

Use of Former Employer's Trade Secrets Enjoined Under Computer Fraud Act

August 4, 2008

Trade secrets and other proprietary information are among your organization's most valuable assets. Protecting those assets includes having employees agree to non-disclosure and non-compete covenants. If an employee nevertheless chooses to disregard such agreements, the federal Computer Fraud and Abuse Act ("CFAA") may provide your organization with additional ammunition.

In a recent federal court case, Meesham Neergheen was sued by Mintel International Group ("Mintel"), his former employer, for copying (and emailing to himself) proprietary information, including market strategies and client lists and using that information in his new employment with a Mintel competitor. Neergheen had signed both confidentiality and non-compete agreements during his employment with Mintel. Mintel alleged breach of contract, misappropriation of trade secrets and violation of the CFAA and asked the court to issue an injunction preventing Neergheen from using Mintel's information.

While the CFAA requires a showing of damage caused by an "unauthorized" access to a computer or computer network, the court reasoned that Neergheen's copying and emailing Mintel's trade secret information exceeded his authorized access as an employee and, therefore, may be actionable under the CFAA. The court issued a temporary injunction against Neergheen from accessing or sharing Mintel's information.

Protecting trade secrets requires effort on the part of any organization -- the remedies of the Computer Fraud and Abuse Act may be an additional tool in that effort.

For more information about legislation or litigation involving technology, intellectual property protection of information technology assets or any other Information Technology law issue, contact your Miller Canfield attorney.