



STATUTORY INSTRUMENTS.

S.I. No. 188 of 2018



EUROPEAN UNION (PROTECTION OF TRADE SECRETS)
REGULATIONS 2018

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I, HEATHER HUMPHREYS, Minister for Business, Enterprise and Innovation, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving effect to Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016¹, hereby make the following regulations:

PART 1

PRELIMINARY AND GENERAL

1. (1) These Regulations may be cited as the European Union (Protection of Trade Secrets) Regulations 2018.

(2) These Regulations shall come into operation on 9 June 2018.

2. (1) In these Regulations—

“appropriate court” means—

(a) the District Court, where the damages or the value of the other relief sought in any action to which the application relates is not liable to exceed such sum as stands specified by an enactment to be the jurisdiction of the District Court for actions in contract or tort,

(b) the Circuit Court, where the damages or the value of the other relief sought in any action to which the application relates is not liable to exceed such sum as stands specified by an enactment to be the jurisdiction of the Circuit Court for actions in contract or tort, and

(c) in any other case, the High Court;

“Directive” means Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016¹ on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

(2) A word or expression, that is used in these Regulations and that is also used in the Directive has, unless the context otherwise requires, the same meaning in these Regulations as it has in the Directive.

¹OJ L157, 15.6.2016, p. 1

*Notice of the making of this Statutory Instrument was published in
“Iris Oifigiúil” of 15th June, 2018.*

PART 2

ACQUISITION, USE AND DISCLOSURE OF TRADE SECRETS

3. (1) The acquisition of a trade secret shall be considered lawful when the trade secret is obtained by any of the following means:

- (a) independent discovery or creation;
- (b) observation, study, disassembly or testing of a product or object that
 - (i) has been made available to the public, or
 - (ii) is lawfully in the possession of the acquirer of the information who is free from any legally valid duty to limit the acquisition of the trade secret;
- (c) exercise of the right of workers or workers' representatives to information and consultation in accordance with European Union law and the law, and practices, of the State;
- (d) any other practice which, under the circumstances, is in conformity with honest commercial practices.

(2) The acquisition, use or disclosure of a trade secret shall be considered lawful to the extent that such acquisition, use or disclosure is required or allowed by European Union law or the law of the State.

4. A trade secret holder shall be entitled to apply for the measures, procedures and remedies provided for in these Regulations in order to prevent, or obtain redress for, the unlawful acquisition, use or disclosure of the trade secret concerned.

5. (1) The acquisition of a trade secret without the consent of the trade secret holder shall be considered unlawful whenever carried out by:

- (a) unauthorised access to, appropriation of, or copying of any documents, objects, materials, substances or electronic files, lawfully under the control of the trade secret holder, containing the trade secret or from which the trade secret can be deduced;
- (b) any other conduct which, under the circumstances, is considered contrary to honest commercial practices.

(2) The use or disclosure of a trade secret shall be considered unlawful whenever carried out, without the consent of the trade secret holder, by a person who is found to meet any of the following conditions:

- (a) having acquired the trade secret unlawfully;
- (b) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret;

(c) being in breach of a contractual or any other duty to limit the use of the trade secret.

(3) The acquisition, use or disclosure of a trade secret shall be considered unlawful whenever a person, at the time of the acquisition, use or disclosure, knew or ought, under the circumstances, to have known that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully within the meaning of paragraph (2).

(4) The use of a trade secret shall be considered unlawful where—

(a) a person—

(i) produces, offers or places infringing goods on the market, or

(ii) imports, exports or stores infringing goods for the production, offering or placing of the infringing goods on the market, and

(b) the person referred to in paragraph (a) knew or ought, under the circumstances, to have known that the trade secret was used unlawfully within the meaning of paragraph (2).

6. The appropriate court shall dismiss an application for the measures, procedures and remedies provided for in these Regulations where it is satisfied that the alleged acquisition, use or disclosure of the trade secret was carried out in any of the following cases:

(a) for exercising the right to freedom of expression and information as set out in the Charter of Fundamental Rights of the European Union, including respect for the freedom and pluralism of the media;

(b) for revealing misconduct, wrongdoing or illegal activity, provided that the respondent acted for the purpose of protecting the general public interest;

(c) disclosure by workers to their representatives as part of the legitimate exercise by those representatives of their functions in accordance with European Union law or the law of the State, provided that such disclosure was necessary for that exercise;

(d) for the purpose of protecting a legitimate interest recognised by European Union law or the law of the State.

7. Section 5 of the Protected Disclosures Act 2014 (No. 14 of 2014) is amended—

(a) in subsection (1), by the substitution of “subsections (6) and (7A)” for “subsection (6)”,

(b) in subsection (7), by the substitution of “Subject to subsection (7A), the motivation” for “The motivation”, and

(c) by the insertion of the following subsection after subsection (7):

“(7A) Where a worker, referred to in subsection (1), makes a disclosure of relevant information in the manner specified by that subsection, and in respect of that disclosure of relevant information it is alleged that the disclosure concerned the unlawful acquisition, use or disclosure of a trade secret (within the meaning of the European Union (Protection of Trade Secrets) Regulations 2018 (S.I. No. 188 of 2018)), such disclosure is a protected disclosure provided that the worker has acted for the purposes of protecting the general public interest.”.

PART 3

MEASURES, PROCEDURES AND REMEDIES

8. (1) Where—

- (a) an application concerning the unlawful acquisition, use or disclosure of a trade secret is found by the appropriate court to be manifestly unfounded, and
- (b) the applicant is found to have initiated the legal proceedings referred to in subparagraph (a) abusively or in bad faith, the appropriate court may, upon an application by the respondent, apply appropriate measures as it thinks fit, including, without prejudice to the generality of the foregoing—
 - (i) awarding damages to the respondent,
 - (ii) imposing sanctions on the applicant, or
 - (iii) ordering the dissemination of information concerning a decision as referred to in Regulation 17.

(2) An application in respect of more than one of the measures specified in paragraph (1) may be made in separate legal proceedings for each such measure.

9. (1) Section 11(1) of the Statute of Limitations 1957 (No. 6 of 1957) is amended by the insertion after paragraph (e) of the following paragraph:

“(f) actions under the European Union (Protection of Trade Secrets) Regulations 2018 (S.I. No. 188 of 2018), other than Regulation 18 of those Regulations.”.

(2) For the purposes of paragraph (f) of section 11(1) of the Statute of Limitations 1957 (No. 6 of 1957), the reference to “actions” shall be construed as any application to an appropriate court under these Regulations (other than proceedings under Regulation 18).

10. (1) In legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret, an appropriate court may, in response to a duly reasoned application by an interested party, make an order directing that one or

more relevant persons shall not be permitted to use or disclose any trade secret or alleged trade secret—

- (a) which the appropriate court has, in response to that duly reasoned application, identified as confidential, and
- (b) of which any relevant person has become aware as a result of participating in the legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret or who has access to documents which form part of those legal proceedings.

(2) Without prejudice to paragraph (1), in the legal proceedings referred to in that paragraph an appropriate court may, on its own motion, make an order directing that one or more relevant persons shall not be permitted to use or disclose any trade secret or alleged trade secret—

- (a) which the appropriate court, on its own motion, has identified as confidential, and
- (b) of which any relevant person has become aware as a result of participating in the legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret or who has access to documents which form part of those legal proceedings.

(3) Subject to paragraph (4), an order made by the appropriate court under paragraph (1) or (2) shall remain in force after the legal proceedings referred to in paragraph (1) or as the case may be, paragraph (2), have ended.

(4) An order made under paragraph (1) or (2) shall cease to have effect in any of the following circumstances:

- (a) where the alleged trade secret is finally determined, by an appropriate court, not to meet the requirements of a trade secret specified in point 1 of Article 2 of the Directive; or
- (b) where, the appropriate court is satisfied that over time, the information in question has become generally known among or readily accessible to persons within the circles that normally deal with that kind of information.

(5) In this Regulation “relevant person” means—

- (a) the parties to the proceedings referred to in paragraph (1), their lawyers or other representatives,
- (b) court officials,
- (c) witnesses,
- (d) experts, or
- (e) any other person—

- (i) participating in the proceedings referred to in paragraph (1), or
- (ii) who has access to a document which forms part of the proceedings referred to paragraph (1).

11. (1) The appropriate court may—

- (a) on a duly reasoned application by an interested party, or
- (b) on its own motion,

make an order for any specific measures necessary to preserve the confidentiality of any trade secret or alleged trade secret used or referred to in the course of legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret.

(2) Without prejudice to the generality of paragraph (1), the specific measures referred to in that paragraph shall include all or any of the following:

- (a) restricting access to any document containing trade secrets or alleged trade secrets submitted by the parties or third parties to the proceedings referred to in paragraph (1), in whole or in part, to a limited number of persons;
- (b) restricting access to—
 - (i) hearings, when trade secrets or alleged trade secrets may be disclosed, and
 - (ii) the corresponding record or transcript of those hearings, to a limited number of persons;
- (c) making available to any person, other than those comprised in the limited number of persons referred to subparagraphs (a) and (b), a non-confidential version of any decision of an appropriate court, in which the passages containing trade secrets have been removed or redacted.

(3) When making an order under paragraph (1), in respect of a specific measure referred to in that paragraph or in paragraph (2), the appropriate court shall have regard to the requirement that the limited number of persons referred to in paragraph (2)(a) and (2)(b) shall be no greater than necessary in order to ensure compliance with the rights of the parties to the legal proceedings to an effective remedy and to a fair trial and shall include, at least, one natural person from each party and the respective lawyers or other representatives of those parties to the legal proceedings.

(4) When deciding on the measures referred to in paragraphs (1) and (2) and assessing their proportionality, the appropriate court shall take into account—

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

- (b) the legitimate interests of the parties and, where appropriate, of third parties, and
- (c) any potential harm for either of the parties, and, where appropriate, for third parties, resulting from the granting or rejection of such measures.

(5) Any processing of personal data under this Regulation or Regulation 10 shall be carried out in accordance with the Data Protection Regulation.

(6) In this Regulation—

“Data Protection Regulation” means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016² on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

“personal data” has the meaning assigned to it by Article 4(1) of the Data Protection Regulation;

“processing” has the meaning assigned to it by Article 4(2) of the Data Protection Regulation.

12. (1) The appropriate court may, on application to it by the trade secret holder, make an order granting any of the following provisional and precautionary 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 their entry into, or circulation on, the market.

(2) The appropriate court may, as an alternative to the measures referred to in paragraph (1), make an order to provide for where there is a continuation of the alleged unlawful use of a trade secret, that continuation shall be subject to the lodging of guarantees intended to ensure the compensation of the trade secret holder.

(3) For the purposes of paragraph (2), disclosure of a trade secret in return for the lodging of guarantees shall not be allowed.

(4) When making an order under paragraph (1) or (2), the appropriate court may make the measures referred to in paragraph (1) or (2) subject to the lodging

²OJ No. L119, 4.5.2016, p.1.

by the applicant of adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the respondent to that application and, where appropriate, by any other person affected by the measures.

13. (1) In an application under Regulation 12, the appropriate court may require the applicant to provide that court with evidence that may reasonably be considered available in order for that court to satisfy itself with a sufficient degree of certainty that—

- (a) a trade secret exists,
- (b) the person who made the application under Regulation 12 is the trade secret holder, and
- (c) the trade secret has been acquired unlawfully, is being unlawfully used or disclosed, or unlawful acquisition, use or disclosure of the trade secret is imminent.

(2) The appropriate court, when considering an application under Regulation 12 and assessing its proportionality, shall take into account the specific circumstances of the case, including, where appropriate:

- (a) the value and other specific features of the trade secret;
- (b) the measures taken to protect the trade secret;
- (c) the conduct of the respondent in acquiring, using or disclosing the trade secret;
- (d) the impact of the unlawful use or disclosure of the trade secret;
- (e) the legitimate interests of the parties and the impact which the granting or rejection of the measures could have on the parties;
- (f) the legitimate interests of third parties;
- (g) the public interest; and
- (h) the safeguard of fundamental rights.

(3) The appropriate court may, on application to it by the respondent in an application under Regulation 12, order that any provisional and precautionary measures granted by it under paragraph (1) or (2) of Regulation 12 are revoked or otherwise cease to have effect if:

- (a) the applicant in the application under Regulation 12 did not institute legal proceedings leading to a decision on the merits of the case before an appropriate court within—
 - (i) the reasonable period determined by the appropriate court in the order made under Regulation 12, or

- (ii) in the absence of a determination referred to in clause (i), a period not exceeding 20 working days or 31 calendar days, whichever is the longer; or
 - (b) the information in question no longer meets the requirements of a trade secret specified in point 1 of Article 2 of the Directive for reasons that cannot be attributed to the respondent in the application under Regulation 12.
- (4) Where—
 - (a) the measures referred to in paragraph (1) or paragraph (2) of Regulation 12—
 - (i) are revoked on the basis of paragraph (3)(a), or
 - (ii) lapse due to any act or omission by the applicant, or
 - (b) it is subsequently found that there has been no unlawful acquisition, use or disclosure of the trade secret or threat of such conduct, in respect of an application under Regulation 12,

the appropriate court may order the applicant, upon the request of the respondent or of an injured third party, to provide the respondent or the injured third party, appropriate compensation for any injury caused by those measures.

(5) Where an application is made under paragraph (4) by a respondent or an injured third party, any such application may be made in separate legal proceedings.

14. (1) Where the appropriate court makes a decision that is made on the merits of the case and finds that there has been unlawful acquisition, use or disclosure of a trade secret, the court may, at the request of the applicant (whether pleaded by way of relief or otherwise), order one or more of the following measures against the infringer:

- (a) the cessation of or, as the case may be, the prohibition of the use or disclosure of the trade secret;
- (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 adoption of the appropriate corrective measures with regard to the infringing goods;
- (d) the destruction of all or part of any document, object, material, substance or electronic file containing or embodying the trade secret or, where appropriate, the delivery up to the applicant of all or part of those documents, objects, materials, substances or electronic files.

(2) The corrective measures referred to in paragraph (1)(c) shall include:

- (a) recall of the infringing goods from the market;
- (b) depriving the infringing goods of their infringing quality;
- (c) destruction of the infringing goods or, where appropriate, their withdrawal from the market, provided that the withdrawal does not undermine the protection of the trade secret in question.

(3) Without prejudice to any damages that may be due to the trade secret holder under Regulation 16, the appropriate court shall order that the measures referred to at paragraph (1)(c) and (1)(d) are carried out at the expense of the infringer, unless it is satisfied that there are particular reasons for not doing so.

15. (1) The appropriate court, in considering an application under Regulation 14 and the adoption of the measures referred to in paragraphs (1) and (2) of that Regulation, and assessing the proportionality of those measures, shall take into account the specific circumstances of the case, including, where appropriate:

- (a) the value and other specific features of the trade secret;
- (b) the measures taken to protect the trade secret;
- (c) the conduct of the infringer in acquiring, using or disclosing the trade secret;
- (d) the impact of the unlawful use or disclosure of the trade secret;
- (e) the legitimate interests of the parties and the impact which the granting or rejection of the measures could have on the parties;
- (f) the legitimate interests of third parties;
- (g) the public interest; and
- (h) the safeguard of fundamental rights.

(2) Where the appropriate court limits the duration of the measures referred to in paragraph (1)(a) and (1)(b) of Regulation 14, such duration shall be sufficient to eliminate any commercial or economic advantage that the infringer could have derived from the unlawful acquisition, use or disclosure of the trade secret.

(3) Where, an order is made by an appropriate court containing one or more of the measures referred to in paragraph (1)(a) and (1)(b) of Regulation 14, the respondent in those proceedings may request the appropriate court to—

- (a) revoke those measures, or
- (b) declare that those measures have ceased to have effect,

if the information in question no longer meets the requirements of a trade secret specified in point 1 of Article 2 of the Directive for reasons that cannot be attributed directly or indirectly to the respondent.

(4) The appropriate court may, at the request of the person liable to be subject to the measures provided for in Regulation 14, order pecuniary compensation to be paid to the injured party instead of applying those measures if all the following conditions are met:

- (a) the person concerned at the time of use or disclosure neither knew nor ought, under the circumstances, to have known that the trade secret was obtained from another person who was using or disclosing the trade secret unlawfully,
- (b) execution of the measures in question would cause that person disproportionate harm, and
- (c) pecuniary compensation to the injured party appears reasonably satisfactory.

(5) Where pecuniary compensation is ordered by a court instead of the measures referred to in paragraphs (1)(a) and (1)(b) of Regulation 14, it shall not exceed the amount of royalties or fees which would have been due, had that person requested authorisation to use the trade secret in question, for the period of time for which use of the trade secret could have been prohibited.

16. (1) (a) The appropriate court shall, on the application of the injured party, order an infringer who knew or ought to have known that he or she or it was engaging in the unlawful acquisition, use or disclosure of a trade secret to pay the trade secret holder damages appropriate to the actual prejudice suffered as a result of the unlawful use, acquisition or disclosure of a trade secret.

(b) The appropriate court may limit the liability for damages of an employee towards his or her employer for the unlawful acquisition, use or disclosure of a trade secret of the employer where the employee acted without intent.

(2) When assessing the damages referred to in paragraph (1), the appropriate court-

(a) shall take into account all appropriate factors, including—

- (i) the negative economic consequences, including lost profits, which the injured party has suffered,
- (ii) any unfair profits made by the infringer, and,
- (iii) in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the trade secret holder by the unlawful acquisition, use or disclosure of the trade secret, or

- (b) may, in appropriate cases, set the damages as a lump sum on the basis of elements such as, at a minimum, the amount of royalties or fees which would have been due had the infringer requested authorisation to use the trade secret in question.

17. (1) An appropriate court may, having regard to the need to preserve the confidentiality of trade secrets as provided for in Regulations 10 and 11, at the request of the applicant in proceedings under these Regulations and at the expense of the infringer, make an order for appropriate measures for the dissemination of the information concerning the decision of that court including publication in full or in part of that decision.

(2) An order under paragraph (1) shall preserve the confidentiality of the trade secret concerned in accordance with Regulations 10 and 11.

(3) The appropriate court shall, in deciding whether to order a measure referred to in paragraph (1) and when assessing its proportionality, take into account—

(a) where appropriate—

- (i) the value of the trade secret,
- (ii) the conduct of the infringer in acquiring, using or disclosing the trade secret,
- (iii) the impact of the unlawful use or disclosure of the trade secret, and
- (iv) the likelihood of further unlawful use or disclosure of the trade secret by the infringer, and

(b) whether the information on the infringer would be such as to allow a natural person to be identified and, if so whether publication of that information would be justified, in particular in light of the possible harm that such a measure may cause to the privacy and reputation of the infringer.

18. (1) A person who contravenes or fails to comply with any measure adopted under Regulations 10, 11, 12 or 14 commits an offence and shall be liable—

- (a) on summary conviction, to a Class A fine or imprisonment for a term not exceeding 6 months or both, or
- (b) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(2) Where a person is convicted of an offence under paragraph (1) for contravening or failing to comply with any measure adopted under Regulations 12 or 14 and there is a continuation of the offence by the person after his or her

conviction, the person commits a further offence on every day on which the contravention continues and for each such offence is liable—

(a) on summary conviction to a Class D fine, or

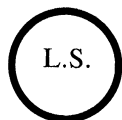
(b) on conviction on indictment, to a fine not exceeding €5,000.

(3) Where an offence referred to in paragraph (1) or (2) is proved to have been committed by a body corporate with the consent, connivance or approval of, or to be attributable to the wilful neglect on the part of, any person, being a director, manager, secretary or other office of the body corporate, or a person who was purporting to act in any such capacity, that person as well as the body corporate commits an offence and is liable to be proceeded against and punished as if he or she were guilty of the first-mentioned offence.

(4) Summary proceedings in relation to an offence under these Regulations may be prosecuted by the Minister for Business, Enterprise and Innovation.

19. (1) An application under these Regulations to the District Court shall be made to a judge of the District Court assigned to the District Court district in which the applicant concerned ordinarily resides or carries on any profession, business or occupation.

(2) An application under these Regulations to the Circuit Court shall be made to a judge of the Circuit Court assigned to the Circuit Court circuit in which the applicant concerned ordinarily resides or carries on any profession, business or occupation.



GIVEN under my Official Seal,
8 June 2018.

HEATHER HUMPHREYS,
Minister for Business, Enterprise and Innovation.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

These Regulations give effect to EU Directive 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. The Regulations provide for civil redress measures and remedies in the event a trade secret is unlawfully acquired, used or disclosed. The Regulations also ensure the confidentiality of the trade secret during court proceedings by limiting access to the hearing and court documents containing the trade secret.

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