

BILL ANALYSIS

Senate Research Center

H.B. 368
By: McCall (Duncan)
Jurisprudence
3-26-97
Engrossed

DIGEST

Recently, Texas Supreme Court has held that the two-year statute of limitations begins to run at the time of the actual use of a trade secret, rather than when an injured party discovers a theft. This means that some claims for the theft of trade secrets are barred by the statute of limitations. This bill proposes to change the statute of limitations as it applies to misappropriation of trade secrets so that the statute of limitations begins to run when the theft is discovered, and increases the statute of limitations from two to three years.

PURPOSE

As proposed, H.B. 368 amends the statute of limitations as it applies to misappropriation of trade secrets so that the statute of limitations begins to run when the theft is discovered, and increases the statute of limitations from two to three years.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 16A, Civil Practice and Remedies Code, by adding Section 16.010, as follows:

Sec. 16.010. MISAPPROPRIATION OF TRADE SECRETS. Sets forth the statute of limitations for bringing a suit for misappropriation of trade secrets. Provides that a misappropriation of trade secrets that continues over time is a single cause of action and the limitations period begins running without regard to whether the misappropriation is a single or continuing act.

SECTION 2. Amends Section 16.003(a), Civil Practice and Remedies Code, to make a conforming change.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Emergency clause.
Effective date: upon passage.