

TRADE SECRETS ACT

Article 1 (Subject of the Act)

(1) This Act regulates trade secrets and the rules for determining and protecting trade secrets against their unlawful acquisition, use and disclosure.

(2) This Act transposes Directive (EU) 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 (OJ L 157, 15.6.2016, p. 1) into the legislation of the Republic of Slovenia.

Article 2 (Definition of a trade secret)

(1) A trade secret shall mean undisclosed know-how and business information that meets the following requirements:

- it is secret in the sense that is not generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- it has commercial value;
- it has been subject to reasonable steps taken under the circumstances by the trade secret holder to keep it secret.

(2) The requirement referred to in indent three of the preceding paragraph shall be deemed to be met if the trade secret holder defined the information in writing as a trade secret and informed all who came into contact or became acquainted with this information accordingly, in particular company members, employees, members of the company's governing bodies and other persons.

(3) Information that is in the public domain in accordance with the law or information regarding the violation of the law or good business practices shall not be considered a trade secret.

Article 3 (Definitions of other terms)

For the purposes of this Act, the following definitions shall apply:

- a trade secret holder shall be any natural or legal person lawfully in control of a trade secret;
- an infringer shall be any natural or legal person who has unlawfully acquired, used or disclosed a trade secret;
- infringing goods shall be goods of which the design, characteristics, functioning, production process or marketing has been significantly affected by unlawfully acquired, used or disclosed trade secrets.

Article 4
(Lawful acquisition, use and disclosure of trade secrets)

(1) The acquisition of a trade secret shall be considered lawful if the trade secret is obtained through:

- independent discovery or creation;
- the observation, study, disassembly or testing of a product or object that has been made available to the public or is in the lawful possession of the acquirer of the information who is free from any legally valid duty to limit the acquisition of the trade secret;
- the exercise of the right of workers or workers' representatives to information and consultation in accordance with applicable regulations when such disclosure is necessary for this purpose;
- any other conduct which, under the circumstances, is considered to be in conformity with honest commercial practices; or
- the exercise of the right of access to public information.

(2) The acquisition, use or disclosure of a trade secret shall also be considered lawful if such acquisition, use or disclosure is required or permitted by law or European Union regulations, is imposed on the party by a final and enforceable court decision or is requested by the Commission of Inquiry of the National Assembly of the Republic of Slovenia while carrying out an investigation in accordance with the act governing parliamentary inquiry.

Article 5
(Unlawful acquisition, use and disclosure of trade secrets)

(1) The acquisition of a trade secret shall be considered unlawful if the trade secret is obtained:

- through unauthorised direct access to, appropriation of or copying of any documents, objects, materials, substances or electronic files containing the trade secret or from which the trade secret can be deduced, or through any other conduct that is considered contrary to honest commercial practices;
- from a person who has used or disclosed the trade secret unlawfully, whereby the acquirer knew or, under the circumstances, ought to have known this at the time of the acquisition of the trade secret.

(2) The use or disclosure of a trade secret shall be considered unlawful if used or disclosed by a person who is found to meet any of the following conditions:

- having acquired the trade secret unlawfully;
- being in breach of a confidentiality agreement or any other duty not to disclose the trade secret;
- being in breach of a contractual or any other duty to limit the use of the trade secret;
- having known or, under the circumstances, ought to have known, at the time of the acquisition or disclosure of the trade secret, that the trade secret obtained from the other person was used or disclosed unlawfully.

(3) The unlawful use of trade secrets shall also include the production, offering or placing on the market of infringing goods, or the import, export or storage of infringing goods for these purposes, where the person carrying out such activities knew or, under the circumstances, ought to have known that the trade secret was used unlawfully.

Article 6
(Application of judicial protection rules)

(1) The provisions of the act governing the contentious procedure shall apply to the proceedings relating to the infringement of rights in trade secrets, unless otherwise provided for by this Act or another act.

(2) The provisions of the act governing claim enforcement and security shall apply to the procedure to issue an interim injunction, unless otherwise provided for by this Act.

Article 7 (Exceptions)

The court shall reject the claim of the trade secret holder if it finds that the trade secret has been acquired, disclosed or used:

- for exercising the right to freedom of expression and information as laid down in the act governing the media;
- for revealing misconduct, wrongdoing or illegal activity, provided that the infringer acted for the purpose of protecting the public interest;
- for exercising the rights of workers, provided that a worker disclosed the trade secret to their representative for the purpose of protecting the rights and interests of workers in accordance with the regulations governing the action and protection of workers' representatives; and
- in other cases determined by law or European Union regulations.

Article 8 (Preservation of the confidentiality of trade secrets in the course of legal proceedings)

(1) The trade secret holder shall not be required to disclose the trade secret in the written submission if they show that there are grounds for believing that the trade secret exists and that it has been breached.

(2) At the request of the other party, the court may order the trade secret holder, by way of a decision, to disclose the information claimed to be a trade secret in accordance with the procedure and the manner prescribed for the disclosure of trade secrets by the act governing the contentious procedure.

(3) At the request of the trade secret holder, the court may prohibit the use or disclosure of the trade secret or the alleged trade secret to persons who have been made aware of the trade secret or the alleged trade secret solely as a result of participation in the proceedings or who have access to documents that form part of the proceedings and contain the trade secret or the alleged trade secret. The court may also prohibit the use or disclosure of the trade secret or the alleged trade secret to the other party, provided that it is not the unlawfully acquired, used or disclosed trade secret currently at issue.

(4) The parties and the persons referred to in the preceding paragraph shall remain bound by the prohibition of the use or disclosure of the trade secret or the alleged trade secret even after the legal proceedings have been concluded, unless:

- the alleged trade secret is found, by a final decision, not to meet the requirements laid down in paragraph one of Article 2 of this Act; or
- the information in question over time becomes generally known among or readily accessible to persons within the circles that normally deal with that kind of information.

Article 9

(Action for the infringement of rights)

(1) The trade secret holder may file an action with the competent court against a person who acquired, used or disclosed the trade secret without their consent, requesting that:

1. the infringement and any future infringements be prohibited;
2. the production, offering or placing on the market of infringing goods, or the import, export or storage of infringing goods for those purposes be prohibited;
3. the infringing goods be recalled from the channels of commerce, taking into account the interests of bona fide third parties;
4. the infringing goods be deprived of their infringing quality;
5. the infringing goods be destroyed;
6. any document, object, material, substance or electronic file embodying or containing the trade secret be destroyed in whole or in part or, where appropriate, be delivered up to the plaintiff.
7. the infringing goods be surrendered entirely to the beneficiary when the measure referred to in point 3 of this paragraph is ordered; or
8. the judgment be published.

(2) In deciding on the merits of the claim referred to in points 1 to 7 of the preceding paragraph and when assessing its proportionality, the court shall be required to take into account the specific circumstances of the case, in particular:

1. the value or other specific features of the trade secret;
2. the measures taken to protect the trade secret;
3. the conduct of the infringer in acquiring, using or disclosing the trade secret;
4. the consequences of the unlawful use or disclosure of the trade secret;
5. the legitimate interests of the parties and the consequences which the granting or rejection of the measures could have for the parties;
6. the legitimate interests of third parties;
7. the public interest; or
8. the protection of fundamental constitutional rights.

(3) In deciding on the merits of the claim referred to in point 8 of paragraph one of this Article and when assessing its proportionality, the court shall be required to also take into account the specific circumstances of the case, such as the value of the trade secret, the conduct of the infringer in acquiring, using or disclosing the trade secret, the consequences of the unlawful use or disclosure of the trade secret, and the likelihood of further unlawful use or disclosure of the trade secret by the infringer.

(4) A person on whom the obligation referred to in points 1 or 2 of paragraph one of this Article has been imposed may, after the judgment has become final, file an action requesting the court establish that the trade secret no longer meets the requirements laid down in paragraph one of Article 2 of this Act. The court shall reject the claim of a person who, after the judgment referred to in the preceding sentence has become final, directly or indirectly contributed to the disclosure of the trade secret.

(5) At the request of the defendant against whom were brought claims referred to in points 1 to 7 of paragraph one of this Article, the court may instead order the payment of pecuniary compensation, provided that the following conditions are met:

- the defendant used or disclosed the trade secret in good faith;
- the fulfilment of the obligations imposed pursuant to points 1 to 7 of paragraph one of this Article would cause the defendant disproportionate harm; and
- the trade secret holder agrees to the pecuniary compensation.

(6) If the court orders the payment of pecuniary compensation instead of imposing an obligation pursuant to points 1 and 2 of paragraphs one of this Article, the amount of the compensation shall not exceed the amount of royalties or licence fees which would have been due to the trade secret holder, had the trade secret been used lawfully.

(7) Claims under this Article shall become statute-barred within a period of three years from the date on which the trade secret holder became aware of the infringement and learned who acquired, used or disclosed the trade secret without their consent. In any event, the claims shall become statute-barred within five years of the date on which the infringement occurred.

Article 10 **(Compensation for damages and civil penalty)**

(1) In accordance with the general rules of the act governing contractual obligations, the trade secret holder shall have the right to compensation for damages unless otherwise provided for by this Act.

(2) The infringer shall be obliged to pay to the trade secret holder compensation in the amount determined in accordance with the general rules on compensation for damages or, where this amount cannot be determined, in an amount equal to the agreed or customary remuneration for the lawful use of the trade secret.

(3) If a right under this Act was infringed intentionally or as a result of gross negligence, the trade secret holder may claim the payment of the agreed or customary remuneration for such use, increased by up to 200 per cent, irrespective of whether they suffered any actual pecuniary damage because of the infringement.

(4) In deciding on the claim for the payment of the civil penalty and in setting its amount, the court shall take into account all circumstances of the case, in particular the degree of culpability of the infringer, the amount of the agreed or customary remuneration and the preventive purpose of the civil penalty.

(5) If the pecuniary damage exceeds the amount of the civil penalty, the trade secret holder shall have the right to claim the difference up to the value of full compensation.

Article 11 **(Interim injunctions)**

(1) The court shall issue an interim injunction to secure non-monetary claims under this Act if the plaintiff shows there are grounds for believing that:

- a trade secret exists;
- they are the trade secret holder under this Act; and
- their right has been infringed or there is an actual risk that it will be infringed.

(2) The trade secret holder shall also show there are grounds for believing that one of the following applies:

- a) there is a risk that the enforcement of claims will be made impossible or very difficult;
- b) the injunction is necessary to prevent damage difficult to repair; or
- c) in the event that the interim injunction is issued but subsequently proves unfounded in the course of the proceedings, the harm to the alleged infringer would not be greater than the harm to the trade secret holder if such an injunction were not to be issued.

(3) To secure non-monetary claims under paragraph one of this Article, the court may issue any interim injunction with which the purpose of security can be achieved, in particular:

- the prohibition of the use or disclosure of the trade secret on a provisional basis;
- the prohibition of the production, offering, placing on the market or use of infringing goods, or the import, export or storage of infringing goods; or
- the seizure or delivery of the allegedly infringing goods, including imported goods, so as to prevent their entry into or circulation on the market.

(4) Even if, in accordance with the provisions of the act governing claim enforcement and insurance, the court permits the lodging of a security deposit instead of issuing an interim injunction, the trade secret may not be disclosed.

TRANSITIONAL AND FINAL PROVISIONS

Article 12 (Amendments to the Companies Act)

(1) In the Companies Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 65/09 – official consolidated version, 33/11, 91/11, 32/12, 57/12, 44/13 – Constitutional Court Decision, 82/13, 55/15 in 15/17), the words of Article 39 shall be amended to read as follows:

"Information that meets the requirements for a trade secret in accordance with the act governing trade secrets shall be considered a trade secret."

(2) Article 40 shall be deleted.

(3) In indent five of paragraph two of Article 676, the wording "and Article 40" shall be deleted.

Article 13 (Amendment to the Employment Relationships Act)

In the Employment Relationships Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 21/13, 78/13 – corr., 47/15 – ZZSDT, 33/16 – PZ-F, 52/16, and 15/17 – Constitutional Court Decision), paragraph two of Article 38 shall be amended to read as follows:

"(2) Information that meets the requirements for a trade secret in accordance with the act governing trade secrets shall be considered a trade secret." The worker shall be liable for the breach if they knew or ought to have known about the nature of the information.

Article 14 (Entry into force)

This Act shall enter into force on the fifteenth day following its publication in the Official Gazette of the Republic of Slovenia.

EPA 368-VIII

National Assembly
of the Republic of Slovenia
Mag. Dejan Židan, m.p.
President