



## UNDERSTANDING NON-DISCLOSURE AGREEMENTS (NDAS)

There is something that makes your business unique and makes it stand out from the competition, something important that is linked to the heart of your business and also kept private. This is known as a “trade secret,” and you certainly don’t want your competition, or the public, getting their hands on it.

Examples of trade secrets frequently found in business litigation are:

- Lists of regular clients
- Product manufacturing processes
- Recipes or formulas
- Business strategies and plans

If you want to let your employers and business partners know that your trade secret should be kept secret, you could theoretically just tell them. To this end, the crucial factor of a non-disclosure agreement (also known as an NDA) may be telling them that there can and will be legal ramifications should the trade secret be made public or illegitimately distributed. Punishments may be as lenient as simply filing a cease and desist order against them to as exacting as suing them for any damages to your business caused by the contract violation.

But while you can rely on oral or implied contracts for this purpose, they are historically weaker in the courtroom than an NDA put to paper and signed accordingly. Nothing says, “I understand not to share this trade secret,” better than a drafted agreement with signatures on it.

If you want to keep your profits up and your trade secret in trusted hands, you should consider using an effective and legally sound NDA. An NDA is a legal contract signed by you and anyone else tied to the trade secret, promising that the trade secret will not be shared with anyone. If the information is divulged, the person who shared it could be held accountable according to the guidelines established in the NDA.

Clauses your NDA may include are:

- Information about the trade secret
- Non-confidential aspects of the trade secret (uncommon)
- Acceptable behavior from all concerned parties
- The length of time the agreement is in effect
- Penalties for violating the NDA

Whether you are drafting your NDA pursuing litigation in event of a breach, you should have someone on your side that you can trust and who is familiar with the details of business law.



## **PREPARATION IS KEY IN ALL NON-DISCLOSURE AGREEMENT (NDA) CASES**

Success matters when dealing with protection of your business trade secrets, and the business attorneys at The Vaughn Law Offices are well versed in giving you the legal counsel you need to achieve a successful resolution.

Our business lawyers will work with you from start to finish, whether in preparing the NDA or providing professional representation should litigation be necessary.

Whatever your needs may be, we would be happy to discuss them during an [initial consultation](#).

Established in 2001, The Vaughn Law Offices have been providing legal assistance to personal injury clients with a sharp focus on complex laws.

When success matters, contact us at 303-586-5905 and tell us what you need.