Purpose: To amend title 18, United States Code, to provide immunity from liability for confidential disclosure of trade secret information to the Government or in a court filing.

IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.

S. 1890

To amend chapter 90 of title 18, United States Code, to provide Federal jurisdiction for the theft of trade secrets, and for other purposes.

Referred to the Committee on ________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. LEAHY (for himself and Mr. GRASSLEY)

Viz:

At the appropriate place, insert the following:

SEC. ___. IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING.

(a) Amendment.—Section 1833 of title 18, United States Code, is amended—

(1) by striking “This chapter” and inserting “(a) IN GENERAL.—This chapter”;

(2) in subsection (a)(2), as designated by paragraph (1), by striking “the reporting of a suspected
violation of law to any governmental entity of the United States, a State, or a political subdivision of a State, if such entity has lawful authority with respect to that violation” and inserting “the disclosure of a trade secret in accordance with subsection (b)”; and

(3) by adding at the end the following:

“(b) IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING.—

“(1) IMMUNITY.—An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—

“(A) is made—

“(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and

“(ii) solely for the purpose of reporting or investigating a suspected violation of law; or

“(B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
“(2) Use of trade secret information in anti-retaliation lawsuit.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—

“(A) files any document containing the trade secret under seal; and

“(B) does not disclose the trade secret, except pursuant to court order.

“(3) Notice.—

“(A) In general.—An employer shall provide notice of the immunity set forth in this subsection in any contract or agreement with an employee that governs the use of a trade secret or other confidential information.

“(B) Policy document.—An employer shall be considered to be in compliance with the notice requirement in subparagraph (A) if the employer provides a cross-reference to a policy document provided to the employee that sets forth the employer’s reporting policy for a suspected violation of law.
“(C) NON-COMPLIANCE.—If an employer does not comply with the notice requirement in subparagraph (A), the employer may not be awarded exemplary damages or attorney fees under subparagraph (C) or (D) of section 1836(b)(3) in an action against an employee to whom notice was not provided.

“(D) APPLICABILITY.—This paragraph shall apply to contracts and agreements that are entered into or updated after the date of enactment of this subsection.

“(4) EMPLOYEE DEFINED.—For purposes of this subsection, the term ‘employee’ includes any individual performing work as a contractor or consultant for an employer.

“(5) RULE OF CONSTRUCTION.—Except as expressly provided for under this subsection, nothing in this subsection shall be construed to authorize, or limit liability for, an act that is otherwise prohibited by law, such as the unlawful access of material by unauthorized means.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 1838 of title 18, United States Code, is amended by striking “This chapter” and inserting “Except as provided in section 1833(b), this chapter”.