

WIPO Symposium on Trade Secrets and Innovation 2022

Topic 8: “Enforcement of Trade Secrets and Defense against Allegation of Misappropriation: Litigation and Alternative Dispute Settlement Mechanisms”

Enforcement challenges in Brazil (and Latin America)

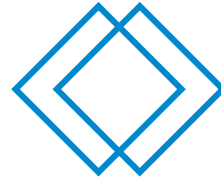
Geneva, May 24, 2022

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Misappropriation?



As a TRIPS member...

- (a) (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;
- (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.

Challenge

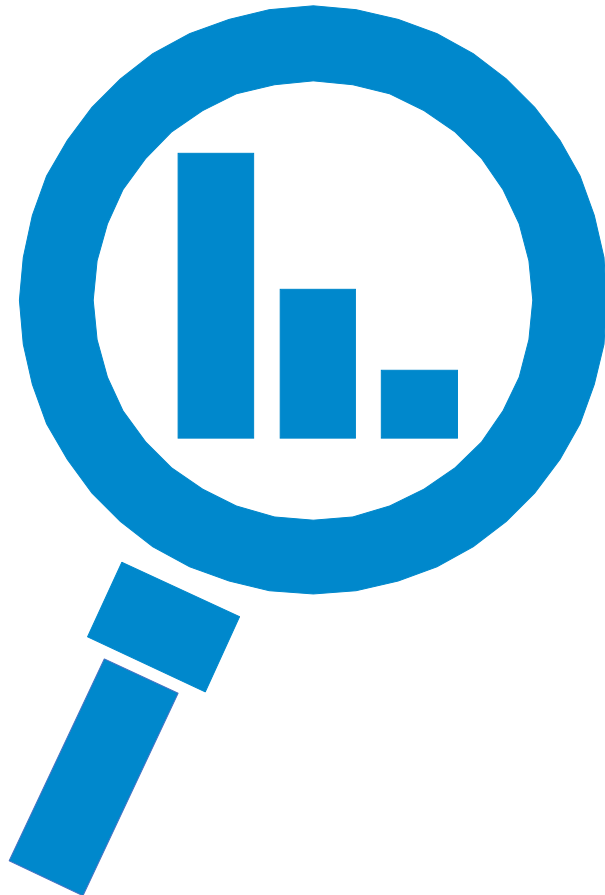
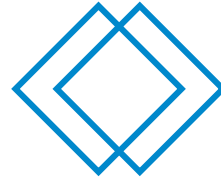
Law 9,279 of 1996 (the Brazilian Industrial Property Law) governs trade secrets **within the scope of the unfair competition rules**

A **crime of unfair competition** is committed by whoever engages in unauthorized disclosure, exploitation or use of confidential knowledge, information or data usable in industry, commerce or services, unless in the public domain or that is **evident to a person skilled in the art**: (a) to which they have had access by means of a **contractual or employment relationship**; or (b) when obtained by **illicit means** or to which they **have had access by fraud**.

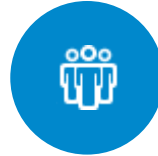
Injured party may institute civil proceedings per the Code of Civil Procedure.

Compensation shall be determined based on the benefit that the injured party would have obtained had the infringement not taken place.

Trade Secret & Courts



“Linkage system” between TS breach and unfair competition



Misappropriation *per se* may not constitute a breach
BYOD and the “desktop” folder



“Testing” misappropriation and misuse

Not generally known? The *algorithm* case
Value for being secret? How was it used? Client list vs. formulae mixture
Protection measures? “Members of the team” accessed the information
Limits between professional skills and unfair competition (via TS)



Damages

Statutory: (a) limitation of damages, i.e., direct and reasonable lost profit; and (b) no consequential or indirect damages, punitive;

Reasonable lost profit: (a) legal license; (b) legal exploitation; and (c) illegal gains



Judicial construction

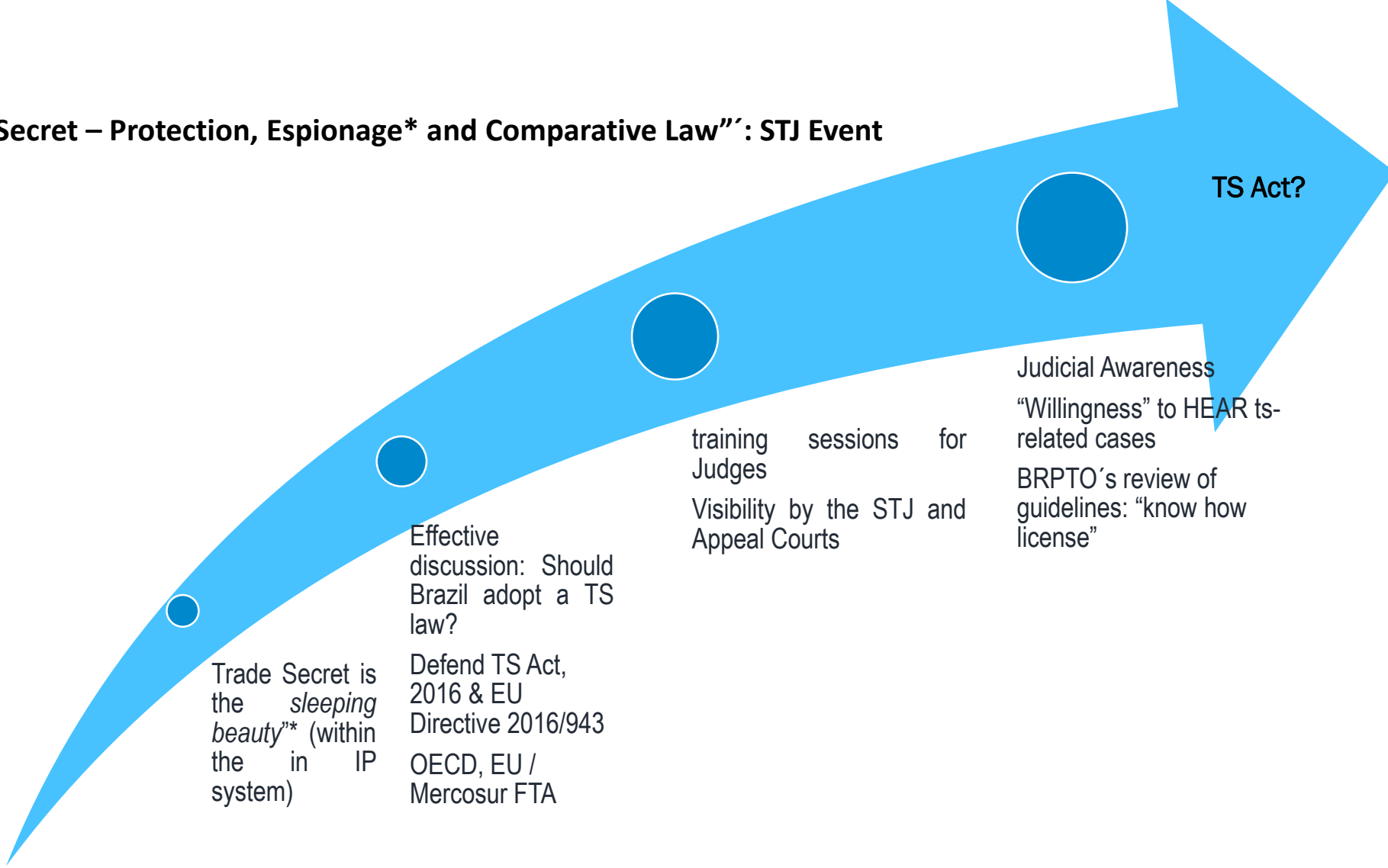
Report-based (outside expert)

Bona fide third party: The AI consolidator case

Trends



“Trade Secret – Protection, Espionage* and Comparative Law” : STJ Event



Trade Secret is the *sleeping beauty** (within the IP system)

Effective discussion: Should Brazil adopt a TS law?

Defend TS Act, 2016 & EU Directive 2016/943
OECD, EU / Mercosur FTA

training sessions for Judges
Visibility by the STJ and Appeal Courts

Judicial Awareness
“Willingness” to HEAR ts-related cases
BRPTO’s review of guidelines: “know how license”

TS Act?

Merci!

Thank you!

Obrigado!

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