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Texas Adopts The Uniform Trade Secrets Act



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Texas recently joined the majority of states by adopting its own version of the Uniform Trade Secrets Act. The Texas Uniform Trade Secrets Act (the "Texas UTSA") will provide a statutory framework on which companies can rely when bringing claims for misappropriation of trade secrets. The law will apply to misappropriations occurring on or after the effective date of September 1, 2013.

Consistent with Texas common law, the Texas UTSA benefits companies by expanding the model act's definition of "trade secret" to include certain financial data and lists of actual or potential customers. Other significant aspects of the Texas UTSA include (1) the presumption that a protective order will be granted during the lawsuit to preserve the secrecy of the trade secret, including potentially sealing the records of the lawsuit; and (2) the prevailing party's ability to recover its attorney's fees under certain circumstances. ■