines and therapeutics for COVID-19. Thanks to hundreds of partnerships and collaborations among manufacturers around the world, it has been estimated that there will be 11 billion doses of COVID-19 vaccine available by the end of 2021.²

Although trade secrets are protected differently depending on the country in which they are held, at their core they constitute valuable information and technology that is not publicly known, and which the right holder has taken reasonable precautions to keep secret.

Several WTO Members have proposed that suppression of the COVID-19 pandemic requires a so-called “TRIPS Waiver,” which would (as initially proposed) provide discretion for WTO Members to forego most types of IP protection for COVID-19-related products and technologies, including trade secret protection.³ Perhaps in recognition of the difficulties of achieving consensus in the WTO on something as destructive to innovation as a “TRIPS Waiver,” and with an eye on the evolving COVID-19 situation, several academics and commentators have begun to advance the proposition that trade secrets are *currently* subject to very robust exceptions, including the possibility of compulsory licensing (i.e., requiring the right holder to share a trade secret against their own will). For example, they have argued that the TRIPS Agreement currently permits compulsory licensing of trade secrets, through which WTO Member governments could compel sharing of information related to COVID-19 vaccines and therapeutics.⁴ They also argue that the domestic laws of countries which have traditionally been proponents of strong global IP protection—including U.S., EU, and UK law—are amenable to broad compulsory licensing of trade secrets for reasons of public health.⁵

In this policy brief, we first set out the domestic and international policy justifications for robust protection

* This policy brief has been prepared for informational purposes only and does not constitute legal advice. This information is not intended to create, and the receipt of it does not constitute, a lawyer-client relationship. Readers should not act upon this without seeking advice from professional advisers. The content therein does not reflect the views of Sidley Austin, LLP.

In specifically highlighting the importance of trade secret protection for dissemination of technology from developed countries to developing countries, the United States thus anticipated back in 1989 one of the key issues currently being debated today, in 2021, in the context of the COVID-19 pandemic.

of trade secrets (**Section II**). We then explain why incorporating a compulsory licensing exception for undisclosed information would amount to re-writing the TRIPS Agreement (**Section III**), as well as domestic law (**Section IV**). Such a re-write would have important negative consequences for the protection of trade secrets, would significantly undermine the TRIPS disciplines on the matter, and would inject considerable uncertainty (as well as economic harm) for innovative industries which rely on such protection and to those who rely on those innovations, including for reasons of public health.

II. Public Policy Justifications for Protecting Trade Secret as an IP Right

Trade secret protection is understood globally to be a form of IP right that, like patent protection, has the objective of contributing to “promotion of technological innovation and to the transfer and dissemination of technology.”⁶ While trade secrets cannot be subject to any term limitations, unlike patents (i.e., patents must be protected, according to the TRIPS Agreement, for a minimum of twenty years from filing),⁷ they are necessarily protectable only for so long as they remain secret.

Article 39.1 of the TRIPS Agreement explicitly links protection of “undisclosed information in accordance with paragraph 2” with “effective protection against unfair competition as provided in Article 10*bis* of the Paris Convention (1967).” Article 10*bis* of the Paris Convention for the Protection of Industrial Property (Stockholm Act of the Convention of July 14, 1967) (“Paris Convention”), in turn, provides that “[a]ny act of competition contrary to honest practices in industrial or commercial matters

constitutes an act of unfair competition.”⁸ The reference to “contrary to honest practices” is replicated in Article 39.2 of the TRIPS Agreement, which is the key provision setting out the specifics of trade secret protection to be accorded by WTO Members.

During the negotiations of the TRIPS Agreement in 1989, the proponents of trade secret protection explained why creating an international obligation to protect this form of intellectual property was so important. As summarized in official minutes documenting the negotiations of the TRIPS Agreement:

The representative of the United States, referring to his delegation’s proposal, said that according to information from business in the United States a large proportion of intellectual property was protected in the form of trade secrets, rather than through patents or other IPRs. Trade secrets and business know-how were important for competitiveness in a wide range of industries and should be an essential element of any system of intellectual property protection. The absence of adequate protection exerted a major chilling effect on the transfer of technology.⁹

The United States later elaborated on the importance of trade secret protection for developing countries, and for the ability to facilitate information sharing between developed and developing countries:

Presenting the background to his delegation’s proposal, the representative of the United States said that the protection of trade secrets was an issue of growing importance to his delegation. He also believed it important for developing countries since there was no better way of encouraging the transfer of technology to developing countries than to provide protection to trade secrets and proprietary information which constituted the very essence of the transfer of technology.¹⁰

Thus, the U.S. Government, as one of the key proponents of the TRIPS Agreement, clarified that trade secret protection was important not only to advance the “competitiveness” of a wide range of industries, but also because the lack of such protection would “exert[] a major chilling effect on the transfer of technology.” In specifically highlighting the importance of trade secret protection for dissemination of technology from developed countries to developing countries, the United States thus anticipated back in 1989

one of the key issues currently being debated today, in 2021, in the context of the COVID-19 pandemic.

A recent example of the type of collaborative cross-border technology transfer at issue is the June 2021 announcement that mRNA technology transfer hubs will be established in Africa, beginning with the first hub in South Africa led by a consortium comprising Biovac, Afrigen Biologics and Vaccines, a network of universities, and the Africa Centres for Disease Control and Prevention.¹¹ These hubs will allow mRNA technology to be established at industrial scale, with training, necessary licenses, and “the production know-how” (some of which is likely protected as trade secrets) provided for local manufacturers.¹²

The position taken by those who are advocating today for compulsory licensing, or even full waiver, of trade secrets is in direct conflict with the above-mentioned U.S. Government explanation. In line with the U.S. Government’s reasoning, it follows that compulsory licensing of trade secrets, as advocated today, could serve to have the opposite effect of what the proponents of reduced trade secret protection purport to do—i.e., decrease technology transfer, including between developed and developing countries.

III. Trade Secret Protection Under the TRIPS Agreement

Section 7 of Part II of the TRIPS Agreement is entitled “Protection of Undisclosed Information,” and contains a single provision, Article 39, with three sub-paragraphs. Article 39.1 sets out a general obligation, and explains the relationship among the sub-paragraphs. That provision states, in the operative part, “... Members shall protect undisclosed information in accordance with paragraph 2 and data submitted to governments or governmental agencies in accordance with paragraph 3.” That is, the provision identifies two distinct categories of information—(i) undisclosed information, and (ii) data submitted to governments or governmental agencies—and requires their protection. The provision also refers WTO Members to the second paragraph for the substantive details on the protection of undisclosed information and to the third paragraph for the substantive elaboration on the protection of certain data submitted to governments.

In respect of undisclosed information, Article 39.2 lays down a substantive right, and the conditions for

[C]ompulsory licensing of trade secrets, as advocated today, could serve to have the opposite effect of what the proponents of reduced trade secret protection purport to do – i.e., decrease technology transfer, including between developed and developing countries.

accessing that substantive right. The substantive right is set out in the following words: “[n]atural and legal persons shall have the possibility of preventing information ... from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices.” The right is available subject to the following conditions:

- the information must be lawfully within the control of the person exercising the right;
- the information is secret in the sense that it is not generally known among, or readily accessible to, persons within the circles that normally deal with the kind of information in question;
- the information has commercial value because it is secret; and
- the information has been subject to reasonable steps under the circumstances, by the right holder, to keep it secret.

Article 39.3 identifies the circumstances in which data submitted to governments and government agencies for the marketing approval of certain pharmaceutical or agricultural chemical products are entitled to protection and lays down the substantive standard of protection.¹³ Data are entitled to protection under that provision when their submission is required, as a condition for marketing approval of pharmaceutical or agricultural products which utilize new chemical entities. The protection extends to “undisclosed test data or other data” which are submitted in this context, as long as the origination of the data involves a considerable effort. The substantive protection to be accorded is that Members “shall protect such data against unfair commercial use” and “in addition,” Members must “protect such data against disclosure,

The [TRIPS Agreement] may not be “rewritten” by academics or adjudicators to create a compulsory license provision for trade secrets out-of-thin-air.

except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.”

Notably, Part II, Section 7 does not contain any general exceptions to the obligations set out in Article 39. The only exceptions which apply to the obligation to protect undisclosed information are: (i) the national security exception under Article 73 of the TRIPS Agreement, which applies uniformly in respect of all forms of IP; and (ii) the narrow exception in Article 39.3, which permits Members not to protect against disclosure certain data submitted to governments or governmental agencies for marketing approval where “necessary to protect the public,” while still requiring protection against “unfair commercial use” even in that situation. This is in stark contrast to the sections of the TRIPS Agreement concerning other forms of IP. For example, for patents, Part II, Section 5 contains Article 30, which sets out the general exceptions to the rights conferred by a patent. That section also contains Article 31, dealing specifically with the terms upon which a patent may be compulsory licensed. To take another example, Part II, Section 1 contains a general exception for copyright protection (Article 13), and there is a specific provision for compulsory licensing of copyrights in the Berne Convention (1971) (Article 11*bis*(2)), as incorporated by reference into the TRIPS Agreement through Article 9.1. No analogous provision exists in Part II, Section 7, meaning that no exception or derogation is available to the obligation to protect undisclosed information, except the two identified above.

There may be several reasons why the TRIPS Agreement foresees the compulsory licensing of, e.g., patents, but not of trade secrets. First, the very condition for the grant of a patent is the public disclosure of information about the metes and bounds of the claimed invention.¹⁴ There is nothing “secret” about a patent, once granted.¹⁵ To compel the licensing of undisclosed information, however, a government would need to force a party to share that

information with another party, and then authorize the use of that information. This is a more extensive and aggressive form of interference by a government in the private dealings of industry, in comparison to the compulsory licensing of a patent. Second, it is possible to strictly circumscribe the scope of a compulsory license on a patent, in terms of time, purpose, and geographic reach; indeed, the TRIPS Agreement requires governments to do so.¹⁶ But a trade secret, once publicly (or widely) disclosed, loses its secret character permanently and globally, such that there is simply no way to circumscribe the effects of the disclosure.

Whatever the reasons may be for the lack of an analogue to Article 31 in Section 7 (Part II) of the TRIPS Agreement, it remains clear that WTO Members negotiated a treaty that lacks such a provision. The treaty may not be “rewritten” by academics or adjudicators to create a compulsory license provision for trade secrets out-of-thin-air.

Among other academics opining on this issue, Gurgula & Hull argue that the TRIPS Agreement allows for compulsory licensing of trade secrets.¹⁷ They point out that Article 39.1 of the TRIPS Agreement refers to Article 10*bis* of the Paris Convention and imply that this means that protection of trade secrets is narrowly drawn in a manner that may immunize a government that licenses (or otherwise forces disclosure of) a trade secret against the will of the right holder.¹⁸ There is no support for the proposition that the protection to be accorded pursuant to Article 39 is so limited. The obligations in Article 39 are clear. Article 39.2 confers on the lawful owners of undisclosed information the right “of preventing information ... from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices,” with “consent” being the touchstone. Further, there is nothing in the phrase “contrary to honest commercial practices” that excludes from the scope of coverage, for example, a situation in which a government extracts a valuable trade secret from a right holder (or a licensee or employee under a duty of confidentiality) through force or coercion, and releases that secret to competitors in order to enable them to produce a given product.

Footnote 10 of the TRIPS Agreement provides several examples of “a manner contrary to honest commercial practices,” but does not constitute a definition.¹⁹ These examples are useful, though, in understanding that if a government were to force disclosure of a trade secret—

including when it occurred in a manner that resulted in breach of a contract (e.g., employment agreement, license agreement, etc.), breach of confidence, or inducement to breach—this would constitute a violation of Article 39.2. That said, footnote 10, by its very terms (i.e., “at least practices such as”), does not provide an exhaustive list of actions taken “in a manner contrary to honest commercial practices.” Moreover, Article 39.3 obligates Members to protect certain data submitted to governments or governmental agencies “against disclosure,” without requiring that the disclosure should occur through any particular means.

In further support of their position, Gurgula & Hull reference Articles 7 and 8 of the TRIPS Agreement, and the Doha Declaration on the TRIPS Agreement and Public Health (“Doha Declaration”).²⁰ The same is true for Levine.²¹ While Articles 7 and 8, and the Doha Declaration, may be relied upon as relevant context (or as informative of the object and purpose of the TRIPS Agreement) for the interpretation of existing provisions in the TRIPS Agreement, they offer no license to create exceptions where none exist. Article 7, entitled “Objectives,” clarifies the intent of the drafters to “balance”—to the “mutual advantage” of producers and users—the need to establish incentives for creation and promotion of new technology, without unduly restricting the dissemination of that technology once created. That “balance” is already reflected throughout the provisions of the TRIPS Agreement, itself. Article 8.1, entitled “Principles,” provides that any measures “to protect public health” must be “consistent with the provision of [the TRIPS] Agreement.” While Article 8.1 provides relevant context for interpreting other provisions of the TRIPS Agreement, by its clear terms it is not an exception to the TRIPS Agreement, including the obligation to protect undisclosed information.

Finally, Gurgula & Hull fall back on the assertion that “the TRIPS Agreement remains silent” on compulsory licensing of undisclosed information, arguing that this means that the “matter” may be left for “national legislation.”²² According to Gurgula & Hull, this silence “could be construed as allowing governments to issue compulsory licensing of trade secrets when required, including for the protection of public health.”²³ If silences in the TRIPS Agreement were to be filled with exceptions, one could invent any number of exceptions, thereby defeating the whole purpose of the TRIPS Agreement.

If silences in the TRIPS Agreement were to be filled with exceptions, one could invent any number of exceptions, thereby defeating the whole purpose of the TRIPS Agreement.

Pulling an exception out of a hat, where the TRIPS Agreement does not offer answers to any of the questions as to the terms of any acceptable compulsory license (as it does, in Articles 31 and 31*bis*, with respect to patents), would subject right holders, as well as WTO Members, to significant uncertainty. This is unacceptable in a system that emphasizes the importance of predictability and security in a multilateral trading system.²⁴ And in the context of the TRIPS Agreement, it would ultimately reduce the incentives for innovation that derive from strong, consistently applied global IP protection, leaving the world in a much more dire situation next time it needs to respond to a global pandemic.

IV. Trade Secret Protection Under Domestic Law

We now turn to the question of the limits of trade secret protection in the United States, European Union (“EU”), and United Kingdom (“UK”). Any exceptions for trade secret protection in these jurisdictions are narrowly defined and not broad enough to permit the compulsory licensing of trade secrets to transfer information from IP right holders to competitors that would aim to produce the same products (e.g., vaccines and therapeutics).

a. U.S. Law

Neither state nor federal U.S. law would seem to accommodate compulsory licensing of trade secrets for public health reasons, despite broad assertions to the contrary by several commentators. By way of background, in the United States, trade secret protection is governed by a combination of state and federal law. State-level trade secret laws are highly consistent across U.S. jurisdictions. To date, forty-eight states, the U.S. Virgin Islands, Puerto Rico, and the District of Columbia have implemented the Uniform Trade Secrets Act (“UTSA”) to regulate the acquisition, use, and disclosure of trade secrets.²⁵

[C]ompulsory licensing clearly would go against the very purposes of the Trade Secrets Directive – i.e., certainty of trade secret rights and protection of those rights.

The UTSA provides a civil cause of action to any party whose trade secrets are acquired by another party through “improper means,” defined to include “theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means.”²⁶ It also provides a civil cause of action for the “misappropriation” of a trade secret.²⁷

The UTSA does not empower states to implement general policies that allow for compulsory licensing of trade secrets. The UTSA also lacks “any express exceptions to trade secret liability.”²⁸ In other words, U.S. state laws do not provide any explicit blessing for the unauthorized disclosure or use of trade secrets simply to advance the nebulous concept of public health. The UTSA generally allows courts to enjoin “actual or threatened [trade secret] misappropriation.”²⁹ It also permits courts, in limited instances, to fashion other remedies for the misappropriation of trade secrets. Specifically, “in exceptional circumstances,” a court may deny an injunction while permitting the future use of a trade secret conditioned “upon payment of a reasonable [and time-limited] royalty.”³⁰ Under the UTSA, “[e]xceptional circumstances include, but are not limited to,” the defendant’s “material and prejudicial change of position prior” to realizing that the trade secret at issue had been misappropriated.³¹

However, both the UTSA’s “change of position” example and the one public interest case considered by the Uniform Law Commission (“ULC”) suggest that the ongoing royalty remedy is appropriate only in situations where the defendant *has already used and experienced a change of position due to the trade secret misappropriation*.³² There is no support for the proposition that a court in the United States could somehow compel a company to *newly supply* a trade secret to another company against its will, as a compulsory license for trade secrets would do.

Beyond state-level trade secret laws and jurisprudence, federal trade secret law in the United States forecloses the

possibility of compulsory licensing of trade secrets. There are two main federal trade secret laws—the Economic Espionage Act of 1996 (“EEA”) and the Defend Trade Secrets Act of 2016 (“DTSA”). The EEA criminalizes the improper acquisition (including theft) of trade secrets.³³ The DTSA amends portions of the EEA and creates federal civil liability for trade secret misappropriation similar to the state law liability provided for by state-level UTSA legislation.³⁴ Neither the EEA nor the DTSA contains an exception to liability for individuals who misappropriate trade secrets for public health purposes.

b. EU Law

Until 2016, each EU member state retained responsibility for its own laws protecting trade secrets. *Directive 2016/942 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure* (the “Trade Secrets Directive”)³⁵ sought to harmonise trade secrets protections across the EU member states.

The Trade Secrets Directive is concerned with the preservation of private law rights—*i.e.*, those of trade secret holders.³⁶ The purpose of the Trade Secrets Directive was and is to facilitate creativity, research and development, innovation, and cross-border trade by ensuring sufficient and consistent protection for trade secrets across the European Union. The Trade Secrets Directive is also particularly concerned with misappropriation of trade secrets, which it describes as discouraging innovation, creativity, and investment.³⁷

It is against this background that any suggestion of state-enforced compulsory licensing of trade secrets to third parties must be considered. Such compulsory licensing clearly would go against the very purposes of the Trade Secrets Directive—*i.e.*, certainty of trade secret rights and protection of those rights.

Gurgula and Hull observe that trade secrets can be subject to “enforced disclosure or legitimate use by third parties,”³⁸ and cite the Trade Secrets Directive in support of this proposition. Specifically, they cite Article 3(1) of the Trade Secrets Directive, which provides that acquisition of a trade secret shall be considered lawful where the trade secret is obtained by independent means or discovery, reverse engineering, exercise of workers’ rights or any other honest commercial practice. These exemptions, however, are specific and exhaustive, rather

than illustrative and inexhaustive, and offer no support for compulsory licensing.

Similarly, Gurgula and Hull cite Article 1(2)(b)³⁹ as support for the same proposition. Article 1(2)(b) provides: “This Directive shall not affect: [...] (b) the application of Union or national rules requiring trade secret holders to disclose, for reasons of public interest, information, including trade secrets, to the public or to administrative or judicial authorities for the performance of the duties of those authorities.”⁴⁰ First, the provision of trade secrets to the public, or to administrative or judicial authorities, is clearly predicated on the existence of a rule requiring such disclosure; the Trade Secrets Directive itself does not provide any basis or jurisdiction for authorities to require compulsory licensing of trade secrets. Second, elsewhere the Trade Secrets Directive recognises the necessarily limited nature of disclosures made to third parties. For instance, Recital 18 proposes that lawfully imposed disclosure of trade secrets under member state laws—again Gurgula and Hull point to no relevant examples—should be considered lawful for the purpose of the Trade Secrets Directive, but states that “this Directive should not release public authorities from the confidentiality obligations to which they are subject in respect of information passed on by trade secret holders, irrespective of whether those obligations are laid down in Union or national law.”⁴¹ Thus, the Trade Secrets Directive clearly considers that any compelled disclosure of trade secrets to public officials that is permitted by member state law must be limited and subject to other obligations of confidentiality.

c. UK Law

Despite voting in 2016 to leave the European Union,⁴² the UK nonetheless implemented the Trade Secrets Directive through the Trade Secrets (Enforcement, etc.) Regulations 2018 (SI 2018/597) (“the Regulation”). Although the Regulation created a new UK trade secrets protection regime, that regime exists in addition to the UK’s existing robust protections for trade secrets in its domestic laws, in particular the English common law of confidentiality, as discussed below.

The protections offered under English law for confidential information are not absolute. For instance, parties engaged in civil litigation cannot generally hide behind commercial confidentiality as a defense against disclosing documents by way of discovery. As Gurgula and Hull correctly

[T]rade secret protection, in particular, is important for encouraging the transfer of mission-critical information from the right holder to its licensees.

note, by reference to the *Spycatcher*⁴³ case, public interest considerations can also supersede duties of confidentiality in English law.⁴⁴

However, Gurgula and Hull fail to note the concerns of the court in the *Spycatcher* case about competing public interests. That case concerned the question of how to balance one public interest—freedom of the press—with another – efficient and secure security—with the court stating: “A balance must be struck between the two competing public interests.”⁴⁵ Although Gurgula and Hull concede—rightly—that the notion of public interest in English trade secrets law would not “stretch to providing justification for the enforced disclosure of trade secret technology by way of a compulsory licence,”⁴⁶ they then go on to posit that the health considerations arising from a global pandemic such as COVID-19 may constitute a public interest in setting aside trade secrets protections in some circumstances. However, they fail to acknowledge the competing public interest in ensuring protection of private property rights of pharmaceutical companies, as a means of encouraging innovation and investment, and ensuring such companies make all of their products available in the UK and beyond. Indeed, the purpose of IP protection is to incentivize such innovation; trade secret protection, in particular, is important for encouraging the transfer of mission-critical information from the right holder to its licensees.⁴⁷

If confronted by such a balancing exercise, it is unlikely the English courts would develop the common law of confidentiality to permit compulsory licensing of trade secrets for the purpose of responding to a pandemic (whether by public disclosure or by private disclosure to a third party on strict terms of confidence). That is because, while the English courts retain a wide discretion to develop the common law,⁴⁸ they will refrain from doing so in circumstances where the UK Parliament is the appropriate authority to do so.⁴⁹

ENDNOTES

- 1 TRIPS Agreement, Article 7.
- 2 Five Steps to Urgently Advance COVID-19 Vaccine Equity (May 19, 2021), Joint Press Release by PhRMA, ABPI, BIO, EFPIA, ICBA, IFPMA, and Vaccines Europe, available at <https://www.phrma.org/coronavirus/five-steps-to-urgently-advance-covid-19-vaccine-equity>, accessed August 18, 2021. See also COVID-19 Vaccine Production and surplus doses (May 19, 2021), Airfinity, https://www.ifpma.org/wp-content/uploads/2021/05/airfinity_production_19.05.2021.pdf, accessed August 18, 2021.
- 3 Communication from the African Group et al, “Waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19 – Revised Decision Text,” (IP/C/W/669/Rev. 1, (May 21, 2021).
- 4 Olga Gurgula & John Hull, “Compulsory licensing of trade secrets: Ensuring access to COVID-19 vaccines via involuntary technology transfer,” Queen Mary Law Research Paper No. 363/2021 (Jul. 6, 2021) (“Gurgula & Hull”), pp. 14-15; David S. Levine, “Covid-19 Trade Secrets and Information Access: An Overview” InfoJustice (2020), <<http://infojustice.org/archives/42493>> accessed July 29, 2021.
- 5 Gurgula & Hull, pp. 11-13; David S. Levine, “Covid-19 Trade Secrets and Information Access: An Overview,” InfoJustice (2020) <<http://infojustice.org/archives/42493>> accessed July 29, 2021.
- 6 TRIPS Agreement, Article 7.
- 7 TRIPS Agreement, Article 33.
- 8 Emphasis added.
- 9 Meeting of Negotiating Group of 12-14 July 1989, Negotiating Group on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods, MTN.GNG/NG11/14 (Sep. 12, 1989), para. 89 (emphasis added).
- 10 Meeting of Negotiating Group of 30 October – 2 November 1989, Negotiating Group on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods, MTN.GNG/NG11/16 (Dec. 4, 1989), para. 61 (emphasis added).
- 11 “Africa ‘tech hub’ aims to fill COVID-19 vaccine gap,” Gavi, <https://www.gavi.org/vaccineswork/africa-tech-hub-aims-fill-covid-19-vaccine-gap> (July 6, 2021), accessed August 18, 2021; WHO supporting South African consortium to establish first COVID mRNA vaccine technology transfer hub, World Health Organization, <https://www.who.int/news/item/21-06-2021-who-supporting-south-african-consortium-to-establish-first-covid-mrna-vaccine-technology-transfer-hub> (June 21, 2021), accessed August 18, 2021.
- 12 WHO supporting South African consortium to establish first COVID mRNA vaccine technology transfer hub, World Health Organization, <https://www.who.int/news/item/21-06-2021-who-supporting-south-african-consortium-to-establish-first-covid-mrna-vaccine-technology-transfer-hub> (June 21, 2021), accessed August 18, 2021.
- 13 See G. Lee Skillington and Eric M. Solovy, “The Protection of Test and Other Data Required by Article 39.3 of the TRIPS Agreement,” 24 Nw. J. Int’l L. & Bus. 1 (2003).
- 14 TRIPS Agreement, Article 29.1.

- 15 Under certain circumstances, patent *applications* can be kept confidential pending evaluation by a patent office. For example, in the United States, provisional patent applications can be kept confidential until an applicant decides to proceed with a non-provisional patent application. 35 U.S.C. § 122.
- 16 TRIPS Agreement, Article 31(c), (f), (g) and Article 31*bis*.
- 17 Gurgula & Hull, pp. 14-15.
- 18 Gurgula & Hull, p. 14.
- 19 See Daniel Gervais, *The TRIPS Agreement: Drafting History and Analysis* (Fifth Edition) (2021), p. 546.
- 20 Gurgula & Hull, p. 14; Declaration on the TRIPS Agreement and Public Health, WT/MIN(01)/Dec/2, para. 5(a) (Nov. 14, 2001).
- 21 David S. Levine, “Covid-19 Trade Secrets and Information Access: An Overview,” InfoJustice (2020) <<http://infojustice.org/archives/42493>> accessed July 29, 2021.
- 22 Gurgula & Hull, p. 15.
- 23 Gurgula & Hull, p. 15.
- 24 DSU, Article 3.2.
- 25 See UNIFORM LAW COMMISSION, TRADE SECRETS ACT, <https://www.uniformlaws.org/committees/community-home?CommunityKey=3a2538fb-e030-4e2d-a9e2-90373dc05792>, accessed Jul. 28, 2021. Some states have modified the standard text upon adoption. See Peter S. Menell, *Tailoring a Public Policy Exception to Trade Secret Protection*, 105 CAL. L. REV. 1, 3 (2017). New York and North Carolina have not adopted the UTSA, “North Carolina’s trade secret statute borrows heavily from the UTSA . . . [and] New York . . . protect[s] trade secrets” through its general law of torts. Menell et al., p. 47.
- 26 Uniform Trade Secrets Act (Unif. Law Comm’n 1985) (“UTSA (1985)”), § 1(2), 2, 3; see also Menell et al., pp. 47-48.
- 27 UTSA (1985) §§ 1(2), 2, 3, defining misappropriation of a trade secret as:
 (i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or (ii) disclosure or use of a trade secret of another without express or implied consent by a person who (A) used improper means to acquire knowledge of the trade secret; or (B) at the time of disclosure or use knew or had reason to know that his knowledge of the trade secret was (I) derived from or through a person who has utilized improper means to acquire it; (II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or (C) before a material change of his position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.
- 28 See Menell et al., p. 89.
- 29 UTSA (1985) § 2(a).
- 30 UTSA (1985) § 2(b).
- 31 UTSA (1985) § 2(b).
- 32 UTSA (1985) § 2; see also generally *Schenk*, 152 USPQ 830 (N.Y.Sup.Ct. 1967) (defendants had already acquired proprietary aircraft weapons control technology and provided it to the U.S. Government).

- 33 See generally 18 U.S.C. § 1832.
- 34 See Menell et al., p. 47. The DTSA amended the federal definition of “trade secrets” to effectively parallel the UTSA definition. At both the U.S. state and federal level, a trade secret is now defined as “information”—encompassing, *inter alia*, formulas, methods, programs, devices, designs, prototypes, codes, and techniques—that “(A) the owner thereof has taken reasonable measures to keep . . . secret; and (B) . . . derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.” 18 USC § 1839(3); UTSA (1985) § 1(4).
- 35 *Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure* (the “Trade Secrets Directive”).
- 36 Trade Secrets Directive, Article 4(1).
- 37 Trade Secrets Directive, Recital 4.
- 38 Gurgulla & Hull, p. 11.
- 39 This was incorrectly cited in Gurgulla & Hull as “Art 2(b).”
- 40 Trade Secrets Directive, Article 1(2)(b) (emphasis added).
- 41 Trade Secrets Directive, Recital 18.
- 42 The UK formally left the EU on January 31, 2020.
- 43 *Attorney-General Appellants v Observer Ltd. and Others Respondents* [1990] 1 A.C. 109
- 44 Gurgulla & Hull, p. 13.
- 45 *Attorney-General Appellants v Observer Ltd. and Others Respondents* [1990] 1 A.C. 109, 144.
- 46 Gurgulla & Hull, p. 13
- 47 See, e.g., Trade Secrets Directive, Recitals 3 and 4.
- 48 See Halsbury’s Laws of England, Vol. 20 at 1-11 (2014)
- 49 See, e.g., *Malone v Commissioner of Police of the Metropolis (No 2)* - [1979] 2 All ER 620 at 649.

ABOUT THE AUTHORS

Eric M. Solovy is Partner, Global Arbitration, Trade and Advocacy at Sidley Austin, LLP. He received his B.A. in 1996 from Duke University and his J.D. from Harvard Law School in 1999 (where he served as Executive Editor of the *Harvard International Law Journal*). From 2001-2002, Mr. Solovy served as law clerk to the Honorable Pauline Newman, Circuit Judge, U.S. Court of Appeals for the Federal Circuit.

Deepak Raju is Senior Associate, Global Arbitration, Trade and Advocacy at Sidley Austin, LLP. He earned his B.A. LLB (Hons.) in 2011 from West Bengal National University of Juridical Sciences, India, and his LL.M. from the University of Cambridge in 2013.

The arguments and views in this policy brief are the authors' and do not necessarily reflect those of the Center for Intellectual Property x Innovation Policy.

CENTER FOR INTELLECTUAL PROPERTY x INNOVATION POLICY

The Center for Intellectual Property x Innovation Policy (C-IP²) produces research, education, and service at the intersection of IP and innovation policy to better understand and shape the means of innovation as a positive force for good. We do so by promoting a diverse set of perspectives and voices to present a fuller picture than that of the dominant legal academic literature on the role of IP and other legal mechanisms to transform great ideas into useful or aesthetic artifacts and activities.

For more information about C-IP², please visit our website at: <https://cip2.gmu.edu>

**Center for Intellectual Property x Innovation Policy
George Mason University Antonin Scalia Law School**

3301 Fairfax Drive
Arlington, VA 22201

<https://cip2.gmu.edu>

Check out our blog at:

<https://cip2.gmu.edu/blog/>

Join Our Mailing Lists:

<http://eepurl.com/hhnhGP>



Follow us on Twitter at:

<https://twitter.com/cip2gmu>



LinkedIn:

<https://www.linkedin.com/company/cip2gmu>



YouTube:

<https://www.youtube.com/cip2gmu>



Center for Intellectual
Property x Innovation Policy