

## **BILL ANALYSIS**

Senate Research Center

H.B. 1995  
By: Elkins (Hughes)  
Administration  
5/2/2017  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 1995 amends current law relating to the Texas Uniform Trade Secrets Act.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 134A.002, Civil Practice and Remedies Code, by adding Subdivisions (1-a), (3-a), and (7) and amending Subdivisions (3), (4), and (6) to define "clear and convincing," "owner," and "willful and malicious misappropriation" and redefine "misappropriation," "proper means," and "trade secret."

SECTION 2. Amends Section 134A.003, Civil Practice and Remedies Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Authorizes actual or threatened misappropriation to be enjoined if the order does not prohibit a person from using general knowledge, skill, and experience that person acquired during employment.

(a-1) Creates this subsection from existing text and makes no further changes.

SECTION 3. Amends Section 134A.004(b), Civil Practice and Remedies Code, to change a reference to wilful to willful.

SECTION 4. Amends Section 134A.005, Civil Practice and Remedies Code, to change a reference to wilful to willful.

SECTION 5. Amends Section 134A.006, Civil Practice and Remedies Code, as follows:

Sec. 134A.006. PRESERVATION OF SECRECY. (a) Creates this subsection from existing text and makes no further changes.

(b) Provides that, in an action under this chapter (Trade Secrets), a presumption exists that a party is allowed to participate and assist counsel in the presentation of the party's case. Authorizes the court, at any stage of the action, to exclude a party and the party's representative or limit a party's access to the alleged trade secret of another party if other countervailing interests overcome the presumption. Requires the court, in making this determination, to conduct a balancing test that considers certain information.

SECTION 6. Makes application of Chapter 134A, Civil Practice and Remedies Code, as amended by this Act, prospective.

SECTION 7. Effective date: September 1, 2017.