ABSTRACT

Trade secret misappropriation or theft has been estimated to cost U.S. business firms $300 billion annually. Current/former employees and value chain partners have been identified as the primary culprits in this industrial espionage activity. Many corporate security protocols have been suggested as methods for attenuating this theft and protecting organizational trade secrets. However, many of these methodologies can serve to create significant legal challenges and liabilities for organizations choosing to implement them. This paper seeks to both document these legal issues and assist corporations in better balancing corporate security with the requirements of privacy, contract, labor and trade secret laws.

Keywords: Trade Secret Misappropriation, Industrial Espionage, Employee Monitoring, Privacy Laws