

TS25

Trade Secret Standards

The new methodology for managing trade secrets in your organization

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Introduction | Why now?

Recent analysis indicates that intangible assets now constitute 84% to 90% of the total value of public companies. This inversion from the ratio of 50 years ago underscores the critical importance of managing and leveraging these assets to maximize company value.

Recently, there's been a surge in interest in the management and protection of trade secrets, influenced by legislative developments such as:

America Invents Act (AIA)

Defend Trade Secrets Act

Directive on the Protection of Trade Secrets (EU)

Despite these legislative advancements, a universal consensus on the optimal approach to managing information assets remains elusive. At the organizational level, a palpable concern exists regarding the tangible application of trade secret frameworks, often perceived as overwhelming due to the complexity and volume of valuable data companies must manage.

Now is the time

Addressing this concern, the Trade Secret 2025 (TS25) trade secret management standards group aims to establish a practical, consensus-based standard for businesses to organize, protect, and commercialize their trade secrets efficiently. Unlike more cumbersome regulatory processes seen in other domains, this initiative seeks to provide a streamlined, effective framework that can be readily adopted and implemented by companies of all types and sizes. The intent is to offer guidance that's not only manageable but also immediately beneficial in safeguarding a company's confidential and unregistered assets.

The formation of this new trade secrets group is driven by a pressing need for clarity and direction in this complex area. By fostering a unified approach to trade secret management, the group hopes to empower businesses to protect the integrity of their competitively sensitive data while deploying it to enhance enterprise value.

TS25 background

Trade Secrets 2025 (TS25) is a global nonprofit organization committed to establishing international standards for trade secret management. Founded in 2024, TS25 works towards a future where every organization can innovate and grow with the assurance that its trade secrets are protected by robust, auditable, and actionable standards.

Vision

Our vision is to enable every organization to achieve the best possible governance of its information assets, including realization of their maximum economic value.

Mission

Our mission is to establish consistent, auditable, and actionable global trade secret management standards, allowing every organization to identify and manage their assets and confidently innovate, knowing their most sensitive information is protected.

CONSULTING

 rapid alpha



ACADEMIC



CORPORATE



 Relativity

JAMES POOLEY
PLC
Secrets. Strategy. Litigation.



Challenges in protecting trade secrets

Protecting trade secrets in today's rapidly evolving business and technological landscape presents a variety of challenges. These stem from both internal and external factors, including:



Democratization of access: Employees with smartphones and increasing imperatives to collaborate and share information with various outsiders, such as supply chain partners and potential licensees/acquirers, can pose a threat to trade secret security.



Globalization: When businesses operate on a global scale, protecting trade secrets across different jurisdictions creates greater risk. Laws and enforcement mechanisms vary widely, making it difficult to secure reliable enforcement against international misappropriation.



Old systems for new challenges: The patent system is not always appropriate for today's pace of innovation, and some technologies may be effectively unpatentable. Moreover, noncompete agreements, traditionally used to protect against trade secret risk, are being challenged by regulatory bodies and state legislatures. The time is approaching when—regardless of what happens with the [FTC rule banning noncompetes](#)—businesses with a mobile workforce and facing inconsistent state standards will have to rely on trade secret law alone.



Employee mobility: Workforce churn poses a significant risk to trade secrets. Employees who move between companies within the same industry can (even unintentionally) transfer sensitive information. This risk is exacerbated by the increasing trend of remote work, where control over the physical environment is reduced.



Supply chain complexity: Modern supply chains are longer and involve more parties in more jurisdictions, increasing the points of exposure for trade secrets. Ensuring all partners and suppliers adhere to the same level of confidentiality and security is daunting.

Challenges in protecting trade secrets



Rapid technological advancements: The pace of technological change usually means raising the bar on compliance with the “reasonable measures” element of a trade secret claim. Keeping up with the latest security technology and practices requires significant resources and vigilance.



Social engineering and the insider threat: Most information loss occurs through employees, who have been trained by social media to value information sharing and are rarely on guard against attempts to elicit confidential information. This puts a premium on people management.



Cultural factors: Company culture plays a significant role in protecting trade secrets. Establishing a culture of confidentiality and awareness about the importance of trade secrets is crucial but can be difficult to achieve and sustain.



Intellectual property law interactions: Navigating the interaction between trade secrets and other forms of intellectual property, particularly patents, can be complex. Companies must act strategically to protect innovation, often involving trade-offs between secrecy and the protections offered by other IP rights.



Determining ownership: One of the major challenges facing trade secret management is determining ownership of (in the sense of responsibility for) trade secrets within organizations to improve governance and compliance.



Management: There’s a general lack of clarity and consensus regarding how to manage trade secrets, and the confusion can present dangers and missed opportunities. A simple but comprehensive set of guidelines will help ensure sensible, accountable management.



Overwhelm: Trade secrets are the only form of IP that doesn’t have the benefit of registration. Accordingly, any established company attempting to build a system for trade secret management must first confront the need to identify its valuable data assets. For many organizations, that task may seem crushing and lead to avoidance.

Benefits

- ✓ Clear, actionable trade secret management standards designed to establish reasonable measures and reduce risk of information loss and contamination.
- ✓ Sustain competitive advantage by enabling companies to consistently launch market-desirable products and services.
- ✓ Build a robust IP strategy that turns R&D from a cost center to a profit center.
- ✓ Achieve frictionless insight into where valuable ideas are generated and who is creating them.
- ✓ Standards designed to align with local legal requirements worldwide.
- ✓ Customizable guidelines suitable for organizations of every size and industry.
- ✓ Consistency across all jurisdictions and geographies, allowing simplified operations and more secure third-party relationships.



The case for a Trade Secret Protection Program

The task of managing a company's valuable information can seem daunting. By considering this discussion of trade secret standards, you've already taken the first step to addressing the issue.

To support you in taking your next steps, TS25 set out to develop standards documentation. We've attempted to avoid jargon, point to practical outcomes, and, above all, make your Trade Secret Protection Program—including getting support from management—achievable using available resources.

These standards aren't prescriptive. We present guidelines to help managers strike the right balance between protecting key information and capturing business value on the one hand, and preserving employee productivity, collaboration, and convenience on the other. Recognizing there's no one-size-fits-all approach to trade secret management, the standards provide a structure for each business to design a program that meets the goals of reducing information loss, avoiding contamination, and enhancing corporate value.

Our guidance applies across all industries and to companies of all sizes. In the Information Age, all businesses rely to some extent on data management to maintain competitive advantage. The principles outlined here can be applied to every organization's unique assets and risk environment; they remain relevant in the most dynamic circumstances.

The standards are inspired by and designed to align with the risk management approach of the [Cybersecurity Framework](#) published by the National Institute of Standards and Technology. However, our focus is on high-level management of information assets and how to maintain control over them rather than on the details of cybersecurity and IT hygiene.

The standards refer to “trade secret” in the broadest sense, to include all confidential information of a business that provides some competitive advantage. Not limited to formulas or algorithms, this includes, for example, marketing strategies, customer information, raw data, and R&D work product.

The standards are directed at the business process of trade secret management. Following them should allow any business to meet the legal standard that requires an owner to exercise “reasonable efforts” to maintain secrecy. They're most suitable for employees and executives tasked with developing, protecting, and maximizing the company's confidential information, giving it an advantage over its competition.

Who is this for?

Are you **tasked with exploring the role of trade secrets** in your company?

Are you a **leader in the legal department** seeking C-suite or Board approval for a Trade Secret Protection Program?

Are you **responsible for the review of contracts** on an ongoing basis?

Are you a **CTO assessing the role of trade secrets** in your department?

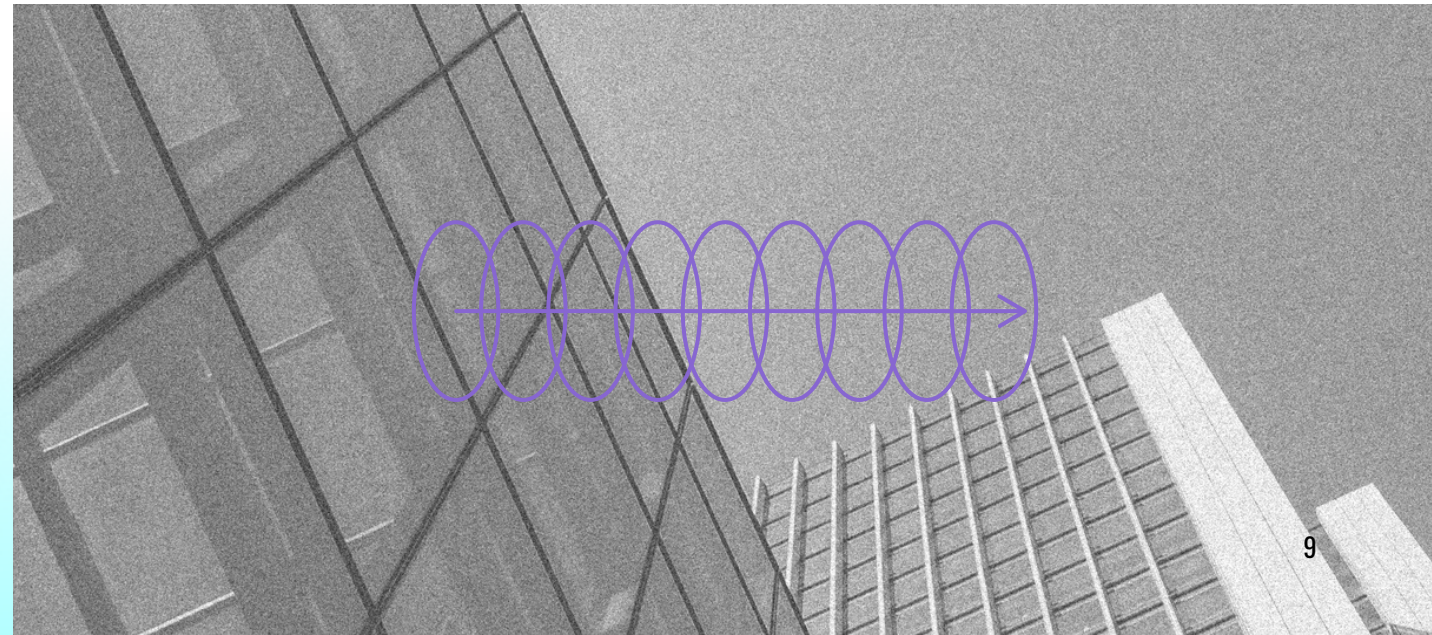
Are you in **human resources and concerned about knowledge escape or inadvertent access to others' trade secrets** through your hiring and attrition processes?

Are you in the **finance/tax department and concerned about the declaration of intangible assets** to the tax authorities?

Are you in charge of regulatory affairs and need to disclose product compositions to customers?

If so, you're in the right place.

The TS25 standards framework will provide you with the foundational knowledge and strategic insights needed to understand how trade secrets can safeguard your company's most valuable assets. You'll find key arguments and evidence to build a compelling case for why trade secret protection is essential for mitigating risk and securing long-term value. This background will help you evaluate how trade secrets can protect your organization's innovations, proprietary technologies, and strategic initiatives, ensuring they remain secure and exclusive.



Advocating for a Trade Secret Protection Program

To support you in advocating for a trade secret program, we provide seven topic areas to help stimulate discussions with stakeholders. These are high-level guidelines.

We suggest:

- 1 Starting with a clear value proposition for a trade secret program, demonstrating how the program will protect competitive advantage, drive revenue, and add to company value.
- 2 Highlighting the risks the program will mitigate, such as financial loss and legal exposure, and the potential consequences of inaction.
- 3 Aligning a Trade Secret Protection Program with the company's broader strategic goals to demonstrate its relevance and benefits.
- 4 Presenting a feasible, phased implementation plan that addresses cost and complexity concerns, focusing on quick wins and simplicity.
- 5 Supporting your case with data. For example, instances in which other IP rights may be disadvantageous or case studies relevant to your business/industry.

- 6 Conveying a sense of urgency and explaining why acting now can help the company avoid risks and seize opportunities.

- 7 Concluding with a clear call to action you want your stakeholders to take.

By applying knowledge of your industry, business needs, and current priorities—for example, a rapidly growing workforce, which increases the volume of trade secrets, or raising capital, which introduces risks during due diligence—you can add real weight to your case.

While all seven topics are valuable, use your judgment to focus on the areas that will most resonate with your company's current situation. For example, if your company is gearing up for a major funding round, emphasizing the importance of protecting trade secrets during due diligence to demonstrate excellent stewardship of your internal business processes could be particularly impactful. By integrating these broader considerations, you'll create a compelling and relevant justification for implementing a Trade Secret Protection Program that truly resonates with your audience.

Establishing a value proposition

Not everyone will have accurate information about trade secrets. In preparing your audience to respond to your call to action, consider the following guidelines.

Discussing value

Stakeholders often don't realize that the organization possesses valuable trade secrets that contribute significantly to a competitive edge. These might include proprietary technologies, unique processes, strategic plans, or customer lists. Trade secrets can be found in many departments, but the "usual suspects" include R&D, operations, sales, and IT. When trade secrets exist in these departments, connecting them to strategic business imperatives can be easier.

Once a sense of value has been shared, emphasizing that trade secrets provide a unique advantage because they're not publicly disclosed can underscore the negative impacts on the business when they're lost to the public. The confidential nature of your trade secrets sets the company apart in the marketplace and drives revenue. These secrets are vulnerable to theft, loss, or inadvertent exposure without proper protection.

Sense of urgency

What happens if the company does nothing to protect its trade secrets? It may face significant risks. Competitors could gain access to proprietary information, leading to lost market share and revenue and erosion of the company's competitive advantage.

The lack of a Trade Secret Protection Program can lead to legal and financial exposure if the company is unable to assert its rights over critical information.

While loss of your trade secrets is detrimental to the company, inadvertently receiving trade secrets from a former employee of a competitor could also expose your business to unnecessary risk.

Establishing a value proposition

Connect with other business imperatives

A well-implemented Trade Secret Protection Program goes beyond identification and protection of information. The underlying assets connect to broader strategic goals like innovation, market expansion, cost savings, profit drivers, and risk management. For example, if the company is focused on innovation, protecting proprietary R&D through a trade secret program is essential to maintaining its edge and capitalizing on new opportunities.

Some inventions in R&D are not patentable, and therefore, trade secret protection is a good way to protect them. Further, we have to appreciate that “negative” research outcomes are just as valuable as the positive ones, and trade secret protection is a good route for protecting these negative results.

For companies preparing for mergers and acquisitions or raising capital, a Trade Secret Protection program can increase their valuation and attractiveness to investors by demonstrating that critical assets are secure.

Start small and go big

Taking the initial steps to advocate for a Trade Secret Protection Program is the right way to begin your journey to implementing a program.

We recommend businesses start with a modest program to identify and implement basic protocols to protect the loss of their ideas. By starting small, you help demonstrate value and build enthusiasm for larger steps that might be necessary, given your company’s unique needs.

In the guidelines below, we share a few key performance indicators (KPIs) and timing for a modest program designed to create quick wins.

Reassure your stakeholders that the company doesn’t need to overhaul its operations and bring work to a halt. Begin with a limited survey of departments in which you have a professional working history. Consider taking an inventory of confidentiality agreements and reviewing trade secret employee training, then gradually building your protection strategy over time.

In the long run, a Trade Secret Protection Program helps the company sustain its competitive advantage, protect its revenue streams, and safeguard its innovation pipeline. This positions the company for continued success in a rapidly changing business environment.

Guidelines for getting started

A

Initial assessment of trade secret areas and planning

1-2 months

Perform a baseline audit of existing IP and trade secret protection practices.

Conduct an initial assessment to identify and classify trade secrets.

Develop a comprehensive plan tailored to the organization's needs.

B

Policy development principles and integration

2-3 months

Create policy guidelines and procedures for trade secret protection.

Integrate these policies into existing business processes and systems.

C

Employee training and education guidelines

3-4 months

Develop training programs to educate employees on the importance and methods of protecting trade secrets.

Define a process to regularly update training materials to reflect new threats and best practices.

D

Shape processes, key agreements & documents, and compensation & rewards to align with goals of Trade Secret Protection Plan

1-2 months

Ensure all relevant processes, agreements & documents, compensation & rewards systems are updated to reflect TSPP elements and safeguards.

Resource requirements

A

Personnel

Identify where trade secret responsibility lives (i.e., in which department or group).

Identify all relevant IP-producing roles and IP-managing and handling roles within the company (for targeted training, incentives).

Identify the group within which roles and responsibilities of trade secret team management may reside.

Develop guidelines for legal advisors specialized in intellectual property law (internal vs. external considerations).

Identify IT and cybersecurity experts to implement and monitor digital protection measures.

B

Financial investment

Budget for developing and maintaining the Trade Secret Protection Program, including training, monitoring, policy updates, trade secret sun-setting, and legal support.

C

Tools and technology

Software for tracking and documenting trade secrets.

Cybersecurity tools to protect digital assets.

Tools to monitor compliance.

TS25 FAQ

We haven't had any problems. Why should we implement a Trade Secret Protection Program?

Compromise of a company's secrets usually happens without notice. Has your organization tracked and documented its most competitively sensitive information? Do your employees know the basic rules for avoiding trade secret loss during product demos, marketing pitches, or customer/partner meetings? If you answered "no" to either of these questions, your company's information assets, like many businesses, are exposed to risks you aren't aware of. Identifying and properly managing your trade secrets greatly enhances your ability to discover hidden problems and protect your rights.

We already file patents. Why should we also be concerned about trade secrets?

Trade secrets are critical complements to patents in any IP protection plan. Not everything is patentable, because of the subject matter and non-trivial costs of patenting. Patents are published for the world to see; many businesses prefer the secrecy and non-discoverability of trade secrets to protect critical aspects of their most highly valued innovations. Leading companies across industries, including technology, healthcare, finance, manufacturing, and retail, pursue a hybrid IP approach. This combines pursuing patents for readily discoverable innovations and documenting trade secrets to protect information that's typically unpatentable, like customer lists, pricing strategies, and supply chain logistics. Trade secrets also include potentially patentable inventions the company prefers to keep secret, like process technology.

What benefits do we gain from implementing a Trade Secret Protection Program?

A TSPP dramatically diminishes the risk of loss or contamination through hiring or third-party relationships. Such losses can be irreversible and devastating to a company. The escape of trade secrets by public disclosure or "oversharing" with outsiders can place the company at a significant competitive disadvantage or cause severe reputational damage. Trade secret litigation is expensive and distracting. By documenting and placing value on the company's most treasured IP, the CEO and CFO can gauge the return on product development investments, transforming R&D from a cost center to a profit center.

TS25 FAQ

Can a Trade Secret Protection Program add tangible value to a company?

Yes, a TSPP ensures that valuable information is properly documented, protected, and managed in a way that directly contributes to the company's bottom line. Companies that fail to identify and document their secrets have no way of assigning value to them. Identifying the information that differentiates your company and affords you a competitive advantage is a necessary first step.

Trade secrets exist everywhere. How do we get our arms around this, and what if we don't have the time or resources?

Start small. First, identify the personnel/groups in your organization that either produce innovation (typically engineering, R&D, IT, and product groups) or manage it (usually business development, sales/marketing, HR, legal, operations, and compliance). Next, build an action plan that does three things: 1) Guides managers to document their most competitively sensitive information; 2) Designs measures for risk reduction; and 3) Communicates expectations to the workforce, particularly through confidentiality training. This plan is easier to execute than it might seem, and the benefits will soon be apparent.

How do we manage a process like this without disrupting our business or negatively impacting our culture built on speed and collaboration?

Creating a TSPP that fits your organization's needs and risk environment can be accomplished in a way that respects and serves your culture. There's no one-size-fits-all approach and various ways to enhance information security without interfering with valuable collaboration or creativity. Rather than slowing things down, a trade secret policy creates a clear path forward, helping teams act more effectively by following transparent guidelines and exercising good judgment.

TS25 FAQ

Our senior leadership and board are pressed for time or may not see the value of a Trade Secret Protection Program. How do we bring them along?

In today's digital-first world, analysts have determined that the intellectual assets of a company account for up to 90% of its overall value. Senior management is responsible for identifying and managing these assets to preserve and monetize them. Caring for trade secrets does not require a massive effort and can be accomplished as part of the company's risk management program. As businesses digitize and operate in global markets, the risk of data leakage increases, making it imperative for leadership to be proactive. IP protection, including trade secrets, has become an outsized compliance risk for company executives and their boards. A robust Trade Secret Protection Program doesn't just mitigate risk; it signals to investors, customers, and regulators that your company is serious about safeguarding its most valuable assets.

Our company is a small-to-medium-size business. Should we have a Trade Secret Protection Program?

Yes, studies show that SMBs rely more on trade secrecy than any other kind of IP. The TS25 standards' core audience includes new entrants, start-ups, and smaller organizations that will benefit from simple, actionable guidance to enable the creation of a basic TSPP that can grow with the company.