1 HB102
2 116408-2
3 By Representative Williams (J)
4 RFD: Judiciary
5 First Read: 12-JAN-10
6 PFD: 01/06/2010

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1	ENGROSSED
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4	A BILL
5	TO BE ENTITLED
6	AN ACT
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8	To amend Section 8-27-4, Code of Alabama 1975,
9	relating to the remedies for misappropriation of a trade
10	secret, to increase the minimum civil penalty for willful and
11	malicious misappropriation and make it a crime to
12	intentionally remunerate a third person to misappropriate a
13	trade secret; and in connection therewith would have as its
14	purpose or effect the requirement of a new or increased
15	expenditure of local funds within the meaning of Amendment 621
16	of the Constitution of Alabama of 1901, now appearing as
17	Section 111.05 of the Official Recompilation of the
18	Constitution of Alabama of 1901, as amended.
19	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
20	Section 1. Section 8-27-4, Code of Alabama 1975, is
21	amended to read as follows:
22	"§8-27-4.
23	" <u>(a)</u> The remedies available for actual or threatened
24	misappropriation of a trade secret are:
25	"(1) To the extent that they are not duplicative:

_	a. Such injunctive and other equitable refler as
2	may be appropriate with respect to any actual or threatened
3	misappropriation of a trade secret,
4	"b. Recovery of any profits and other benefits
5	conferred by the misappropriation that are attributable to the
6	misappropriation (In establishing the misappropriator's
7	profits, the complainant is required to present proof only of
8	the misappropriator's gross revenue, and the misappropriator
9	is required to present proof of his or her deductible expenses
10	and the elements of profit attributable to factors other than
11	the trade secret.), and
12	"c. The actual damages suffered as a result of the
13	misappropriation;
14	"(2) Reasonable attorney's fees to the prevailing
15	party if:
16	"a. A claim of actual or threatened misappropriation
17	is made or resisted in bad faith,
18	"b. A motion to terminate an injunction is made or
19	resisted in bad faith, or
20	"c. Willful and malicious misappropriation exists;
21	and
22	"(3) Exemplary damages in an amount not to exceed
23	the actual award made under subdivision (1), but not less than
24	\$5,000 ten thousand dollars (\$10,000), if willful and
25	malicious misappropriation exists.
26	"(b) In addition to the civil damages and penalties
27	provided in subsection (a), a person who intentionally

remunerates or recruits a third person for actual or threatened misappropriation of a trade secret and any person 2 who misappropriates a trade secret shall be quilty of a Class 3 C felony. In any criminal prosecution under this subsection against an employer based on misappropriation of a trade 5 secret by its employee, the term "intentionally" shall mean 6 7 that the employer remunerated an employee with the intent that the employee would misappropriate the trade secrets of 8 another, the another. The trade secret that was 9 10 misappropriated shall be clearly identified, and mere 11 identified. Mere acceptance or receipt by an employer of a trade secret of another, by itself, shall be insufficient to 12 prove criminal liability. Each act committed under this 13 subsection shall constitute a separate offense." 14 15 Section 2. Although this bill would have as its purpose or effect the requirement of a new or increased 16 17 expenditure of local funds, the bill is excluded from further 18 requirements and application under Amendment 621, now 19 appearing as Section 111.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, because the 20 21 bill defines a new crime or amends the definition of an 22 existing crime. Section 3. This act shall become effective on the 23

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first day of the third month following its passage and

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3	House of Representatives
4 5 6 7	Read for the first time and re- ferred to the House of Representa- tives committee on Judiciary 12-JAN-10
8 9 10 11	Read for the second time and placed on the calendar with 1 substitute and 14-JAN-10
12 13 14	Read for the third time and passed as amended
15 16 17 18	Greg Pappas Clerk