

**2nd BCLT
Advanced Life Sciences Institute**

Trade Secrets v. Patents – Key Strategic Decisions

May 2024


BCLT BY THE NUMBERS | *Unrivaled Impact in Tech Law*

#1 Ranked IP law program
20 years by US News



15,000+ Hours of free CLE
instruction provided

40+ Law & tech courses
planned for 2023-2024



9 BCLT faculty-authored textbooks



15 Major conferences
planned for 2023-2024

20+ Other expert-level
events planned for
2023-2024

19 Faculty directors teaching full time and
writing on law and tech issues

3 Faculty Directors ranked
among top 5 most cited IP
scholars




35 Practitioner instructors teaching
advanced law and technology courses



13 Tech-focused Student
Groups

26 Years BCLT has been
collaborating with
Federal Judicial Center



850+ Federal judges
trained at the BCLT/
FJC IP seminar

Gargi Talukder

Gargi Talukder is a partner at Orrick, where she leads Orrick's Life Sciences Patent Strategy and Prosecution Practice. Companies at all stages of development rely on Gargi's advice for global patent portfolio management and prosecution and competitive landscape assessments. Gargi works with scientific leads and senior management of leading biotechnology and pharmaceutical companies to develop strategies for patent procurement and product clearance across a range of life sciences technology sectors, such as protein therapeutics, gene therapy, and genomics and proteomics applications.

In addition, Gargi assists clients in providing intellectual property support for transactional matters, including diligence for mergers and acquisitions as well as financing rounds. Her technical experience is routinely called upon in helping to develop litigation strategies for complex and high-stakes trials.



Connect with [Gargi](#) on LinkedIn

Berkeley Center for Law
& Technology

at Berkeley Law

Sue Wang

Sue Wang is a partner at Sidley Austin LLP. She is a trial lawyer who represents clients across the life sciences industry in high-stakes litigation involving intellectual property and complex commercial disputes. An experienced litigator, she has developed strategies and helped clients prevail in precedent-setting patent cases against generic, biosimilar, and innovator competitors.

A former federal district court clerk, Sue knows how to speak to judges and juries. She leverages her scientific training from an undergraduate degree in biological sciences and her legal experience to craft and deliver compelling narratives around complicated legal and technological issues.

SIDLEY

Connect with [Sue](#) on LinkedIn

Berkeley Center for Law
& Technology

at Berkeley Law

Protecting Innovation as a Patent or Trade Secret—A Multi-Faceted Assessment

- **Scope of protection:** notice, administrability
- **Type of technology:** specific vs. platform, novelty, capability of reverse-engineering
- **Company size:** need-to-know vs. collaboration
- **Stage of development:** funding, early-stage, pre-clinical, commercial
- **Nature of industry:** employee movement, aggressiveness of competitors
- **Location:** jurisdictional differences
- **Resources:** balancing limited resources against value of protection

Trade Secrets: Independent Economic Value from Being Secret

“trade secret” means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if—

(A) the owner thereof has taken **reasonable measures** to **keep such information secret**; and
(B) the **information 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 U.S.C. § 1839 (DTSA Definitions)

Trade Secrets: Independent Economic Value from Being Secret

“trade secret” means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if—

(A) the owner thereof has taken **reasonable measures** to **keep such information secret**; and
(B) the **information 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 U.S.C. § 1839 (DTSA Definitions)

Examples of Trade Secrets

- Formulas/recipes: Coca-Cola formula; Kentucky Fried Chicken spice blend
- Product designs
- Customer lists, marketing strategies, sales techniques
- Pricing schedules, financial information
- Source code
- Manufacturing techniques and SOPs
- Diagnostic algorithms
- Reagents
- Negative know-how

Reasonable Measures to Maintain Secrecy

- Consistent policy
- Confidentiality agreement
- Regular training
- Limited access
- Maintain good records of trade secrets
- Exit interview
- Device return and forensic analysis
- Industry best practices

Patents: Public Property Right for Invention

A patent provides an exclusive right to prevent or stop others from commercially exploiting an invention for twenty years (with a few caveats) from the date of filing of the patent application.

In a trade-off for this government-sponsored monopoly, the applicant needs to provide enough information for the skilled artisan to understand the metes and bounds of the invention.

What constitutes "enough information" has become an increasingly difficult standard in many jurisdictions, including the United States, with the upshot being that the more scope one wishes to protect, the more one must show in the application.

Patents: The process can be a long one

- Evaluate whether an invention is patentable: must be novel and non-obvious
- Develop a patent filing strategy: timing can be key
- **Build out and submit the patent application in jurisdictions of importance**
- **Work with patent examiners in each jurisdiction to get patents through examination and to an issuance**
- Maintain the patent to keep it in force

In addition: Balancing filing early with having developed the invention fully enough to build a robust patent that withstands prosecution and (potentially) litigation or post-grant proceedings

Trade Secrets

- Unlimited term
- Avoids public disclosure
- Harder to license
- Maintain and police reasonable measures
- Requires intent
- Can depend on state law (if not DTSA)
- Seizure remedy under DTSA
- Potentially large damages
- Statute of limitations
- Reverse-engineering/independent development are defenses

vs.

Patents

- 20 years from application (generally)
- Publication before patent grant
- Easier to license, collaborate, and publish
- Prosecution and portfolio management
- Strict liability if infringed
- Subject to vagaries of patent law
- No statutory seizure remedy
- Potentially large damages
- 6 year limitation on past damages
- No reverse-engineering/independent development defense

Protecting Innovation as a Patent or Trade Secret—A Multi-Faceted Assessment

- **Scope of protection:** notice, administrability
- **Type of technology:** specific vs. platform, novelty, capability of reverse-engineering
- **Company size:** need-to-know vs. collaboration
- **Stage of development:** funding, early-stage, pre-clinical, commercial
- **Nature of industry:** employee movement, aggressiveness of competitors
- **Location:** jurisdictional differences
- **Resources:** balancing limited resources against value of protection

Thank you for joining us.

2024 Advanced Life Sciences Institute Agenda: [LINK](#)

Connect with BCLT on [LinkedIn](#)