

Study Guidelines

by Anne Marie VERSCHUUR, Reporter General
Ari LAAKKONEN and Ralph NACK, Deputy Reporters General
Guillaume HENRY, Linda LECOMTE and Lena SHEN,
Assistants to the Reporter General

2022 - Study Question

Protection of trade secrets during civil proceedings

Introduction

- 1) This Study Question concerns the protection of trade secrets in civil proceedings. Around the world, there are varying levels of protection for trade secrets in civil court litigation.
- 2) This Study Question aims to investigate the protection available in various countries, which protection is sufficient to adequately protect trade secrets during civil proceedings, and to propose various ways of harmonising regimes so as to provide greater certainty to businesses.

Why AIPPI considers this an important area of study

- 3) It is vital to the successful development of a stable and predictable business environment that trade secrets are not inadvertently, forcibly or even accidentally made available to the public as a result of litigation. All it may take for a trade secret to lose its value is the disclosure of that secret to a party not having an obligation of confidentiality; thus, an effective release into the public domain.
- 4) A trade secret must remain secret everywhere, globally. If a trade secret is released against the will of the holder of the trade secret in one jurisdiction, it may become public domain for all jurisdictions.
- 5) Further, there is an added complexity of trade secrets in the form of data. The digitization of intellectual property, technological advancement, and an ongoing competition across industries on a global scale have generated large amounts of information and data, and simultaneously have put companies at higher risk of information theft. Further, increased employee mobility in general and as a result of the economic turmoil of the COVID pandemic (as it may lead to increased remote handling of data) may also contribute to this risk.

Relevant treaty provisions

- 6) Article 39(2) of the Agreement on Trade-related aspects of Intellectual Property Rights (TRIPs) requires that:

“Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by or used by others without their consent in a manner contrary to honest commercial practices so long as such information:

- a) *is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;*
- b) *has commercial value because it is secret; and*
- c) *has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.”*

- 7) Article 42 of TRIPs requires that:

- a) *Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims.”*

This provision appears to unequivocally give defendants the right to know the case made against them, and at least in “sufficient” detail, and there is no exclusion in relation to the details of any trade secret alleged to have been misappropriated.

- b) *All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.”*

- 8) Article 43(1) of TRIPs requires that:

“The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.”

Previous work of AIPPI

- 9) In its Resolution on Q247 - “Trade Secrets: Overlap with restraint of trade, aspects of enforcement” (Rio de Janeiro, 2015), AIPPI addressed confidentiality during court proceedings:

“in all proceedings involving alleged trade secrets, the Court upon request of a party to the proceeding or on its own motion, should preserve the secrecy of

an alleged trade secret by reasonable means suitable to the nature and circumstances of the case, which may include:

- a) *granting confidentiality (protective) orders (or the equivalent) in connection with discovery proceedings or other similar proceedings;*
- b) *holding in-camera hearings;*
- c) *sealing any records of the proceeding that contain the alleged trade secret;*
- d) *permitting any publicly available pleadings, judgment or other documents to omit (or redact) the alleged trade secret; and*
- e) *ordering any person involved in the proceeding not to disclose the alleged trade secret without prior approval of the Court.”*

10) Further, in its Resolution on Q247, AIPPI resolved that:

“a Court in a proceeding, or in an intended proceeding, for alleged unauthorised acquisition, disclosure or use of a trade secret should have the authority, upon ex parte application, to issue appropriate orders to preserve potential evidence for use in the proceeding and to prevent the disclosure and use of the alleged trade secret that is the subject of the proceeding. Unless authorised by the Court, evidence seized may only be used in the proceeding for which it is preserved.”

AIPPI further resolved that:

“[a]ny ex parte application (...) should:

- a) *include a full and frank statement from the applicant that identifies all relevant and potentially relevant facts material to the application of which the applicant is actually aware; and*
- b) *be followed as soon as practicable by an inter partes proceeding, at which the defendant may challenge the decision to grant the ex parte order. The decision of the Court concerning any such challenge should be given in writing.”*

AIPPI further resolved that the:

“applicant in any ex parte application (...) should be liable to the defendant for any actual loss caused to the defendant by the unjustified granting of the ex parte application.”

11) In its Resolution on Q215 - “Protection of trade secrets through IPR and unfair competition law” (Paris, 2010), AIPPI focused on ways that trade secrets can be protected through intellectual property right laws and provisions against unfair competition.

12) In its Resolution on Q115 - “Effective protection against unfair competition under Article 10bis Paris Convention of 1883” (Copenhagen, 1994), AIPPI focused on unfair competition including trade secrets and listed certain acts in violation of

trade secrets.

- 13) Further, other Resolutions related to trade secrets, including those on Q53A concerning “know-how” and on Q138A concerning confidentiality and disclosure of data, have been adopted by AIPPI.

Scope of this Study Question

- 14) This Study Question addresses the question of what further protection (if any) is needed to ensure the confidentiality and protection of trade secrets during civil court litigation and evidence gathering or preservation efforts such as seizures, without unduly interfering with the rights of an opposing party.
- 15) The issues considered include, inter alia, the following:
 - a) the procedures that can be used to protect the confidentiality of a trade secret when filing a complaint (whether that complaint is a trade secret complaint or not);
 - b) the scope of the right of the defendant to know the case made against it;
 - c) the remedies that exist for the holder of a trade secret to “re-establish” or “re-protect” a trade secret due to disclosure-causing actions (including, e.g., discovery applications/motions, evidence gathering or preservation efforts, exhibition or access requests, et al. (“*Disclosure actions*”));
 - d) any limitations and/or restrictions on Disclosure actions; and,
 - e) more generally, whether the best approach is to:
 - i. control and limit the generation and production of information in Disclosure actions; and/or
 - ii. control any subsequent misuse of trade secrets learned during the course of (other) litigation.
- 16) This Study Question does not aim to re-examine trade secret issues already considered in Q215 - “Protection of trade secrets through IPR and unfair competition law” (Paris, 2010) or Q247 - “Trade Secrets: Overlap with restraint of trade, aspects of enforcement” (Rio de Janeiro, 2015). This Study Question addresses a number of issues not fully resolved or considered in Resolutions Q215 and Q247:
 - a) the more specific measures that could and/or should be taken to protect/preserve/limit the disclosure of trade secrets that emerge during the course of civil court litigation/Disclosure actions; and
 - b) the right of a party to know the case made against it; and, consequently, restrictions on whether trade secrets arising during the course of a civil court litigation should be made available to the opposing party (or, e.g., just to their outside counsel).

- 17) This Study Question does not include criminal proceedings, patent office proceedings, arbitration, and administrative proceedings. However, disputes in the US International Trade Commission are within the scope of this Study Question.

Discussion

- 18) In conflict with the very definition of a trade secret, one must disclose a trade secret to another person - whether it be a judge, jury, tribunal, expert, opposing counsel, opposing party, *et al.* - in order to enforce protection. In doing so, the trade secret may be exposed unnecessarily and in greater detail than previously known or assumed by the opposing party or other persons.
- 19) For example, when filing a complaint or other paper to initiate litigation and enforce rights to a trade secret, one may be required to explain with specificity the actual trade secret right being enforced. This leads to initial concerns of publicly disclosing the trade secret itself, before secrecy or protective orders can be provided by the court or agreed upon between the parties. Subsequent concerns can arise regarding the actual court ordered protections provided and enforcement of same.
- 20) In the European Union, the Enforcement Directive (2004/48/EC) was enacted with the aim of harmonizing the measures available for the enforcement of IP rights, so as to eliminate restrictions on the freedom of movement and distortions of competition, while creating an environment to promote innovation and investment. For court proceedings, the Enforcement Directive provides some protection of confidential information:
- a) Under Article 6, entitled "*Evidence*," the "*Member States shall ensure that, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information.*"

Under the same conditions, in the case of an infringement committed on a commercial scale Member States shall "*(...) take such measures as are necessary to enable the competent judicial authorities to order, where appropriate, on application by a party, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.*"
 - b) Under Article 7, concerning the preservation of evidence, it is expressed that ordering provisional measures should be "*(...) subject to the protection of confidential information.*"
 - c) The provisions of the EU Enforcement Directive appear to be general in

relation to enforcement of intellectual property rights and do not provide detailed guidance on how to protect trade secrets in judicial proceedings.

21) Further, in the European Union, the Trade Secrets Directive (2016/943) provides provisions regarding the minimum requirements for the protection of trade secrets. Specifically, the Trade Secrets Directive directly affects how trade secrets are protected nationally, and includes, *e.g.*, in Article 9, a specific provision on trade secret protection in court proceedings. However, it is understood that that provision only concerns the protection in civil litigation concerning the unlawful acquisition, use or disclosure of trade secrets. Consequentially, the protection of trade secrets in other judicial proceedings remains less harmonized in the EU.

22) In the United States of America (US), the protection of trade secrets prior to and during court proceedings is protected by federal and state law. For example, in US federal law, the Defend Trade Secrets Act of 2016 provides specific protection for trade secrets at issue in a court proceeding, and unrelated trade secrets unintentionally seized when seizing alleged misappropriated trade secrets:

- a) For example, Section 2(b)(2)(B), during a seizure, provides that such seizure *“be accompanied by an order protecting the seized property from disclosure by prohibiting access by the applicant or the person against whom the order is directed, and prohibiting any copies, in whole or in part, of the seized property, (...) until such parties have an opportunity to be heard in court.”*

Section 2(b)(2)(D) further recites ways in which the seized materials are held and protected from physical and electronic access during the seizure and while in the custody of the court, including specific instructions for handling of storage mediums, in order to protect the confidentiality of any seized material which is not at issue in the trade secrets misappropriation case.

The Section identifies the possible appointment of a special master to locate and isolate all alleged misappropriated trade secret information from the seized materials. Further, provisions for encryption of seized property (information) are also provided with specificity.

- b) For example, Section 3(b) provides for protection of trade secrets at issue during court proceedings, including allowing the trade secret owner to file a submission “under seal”, *“that describes the interest of the owner in keeping the information confidential.”*

The Section expressly states that *“[t]he provision of information relating to a trade secret to the United States or the court in connection with a prosecution under this chapter shall not constitute a waiver of trade secret protection (...)”*

- c) The Defend Trade Secrets Act of 2016 provides for how a whistleblower

can disclose an employer's trade secrets to the whistleblower's attorney and use the trade secrets in the court proceeding by filing, e.g., any document containing the trade secret "under seal". "Under seal" refers to a confidential filing not available to the public.

- d) Other federal laws, such as the Economic Espionage Act of 1996, protecting the misappropriation of trade secrets, also provide some provisions governing the protection of trade secret information during court proceedings.
- 23) However, even the states in the US experience a lack of homogeneity since each state can establish and enforce its own trade secret laws. Most states have implemented some form of the Uniform Trade Secrets Act (UTSA), while some other states rely mainly on common law, *i.e.*, which provides for a civil liability for misappropriation of trade secrets. Consequently, the protection for trade secret disclosures during civil proceedings varies from state to state in the US.
- 24) In China, the Civil Procedure Law, among others, provides for certain protection of trade secrets during court proceedings. For example, in Article 68 of the Civil Procedure Law, "[e]vidence that involves State secrets, trade secrets and personal privacy shall be kept confidential. If it needs to be presented in court, such evidence shall not be presented in an open court session." Article 156 provides for protection against publication, reciting the "public may consult the legally effective judgments and written orders, except the ones involving State secret, business secret and personal privacy."

You are invited to submit a Report addressing the questions below.

Questions

I. Current law and practice

Please answer the below questions with regard to your Group's current law and practice.

Note: unless expressly indicated otherwise, for purposes throughout these Study Guidelines, "proceeding" may be any civil court proceeding or action (including, e.g., cases on the merits, preliminary injunction proceedings, discovery applications/motions, evidence gathering/preservation procedures including seizures, et al.).

- 1) Does your Group's current law provide for the protection of trade secrets for or during any of the following stages of civil proceedings? Please tick all that apply. Please explain.
- complaint/pleading/writ of summons initiating a proceeding

In China, regardless of whether a lawsuit involves trade secrets or not, the

complaint and the pleading of the lawsuit are not open to the public, and they are closed throughout the lawsuit process and even after the judgment is made. The writ of summons is possible to be made public, as some courts' official websites support information search, and some commercial databases will also provide information about writ of summons. In such public information, the subjects of both parties in the lawsuit are basically publicized, and the cause of action involved in the lawsuit may also be publicized, but other specific information is not publicized.

- any other pleadings or submissions filed in the context of a proceeding

These contents are not open to the public. The civil procedural law provides no such procedure to search for these contents.

- production of documents during discovery phase or court-ordered production of evidence

The evidence is not open to the public during the lawsuit, but they may be publicized through the judgment. The judgment will describe the content, purpose and form of the evidence to some extent, but will not publicize the evidence completely. For evidence involving trade secrets, the specific confidential parts may be redacted in the judgment.

- evidence seizure

The evidence is not open to the public during the lawsuit, but they may be publicized through the judgment. The judgment will describe the content, purpose and form of the evidence to some extent, but will not publicize the evidence completely. For evidence involving trade secrets, the specific confidential parts may be redacted in the judgment.

- prepared-for-litigation technical description/declaration or any other exhibits

It is possible that these contents become open to the public with the publication of the judgment, but the contents involving technical secrets will be redacted in the judgment or will not be written into the judgment.

- oral hearing

General court hearings will be broadcast live online by "China Court Trials Live Broadcast Network", but cases involving trade secrets will not be broadcast live upon request.

- hearing transcripts

Hearing transcripts will not be made public, but relevant contents may be publicized through the judgment.

- witness statements made out of court and on the record for use in litigation (e.g., deposition)

The witness statements may be publicized with the judgement. However, it is possible that the parts involving trade secrets are not written into the judgment, or they are redacted when the judgement is publicized.

- court decision

Most court decisions will be publicized, usually after the second instance judgement has taken effect. Second instance judgements will generally be publicized, but first instance judgements might not be made public. The parts in the judgement involving trade secrets or technical secrets will be redacted.

- potential for future misuse of trade secret information gained from claimant or defendant during the proceeding

If a trade secret is not recorded in the evidence, court transcripts, testimony, judgments and other documents, it will basically not be disclosed or misused.

- other, namely.....

2) Under your Group's current law, is there a requirement:

- a) for specificity in the pleadings (e.g., the trade secret allegedly misappropriated is required in written documents provided to the court); and/or
- b) that knowledge of the trade secret details be known by more than defendant's outside counsel (e.g., General Counsel, Managing Director, or other types of representatives),

so that a defendant can properly defend against a charge of misappropriation of a trade secret? If YES, please explain.

Answer:

a) China's current law does not require the specificity of the lawsuit, and it does not require the trade secrets to be clearly described in the complaint, rather the details of the trade secret can be made clearer continuously throughout the lawsuit process. According to the provisions of Article 27 of the *Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets*, the trade secret holder shall specify the claimed specific contents of the trade secrets before the conclusion of the debate in the first instance court. It can be seen that there is no specific requirement for the description of trade secrets in the complaint.

b) As for details of the trade secrets, usually the court will ask the lawyers from both parties who attend the litigation to sign a confidentiality undertaking, and will delimit the scope for accessing confidential contents to the lawyers only, forbidding the parties, i.e. the general counsel, managing director and other representatives of the defendant, to have access to them. The lawyers are also

not allowed to inform the above-mentioned staff of the contents of trade secrets. According to the provisions of Article 26 of the *Several Provisions of the Supreme People's Court on Evidence in Civil Procedures Involving Intellectual Property Rights*, if the evidence involves trade secrets or other commercial information that needs to be kept confidential, the court shall, before the relevant litigant participants have access to the evidence, require the participants to sign a confidentiality agreement and make a commitment of confidentiality, or, through legal documents such as ruling, order them not to disclose, use or allow others to use the confidential information that is obtained from the lawsuit for any purposes other than the lawsuit of the current case. If a party concerned apply for a control on the scope of personnel who may have the access to the evidence mentioned in the preceding paragraph, the court shall, after examining its necessity, permit the control.

- 3) Under your Group's current law, do any remedies exist for the holder of the trade secret to "re-establish" or "re-gain" the status of a trade secret exposed during a Disclosure action¹, or more generally during civil proceedings? That is, can a trade secret exposed during a civil proceeding effectively be made or held "secret" so as to still be considered a trade secret? If YES, please explain.

¹ As defined above in para. 15(c).

Answer:

If a trade secret is made public, there is no way of remedying. For example, if a trade secret is disclosed by a patent, it cannot return to the undisclosed state.

II. Policy considerations and proposals for improvements of your Group's current law

- 4) Could your Group's current law or practice relating to the protection of trade secret(s) during civil proceedings be improved? Please explain.

Answer:

The current laws and practices can be improved. For example, (1) if a trade secret is made public in some way, there is no measure available to restore it to the status of a trade secret; (2) the provisions on confidentiality measures remain unclear, and the court has a large discretion, and although there are some provisions on this in Article 5 of *Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets*, the factors considered are not objective.

- 5) In order to limit disclosure of a trade secret, should there be more specific requirements regarding access by a party to a trade secret during a civil proceeding? Please explain.

Answer:

The current legal requirements are already quite specific, see Article 12 of *Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets*, which describes various situations regarding "access" to trade secrets, and meanwhile providing a blanket clause to meet the needs of future practice.

- 6) Should remedies to re-establish or regain a trade secret be available to the trade secret holder:
- a) if the disclosure of the trade secret during the proceeding occurred intentionally due to a legal requirement (e.g., a legal requirement to specify the basis of a claim, or in response to a court order/interrogatories, etc.);
 - b) if the disclosure of the trade secret occurred intentionally before exhaustion of all available legal protections, (e.g., protection order, redaction of transcripts, etc.);
 - c) if the disclosure of the trade secret occurred unintentionally before exhaustion of all available legal protections;
 - d) other, namely....?

Please answer YES or NO for each. Please explain.

A) No. Since this kind of disclosure occurred intentionally due to the legal requirements, the disclosure itself is in conformity with the law, and indicating the necessity of the disclosure. Therefore, there is no need to remedy it;

B) No. Since the disclosure occurred intentionally, the holder of the trade secret does not have the intention to keep the trade secret confidential. Therefore, there is no need to remedy it;

C) Yes. An unintentional disclosure may not be the intention of the trade secret holder. For example, in a case where the trade secret is used for applying a patent after it is illegally obtained. If no remedy is available, the trade secret will be made public permanently, which will have a huge impact on the trade secret holder.

- 7) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

Answer: None.

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

- 8) Does your Group believe that there should be harmonisation in relation to the

protection of trade secrets during civil proceedings? Please answer YES or NO.

If YES, please respond to the following questions without regard to your Group's current law or practice.

Even if NO, please address the following questions to the extent your Group considers your Groups current law or practice could be improved.

Answer: Yes.

9) Does your Group's current law provide for the protection of trade secrets for or during any of the following stages of civil proceedings? Please tick all that apply. Please explain.

complaint/pleading/writ of summons initiating a proceeding

Yes. Because the contents involved will change constantly in the process of the litigation, if they are made public too early, the public will obtain inaccurate information, and the trade secrets will be disclosed improperly.

any other pleadings or submissions filed in the context of a proceeding

Yes. These contents are all involved in the litigation process and may not be true or accepted by the court, so they should not be made public for the time being.

production of documents during discovery phase or court-ordered production of evidence

Yes. Some evidence has a very strong confidentiality attribute, and therefore should remain confidential until the court has made a clear judgment.

evidence seizure

Yes. Some evidence has a very strong confidentiality attribute, and therefore should remain confidential until the court has made a clear judgment.

prepared-for-litigation technical description/declaration or any other exhibits

Yes. Some statements have a very strong confidentiality attribute, and therefore should remain confidential until the court has made a clear judgement.

oral hearing

No. However, the parts involving trade secrets should be kept confidential. Oral hearings may be subject to social supervision, except for the parts involving trade secrets.

hearing transcripts

Yes. The hearing transcripts clearly record the statements of both parties, some of which are unconfirmed. Therefore, they should still be kept confidential

until the court has made a clear judgment.

- witness statements made out of court and on the record for use in litigation (e.g., deposition)

Yes. Some statements or confessions have a very strong confidentiality attribute and should therefore remain confidential until the court has made a clear judgement.

- court decision

Yes. The parts involving trade secrets should be redacted to prevent disclosure through the judgment.

- potential for future misuse of trade secret information gained from claimant or defendant during the proceeding

Yes.

- other, namely.....

10) During a proceeding, what limits and/or restrictions should there be on Disclosure actions and/or procedures (such as a *saisie contrefaçon* or other seizure) to limit the unnecessary production of trade secrets, thereby reducing the risk of unnecessary disclosure to those involved in the proceeding and leakage into the public domain? For example:

- a) should a court bailiff conducting seizure of evidence identify and separate and keep separate documents relating to trade secrets solely by virtue of the document being labelled a trade secret and/or confidential;

This approach can be adopted in practice.

- b) should a witness testifying about a trade secret do so only in a private/closed hearing with the judge, with the judge and outside counsels, or similar limited-audience proceeding;

Yes. This can prevent disclosure of the contents in the testimony of witnesses containing trade secrets.

- c) should a document (whether or not marked as, e.g., “confidential” and/or “trade secret,”) containing a trade secret that is accidentally disclosed during a proceeding be retractable and not considered a public disclosure;

Yes, the document should be retractable. This is because such documents of trade secrets are accidentally disclosed while the obligee's intention is not to disclose these documents. The disclosure causes losses to the obligee, and remedy measures should be provided.

- e) should a broad injunction prohibiting use of a disclosed trade secret accompany a Disclosure action and/or

Yes. Such a broad injunction should accompany a disclosure action, so as to provide remedy to the obligee after a trade secret is unintentionally disclosed.

f) other, namely?

- 11) Should a trade secret be able to “re-gain” its trade secret status after a disclosure action during a civil proceeding? What conditions should there be to allow the recovery, e.g., trade secret was appropriately marked as “confidential,” and/or “trade secret”?

Answer:

A trade secret can "regain" the trade secret status under special circumstances. The conditions for restoration may be that the disclosure is out of one's own will, for example, the trade secret being illegally obtained and made public by others. In this case, the confidentiality measures should have been quite complete to show the importance that the trade secret holder attaches to the trade secret. Marking a trade secret as "confidential" may not be sufficient, and more stringent and improved confidentiality measures should be adopted.

- 12) Which, if any, of the following should be required or encouraged in any civil litigation in order to maintain a balance between protecting the allegedly misappropriated trade secret and allowing a defendant to defend against a misappropriation charge? Please tick all that apply. Please explain.

- limit access to the trade secret details to defendant's outside counsels only;

Yes. It should only be restricted to the lawyers of the parties. Because lawyers are bound by the practice ethics, they can be managed. If the details of the trade secrets are disclosed to the defendant, the loss of the obligee will be relatively large.

- limit access to the trade secret details to a limited number and type of defendant's inhouse representatives (e.g., General Counsel, Managing Director, Chief Technology Officer, etc.) and outside counsel;

No. The defendant's inhouse representatives should not have the opportunity to view the details of the trade secrets, otherwise the secrets will be disclosed for a second time.

- limit access to the trade secret details to hired third party expert(s) to view and provide directed findings regarding the trade secret details (e.g., court-ordered expert or defendant's hired expert and plaintiff's hired expert meet separate from the parties to compare the plaintiff's trade secret details with the defendant's information); and/or,

Yes. The access can be limited to the hired third-party experts, and it is still necessary to require the third-party experts not to disclose the trade secret details to the defendant.

- allow the defendant to challenge the confidentiality or trade secret status of a document / material during the proceeding

Yes. The defendant should be given the right to challenge the confidentiality or the trade secret status in order to have the opportunity to evaluate the trade secret of the trade secret holder.

- other, namely....?

- 13) Should there be a requirement in trade secret misappropriation cases such that in response to a first identification of a trade secret, there is an immediate redaction of all specific trade secret details from the hearing transcripts, court decisions, or other written document before publication?

Answer:

Such redaction should exist to prevent the disclosure of trade secrets in the litigation process.

- 14) How can one, since injunctions naturally are limited in geographical scope, adequately protect trade secrets obtained during the course of a proceeding against misuse in a different jurisdiction?

Answer:

Lawyers who have access to these trade secrets should be strictly restricted. If lawyers disclose the trade secrets obtained in the course of litigation, they can be punished. Meanwhile, how lawyers can view the trade secrets should be made clear. For example, taking photos, making copies and other large-scale copying behaviors are not allowed, and only taking notes is allowed.

- 15) Should evidence involving trade secrets be preserved by the court after the proceeding has concluded? Please explain.

Answer:

No. Evidence involving trade secrets should be returned to respective parties after the litigation is concluded, so as to prevent disclosure during the evidence preservation period.

- 16) Please comment on any additional issues concerning the protection of trade secrets in civil proceedings that you consider relevant to this Study Question.

Answer:

There are conflicts in the judgment of being non-public in the current judicial practice, especially whether a situation where reverse engineering is able to disassemble and obtain the technical secrets can be classified as non-public, and whether the degree of reverse engineering needs to be considered, and different court decisions have given different results. In the current legal provision, reverse engineering refers to obtaining relevant technical information of a product through

disassembly, mapping, analysis, etc. on the product that is obtained from public available sources. It is not conclusive then, when the technical means used is more complex and significantly more costly than disassembly, mapping and analysis, whether it can be considered that the technical secrets cannot be reverse engineered, and thus remain non-public.

- 17) Please indicate which industry/cultural sector views provided by in-house counsel are included in your Group's answers to Part III.

The above views for questions 11, 12, 14 and 15 are from in-house legal counsel.