



TO: Youth Science Institute
FROM: Lisa Chapman, Esq.
DATE: April 24,2009
RE: California Trade Secret Law

Trade secrets are defined as information that (1) is generally not known in the industry, to the public or to others who can realize economic value from its disclosure or use; (2) has independent economic value, whether actual or potential that derives from its secrecy; and (3) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Civil Code Section 3426.1(d). For purposes of this definition, the term “information” includes, among other things, formulas, patterns, compilations, programs, devices, methods, techniques and processes. YSI’s educational programs and materials fall within the definition of “information” that is protected by federal and state trade secret law. Specifically, this would include its course curriculum and course materials.

Theft or misappropriation of YSI’s trade secrets would constitute a violation of California and federal law. Trade secret “misappropriation” is defined as (1) the acquisition of a trade secret by a person that knows, or should know, that the trade secret was acquired by improper means, or (2) the disclosure of a trade secret by another without appropriate express or implied consent. The use by any organization or individual of YSI’s educational programs or materials without YSI’s approval would be a misappropriation of YSI’s trade secrets, and constitute a violation of the law. This would include the use by a current or former employee of YSI’s educational programs and/or materials. Current and former employees are forbidden, under the law, from using YSI programs and materials for the benefit of themselves, or any organization or institution other than YSI, without YSI’s express knowledge and approval.

Under California and federal trade secret law, the owner of a trade secret can obtain both injunctive relief and monetary damages against where it discovers a trade secret violation. Treble, or “three times” monetary damages, attorney fees and costs are also available. Imprisonment and fines may also be imposed.

Employee Signature: _____ Date: _____