

**550.2 Definitions.**

As used in [this chapter](#), unless the context otherwise requires:

1. “*Improper means*” means theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage, including but not limited to espionage through an electronic device.

2. “*Knows*” or “*knowledge*” means that a person has actual knowledge of information or a circumstance or that the person has reason to know of the information or circumstance.

3. “*Misappropriation*” means doing any of the following:

a. Acquisition of a trade secret by a person who knows that the trade secret is acquired by improper means.

b. Disclosure or use of a trade secret by a person who uses improper means to acquire the trade secret.

c. Disclosure or use of a trade secret by a person who at the time of disclosure or use, knows that the trade secret is derived from or through a person who had utilized improper means to acquire the trade secret.

d. Disclosure or use of a trade secret by a person who at the time of disclosure or use knows that the trade secret is acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use.

e. Disclosure or use of a trade secret by a person who at the time of disclosure or use knows that the trade secret is derived from or through a person who owes a duty to maintain the trade secret’s secrecy or limit its use.

f. Disclosure or use of a trade secret by a person who, before a material change in the person’s position, knows that the information is a trade secret and that the trade secret has been acquired by accident or mistake.

4. “*Trade secret*” means information, including but not limited to a formula, pattern, compilation, program, device, method, technique, or process that is both of the following:

a. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by a person able to obtain economic value from its disclosure or use.

b. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

[90 Acts, ch 1201, §2](#); [91 Acts, ch 35, §1](#)

Referred to in [§716.6B](#)