STATUTORY INSTRUMENTS

2018 No. 597

INTELLECTUAL PROPERTY

The Trade Secrets (Enforcement, etc.) Regulations 2018

Made - - - -	*15th May 2018*
Laid before Parliament	*18th May 2018*
Coming into force - -	*9th June 2018*

The Secretary of State is a Minister designated for the purposes of section 2(2) of the European Communities Act 1972(**1**) in relation to intellectual property (including both registered and unregistered rights)(**2**).

The Secretary of State, in exercise of the powers conferred by section 2(2) of that Act, makes the following Regulations.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Trade Secrets (Enforcement, etc.) Regulations 2018 and come into force on 9th June 2018.

(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. For the purposes of these Regulations—

"court" means—

(a) in England and Wales, a County Court hearing centre where there is also a Chancery District Registry or the High Court (as provided for in rule 63.13 of the Civil Procedure Rules 1998(**3**)),

(b) in Scotland, the sheriff or the Court of Session, and

(c) in Northern Ireland, a county court or the High Court;

"infringer" means a person who has unlawfully acquired, used or disclosed a trade secret;

(**1**) 1972 c.68; section 2(2) was amended by the Legislative and Regulatory Reform Act 2006 (c.51), section 27(1)(a) and the European Union (Amendment) Act 2008 (c.7), section 3(3) and Schedule, Part I.
(**2**) S.I. 2006/608.
(**3**) S.I. 1998/3132; relevant amending instruments are S.I. 2009/2092, Schedule 1, S.I. 2009/3390, rule 38(a), S.I. 2013/1974, rule 26(g), and S.I. 2014/407, rule 27(a).

"infringing goods" means goods, the design, functioning, production process, marketing or a characteristic of which significantly benefits from a trade secret unlawfully acquired, used or disclosed;

"trade secret" means information which—

(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;

"trade secret holder" means any person lawfully controlling a trade secret.

Wider protection

3.—(1) The acquisition, use or disclosure of a trade secret is unlawful where the acquisition, use or disclosure constitutes a breach of confidence in confidential information.

(2) A trade secret holder may apply for and a court may grant measures, procedures, and remedies available in an action for breach of confidence where the measures, procedures and remedies—

(a) provide wider protection to the trade secret holder than that provided under these Regulations in respect of the unlawful acquisition, use or disclosure of a trade secret, and

(b) comply with the safeguards referred to in Article 1 of Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure(**4**).

(3) A trade secret holder may apply for and a court may grant the measures, procedures and remedies referred to in paragraph (2) in addition, or as an alternative, to the measures procedures and remedies provided for in these Regulations in respect of the unlawful acquisition, use or disclosure of a trade secret.

Time limits for bringing proceedings

4.—(1) Proceedings may not be brought before a court in respect of a claim for the unlawful acquisition, use or disclosure of a trade secret and for the application of measures, procedures and remedies provided for under these Regulations—

(a) in England and Wales and Northern Ireland, after the end of the limitation period for the claim, and

(b) in Scotland, after the end of the prescriptive period for the claim, except where the subsistence of the obligation in relation to which the claim is made was relevantly acknowledged before the end of that period.

(2) The limitation period referred to in paragraph 1(a) is to be determined in accordance with this regulation and regulations 5 to 7 and 9.

(3) Section 36 of the Limitation Act 1980(**5**) (equitable jurisdiction and remedies) does not apply in relation to proceedings in respect of a claim for the unlawful acquisition, use or disclosure of a trade secret.

(4) The prescriptive period referred to in paragraph 1(b) is to be determined in accordance with this regulation and regulations 5, 6 and 8.

(**4**) OJ L157, 15.6.2016, p1.
(**5**) 1980 c. 58.

(5) Section 6 of the Prescription and Limitation (Scotland) Act 1973(**6**) (extinction of obligations by prescriptive periods of five years) does not apply in relation to an obligation arising from a claim for the unlawful acquisition, use or disclosure of a trade secret.

(6) The following provisions of the Prescription and Limitation (Scotland) Act 1973 apply for the purposes of, or in relation to, paragraph (1)(b) as they apply for the purposes of, or in relation to, section 6 of that Act—

(a) section 10 (relevant acknowledgment);

(b) section 13 (prohibition of contracting out);

(c) section 14(1)(c) and (d) (computation of prescriptive periods).

Length of limitation or prescriptive period

5.—(1) The limitation period is six years.

(2) The prescriptive period is five years.

(3) The limitation or prescriptive period begins with the day specified in regulation 6.

Beginning of limitation or prescriptive period

6.—(1) The limitation or prescriptive period for a claim for the unlawful acquisition, use or disclosure of a trade secret against an infringer begins with the later of—

(a) the day on which the unlawful acquisition, use or disclosure that is the subject of the claim ceases, and

(b) the day of knowledge of the trade secret holder.

(2) In paragraph (1)(b), "the day of knowledge of the trade secret holder" is the day on which the trade secret holder first knows or could reasonably be expected to know—

(a) of the infringer's activity,

(b) that the activity constitutes an unlawful acquisition, use or disclosure of a trade secret, and

(c) the identity of the infringer.

(3) The reference in paragraph (2) to the trade secret holder knowing something is to the trade secret holder having sufficient knowledge of it to bring a claim for the unlawful acquisition, use or disclosure of a trade secret.

(4) Where a person has acquired the liability of an infringer from another person (whether by operation of law or otherwise)—

(a) the reference to an infringer in paragraph (1) is to be read as a reference to the person who has acquired the liability, but

(b) the references to the infringer in paragraph (2) are to be read as references to the original infringer.

(5) This regulation has effect subject to—

(a) regulation 7 in relation to the limitation period, and

(b) regulation 8 in relation to the prescriptive period.

Effect of disability on limitation period

7.—(1) If, in relation to a claim in England and Wales and Northern Ireland for the unlawful acquisition, use or disclosure of a trade secret, the trade secret holder is under a disability during

(**6**) 1973 c. 52.

the whole or any part of the limitation period, the limitation period for the claim begins with the earlier of—

(a) the day on which the trade secret holder ceases to be under a disability, and

(b) the day on which the trade secret holder dies.

(2) In England and Wales, references in paragraph (1) to a person being "under a disability" have the same meaning as in section 38(2) of the Limitation Act 1980 (interpretation).

(3) In Northern Ireland, references in paragraph (1) to a person being "under a disability" have the same meaning as in article 47 of the Limitation (Northern Ireland) Order 1989(**7**) (persons under a disability).

Suspension of prescriptive period during period of disability

8.—(1) If, in relation to a claim in Scotland for the unlawful acquisition, use or disclosure of a trade secret, the trade secret holder is under legal disability for a period at any time, the period during which the trade secret holder is under legal disability—

(a) is not to be counted when calculating whether the prescriptive period for the claim has expired, and

(b) is not to be regarded as separating the time immediately before it from the time immediately after it.

(2) In paragraph (1), "legal disability" has the same meaning as in section 15(1) of the Prescription and Limitation (Scotland) Act 1973 (interpretation).

New claims in pending actions: England and Wales and Northern Ireland

9. For the purposes of regulations 4 to 7—

(a) section 35 of the Limitation Act 1980 (new claims in pending action) applies in relation to a claim for the unlawful acquisition, use or disclosure of a trade secret that is a new claim and to proceedings for the unlawful acquisition, use or disclosure of a trade secret as it applies in relation to new claims and proceedings for the purposes of that Act; and

(b) Article 73 of the Limitation (Northern Ireland) Order 1989 (new claims in pending actions) applies in relation to a claim for the unlawful acquisition, use or disclosure of a trade secret that is a new claim and to proceedings for the unlawful acquisition, use or disclosure of a trade secret as it applies in relation to new claims and proceedings for the purposes of that Order.

Preservation of confidentiality of trade secrets in the course of proceedings

10.—(1) A participant, or a participant who has access to documents which form part of the proceedings, must not use or disclose any trade secret or alleged trade secret—

(a) which, on a duly reasoned application by an interested party or on a court's own initiative, a court by order identifies as confidential, and

(b) of which a participant has become aware as a result of participation in the proceedings or the access.

(2) The obligation referred to in paragraph (1) remains in force after the proceedings have ended, subject to paragraph (3).

(3) The obligation in paragraph (1) ceases to exist—

(**7**) S.I. 1989/1339 (N.I. 11).

(a) where a court, by final decision, finds that the alleged trade secret does not meet the requirements of a trade secret, or

(b) where over time the information in question becomes generally known among, or readily accessible to, persons within the circles that normally deal with that kind of information.

(4) On a duly reasoned application by a party or on a court's own initiative, a court may order any of the measures set out in paragraph (5) as may be necessary to preserve the confidentiality of any trade secret or alleged trade secret used or referred to in the course of proceedings.

(5) A court may—

(a) restrict access to any document containing a trade secret or alleged trade secret submitted by the parties or third parties, in whole or in part, to a limited number of persons,

(b) restrict access to hearings, when trade secrets or alleged trade secrets may be disclosed, and to the record or transcript of those hearings to a limited number of persons, and

(c) make available to a person, who is not one of the limited number of persons referred to in sub-paragraph (a) or (b), a non-confidential version of any judicial decision, in which the passages containing trade secrets have been removed or redacted.

(6) The number of persons referred to in paragraph 5(a) or (b) must be no greater than necessary to ensure compliance with the right of the parties to the legal proceedings to an effective remedy and to a fair trial, and must include, at least, one individual from each party and the lawyers or other representatives of those parties to the proceedings.

(7) In deciding whether or not to grant the measures in paragraph (5) in accordance with paragraphs (4) and (6) and which of the measures to order and in assessing the proportionality of the measures, a court must take into account—

(a) the need to ensure the right to an effective remedy and to a fair trial,

(b) the legitimate interests of the parties, and

(c) any potential harm for the parties.

(8) In this regulation—

"participant" means a party, a lawyer or other representative of a party, a court official, a witness, an expert or any other person participating in proceedings;

"parties", in paragraph (7), includes, where appropriate, third parties;

"proceedings" means legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret.

Interim measures

11.—(1) On the application of a trade secret holder, a court may order any of the following measures against the alleged infringer—

(a) the cessation of, or (as the case may be) the prohibition of, the use or disclosure of the trade secret on a provisional basis;

(b) the prohibition of the production, offering, placing on the market or use of infringing goods, or the importation, export or storage of infringing goods for those purposes;

(c) the seizure or delivery up of the suspected infringing goods, including imported goods, so as to prevent the goods entering into, or circulating on, the market.

(2) A person to whom the suspected infringing goods are delivered up under paragraph (1)(c) must retain the infringing goods pending a decision to make or not to make an order under regulation 14(2).