

S. 1890, amends the, "Economic Espionage Act of 1996," to create a federal civil remedy for trade secret misappropriation, and expedite *ex parte* seizure of trade secrets to preserve evidence or prevent dissemination, without preempting state law.

"Trade secrets" are the form of intellectual property that protect confidential information, including: marketing data and strategies, manufacturing processes or techniques, confidential and chemical formulae, product design, customer lists, business leads, pricing schedules, and sales techniques.

Trade secret law offers protection from trade secret "misappropriation," which is the unauthorized acquisition, use, or disclosure of such secrets obtained by some improper means.

Under U.S. law, trade secrets consist of three parts: (i) information that is non-public; (2) the reasonable measures taken to protect that information; and (3) the fact that the information derives independent economic value from not being publicly known.

American companies are at the forefront of innovation and have some of the largest trade secret and patent portfolios in the world tied to numerous goods and services offered to governments, commercial enterprises, and consumers around the globe.

In fact, patent portfolios often grow as a result of the ideas and products that originated as trade secrets.

President Obama's Administration identified the importance of this legislation and, "strongly" supports the Defend Trade Secrets Act," because he recognizes that as the United States continues to shift from a manufacturing, to a knowledge- and service-based economy, businesses increasingly depend on trade secrets to protect their confidential know-how.

A 2009 estimate placed the value of trade secrets owned by U.S. companies at five trillion dollars, demonstrating that trade secrets have become an increasingly important part of most companies' overall assets.

But, the global economy creates a competitive environment in which companies struggle to safeguard this information in light of innovative technologies, such as cell phones, which allow nearly anyone to photograph or otherwise record data and send information nearly instantaneously.

A 2013 report, by the Commission on the Theft of American Intellectual Property, estimated that the American economy loses more than \$300 billion annually as a result of theft of intellectual property, largely trade secrets, leading to a loss of up to 2.1 million jobs each year.

The same theft is slowing U.S. economic growth and diminishing the incentive to innovate that we celebrate today.

Our companies pour billions of dollars into research and development, creating products and services that ultimately become the backbone of their businesses.

And rightly so, those trade secrets produced through research and development increasingly have become the attractive envy of competitors in other countries.

In addition, advances in technology now make it easy to copy trade secret materials onto a jump drive or laptop computer that in a world of less advanced technology would have taken reams of paper to reproduce.

Modernization of trade secrets law is long overdue if our legislation is to keep pace with the rapid developments of premier American

companies and the technologies and methodologies used by the criminals who target them.

The patchwork of state trade secrets laws, while effective for local theft, fail to meet the demands of the global nature of today's trade secret misappropriations.

In addition, trade secrets do not enjoy the same federal protections as other types of intellectual property. While it is a federal crime to steal a trade secret, unlike patents, copyrights and trademarks, there is no current federal civil remedy.

This confidential business information can be protected for an unlimited time, unlike patents, and requires no formal registration process.

But unlike patents, once this information is disclosed it instantly loses its value and the property right itself ceases to exist, demonstrating a stark difference in the potential consequences of securing patent protections versus keeping an innovation as a trade secret.

When an inventor seeks patent protection, he or she agrees to disclose to the world their invention and how it works, furthering innovation and research, as well as securing a 20-year exclusive term of protection, and the right to prevent others from making, using, selling, importing, or distributing a patented invention without permission.

However, in contrast by maintaining it as a trade secret, an inventor could theoretically keep their invention secret indefinitely (ex: formula for Coca-Cola; the KFC Colonel's Secret Recipe); but, the downside is there is no protection if the trade secret is uncovered by others through reverse engineering or independent development.

Trade secrets must be valiantly guarded because discovery of a trade secret by fair, lawful methods, such as reverse engineering or independent development, is permitted.

As a result, the threat posed to American trade secrets has increased and theft of these secrets robs our economy of growth and innovation. S. 1890, provides a solution to these problematic gaps by making federal law more comprehensive and providing trade secrets owners with remedies that all forms of intellectual property should be afforded.

With both a federal criminal and a federal civil cause of action, large and small companies alike will have access to more of the tools that they need to effectively combat trade secret theft and help to ensure future innovation continues to occur within the United States.

While trade secret protection is important domestically, as American companies expand in the global marketplace, this protection is also paramount worldwide.

As we operate in other countries and work with them to encourage strong intellectual property protection within their own borders, the "Defend Trade Secrets Act" will serve as a model for effective protection.

S. 1890 will prevent the occurrence of (1) trade secret theft occurring in the United States and around the world; and (2) trade secret theft harming owner companies and their employees; while allowing the "Economic Espionage Act of 1996" to continue to apply broadly to protect trade secrets from theft.

I thank the House Judiciary Committee for quickly approving this legislation, and look forward to seeing this bill pass in the House to move to the President's desk to become law.

Mr. Speaker, I thank our Leadership for its prowess on intellectual property protection and urge you and your colleagues to support S. 1890.

CHAMBER OF COMMERCE,
UNITED STATES OF AMERICA,
Washington, DC, April 26, 2016.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports S. 1890, the "Defend Trade Secrets Act of 2016," and urges the House to expeditiously pass this bill.

Intellectual property sector industries generate 35% of all U.S. Gross Domestic Product and are responsible for two-thirds of all exports and over forty million good-paying jobs. The threat of trade secrets theft is of increasing concern to U.S. economic security and domestic jobs, and S. 1890 would provide companies with an effective tool to combat this growing problem. Creating a federal civil cause of action to complement existing criminal remedies and providing a uniform system and legal framework would enable companies to better mitigate the commercial injury and loss of employment that often occur when trade secrets are stolen.

The Chamber appreciates the House's attention to this important issue that impacts companies that depend on intellectual property to spur innovation, create jobs, and bring new products to market that benefit consumers. By creating a federal civil remedy for trade secrets theft, this bill would help ensure the trade secrets of U.S. companies are given similar protections afforded to other forms of intellectual property including patents, trademarks, and copyrights.

The Chamber urges you to support S. 1890 and may consider votes on, or in relation to, this bill in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, S. 1890.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

Motions to suspend the rules on H.R. 4923 and H.R. 699, each by the yeas and nays;

Ordering the previous question on House Resolution 701; and

Adoption of House Resolution 701, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

AMERICAN MANUFACTURING COMPETITIVENESS ACT OF 2016

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 4923) to establish a process for the submission and consideration of petitions for temporary duty suspensions and reductions, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BRADY) that the House suspend the rules and pass the bill, as amended.

The vote was taken by electronic device, and there were—yeas 415, nays 2, not voting 16, as follows:

[Roll No. 166]

YEAS—415

Abraham	Clawson (FL)	Fleischmann
Adams	Clay	Fleming
Aderholt	Cleaver	Flores
Aguilar	Clyburn	Forbes
Allen	Coffman	Fortenberry
Amash	Cohen	Foster
Amodei	Cole	Fox
Ashford	Collins (GA)	Frankel (FL)
Babin	Collins (NY)	Franks (AZ)
Barletta	Comstock	Frelinghuysen
Barr	Conaway	Fudge
Barton	Connolly	Gabbard
Bass	Conyers	Gallego
Beatty	Cook	Garamendi
Becerra	Cooper	Garrett
Benishkek	Costa	Gibbs
Bera	Costello (PA)	Gibson
Beyer	Courtney	Goodlatte
Bilirakis	Cramer	Gosar
Bishop (GA)	Crawford	Gowdy
Bishop (MI)	Crenshaw	Graham
Bishop (UT)	Crowley	Granger
Black	Cuellar	Graves (GA)
Blackburn	Culberson	Graves (LA)
Blum	Cummings	Graves (MO)
Blumenauer	Curbelo (FL)	Grayson
Bonamici	Davis (CA)	Green, Al
Bost	Davis, Danny	Green, Gene
Boustany	Davis, Rodney	Grijalva
Boyle, Brendan	DeFazio	Grothman
F.	DeGette	Guinta
Brady (PA)	Delaney	Guthrie
Brady (TX)	DeLauro	Hahn
Brat	DelBene	Hardy
Bridenstine	Denham	Harper
Brooks (AL)	Dent	Harris
Brooks (IN)	DeSantis	Hartzler
Brown (FL)	DeSaulnier	Hastings
Brownley (CA)	DesJarlais	Heck (NV)
Buchanan	Deutch	Heck (WA)
Buck	Diaz-Balart	Hensarling
Bucshon	Dingell	Herrera Beutler
Burgess	Doggett	Hice, Jody B.
Bustos	Dold	Higgins
Butterfield	Donovan	Hill
Byrne	Doyle, Michael	Himes
Calvert	F.	Hinojosa
Capps	Duckworth	Holding
Cárdenas	Duffy	Honda
Carney	Duncan (SC)	Hoyer
Carson (IN)	Duncan (TN)	Hudson
Carter (GA)	Edwards	Huelskamp
Carter (TX)	Ellison	Huffman
Cartwright	Ellmers (NC)	Huizenga (MI)
Castor (FL)	Emmer (MN)	Hultgren
Castro (TX)	Engel	Hunter
Chabot	Eshoo	Hurd (TX)
Chaffetz	Esty	Hurt (VA)
Chu, Judy	Farenthold	Israel
Cicilline	Farr	Jackson Lee
Clark (MA)	Fincher	Jeffries
Clarke (NY)	Fitzpatrick	Jenkins (KS)

Jenkins (WV)	Miller (FL)	Scalise
Johnson (GA)	Miller (MI)	Schakowsky
Johnson (OH)	Moolenaar	Schiff
Johnson, E. B.	Mooney (WV)	Schrader
Johnson, Sam	Moore	Schweikert
Jolly	Moulton	Scott (VA)
Jones	Mullin	Scott, Austin
Jordan	Mulvaney	Scott, David
Joyce	Murphy (FL)	Sensenbrenner
Kaptur	Murphy (PA)	Serrano
Katko	Nadler	Sessions
Keating	Napolitano	Sherman
Kelly (IL)	Neal	Shimkus
Kelly (MS)	Neugebauer	Shuster
Kelly (PA)	Newhouse	Simpson
Kennedy	Noem	Sinema
Kildee	Nolan	Sires
Kilmer	Norcross	Slaughter
Kind	Nugent	Smith (MO)
King (IA)	Nunes	Smith (NE)
King (NY)	O'Rourke	Smith (NJ)
Kinzinger (IL)	Olson	Smith (TX)
Kirkpatrick	Palazzo	Smith (WA)
Kline	Pallone	Speier
Knight	Palmer	Stefanik
Kuster	Pascrell	Stewart
Labrador	Paulsen	Stivers
LaHood	Payne	Stutzman
LaMalfa	Pearce	Swalwell (CA)
Lamborn	Perlmutter	Takai
Lance	Perry	Takano
Langevin	Peters	Thompson (CA)
Larsen (WA)	Peterson	Thompson (MS)
Larson (CT)	Pingree	Thornberry
Latta	Pitts	Tiberi
Lee	Pocan	Tipton
Levin	Poe (TX)	Titus
Lewis	Poliquin	Tonko
Lieu, Ted	Polis	Torres
Lipinski	Pompeo	Trott
LoBiondo	Posey	Tsongas
Loeb	Price (NC)	Turner
Loeb	Price, Tom	Upton
Long	Quigley	Valadao
Loudermilk	Rangel	Vargas
Love	Ratcliffe	Veasey
Lowenthal	Reed	Vela
Lowe	Reichert	Velázquez
Lucas	Renacci	Visclosky
Luetkemeyer	Ribble	Wagner
Lujan Grisham	Rice (NY)	Walberg
(NM)	Rice (SC)	Walden
Luján, Ben Ray	Richmond	Walker
(NM)	Rigell	Walorski
Lummis	Roby	Walters, Mimi
Lynch	Roe (TN)	Walz
Maloney,	Rogers (AL)	Waters, Maxine
Carolyn	Rogers (KY)	Watson Coleman
Maloney, Sean	Rohrabacher	Weber (TX)
Marchant	Rokita	Webster (FL)
Marino	Rooney (FL)	Welch
Massie	Ros-Lehtinen	Wenstrup
Matsui	Roskam	Westerman
McCarthy	Ross	Whitfield
McClintock	Rothfus	Williams
McCollum	Rouzer	Wilson (FL)
McDermott	Roybal-Allard	Wilson (SC)
McGovern	Royce	Wittman
McHenry	Ruiz	Womack
McMorris	Ruppersberger	Woodall
Rodgers	Rush	Yarmuth
McNerney	Russell	Yoder
McSally	Ryan (OH)	Yoho
Meadows	Salmon	Young (AK)
Meehan	Sánchez, Linda	Young (IA)
Meeks	T.	Young (IN)
Meng	Sanchez, Loretta	Zeldin
Messer	Sanford	Zinke
Mica	Sarbanes	

NAYS—2

Thompson (PA)

NOT VOTING—16

Lawrence	Sewell (AL)
MacArthur	Van Hollen
McCaul	Wasserman
McKinley	Schultz
Pelosi	Westmoreland
Pittenger	

□ 1530

Mr. CARNEY, Ms. KAPTUR, and Mr. BISHOP of Georgia changed their vote from “nay” to “yea.”

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. HANNA. Mr. Speaker, on rollcall No. 166 on H.R. 4923, I am not recorded because I was absent for personal reasons. Had I been present, I would have voted “aye.”

EMAIL PRIVACY ACT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 699) to amend title 18, United States Code, to update the privacy protections for electronic communications information that is stored by third-party service providers in order to protect consumer privacy interests while meeting law enforcement needs, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, as amended.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 14, as follows:

[Roll No. 167]

YEAS—419

Abraham	Capuano	DeBene
Adams	Cárdenas	Denham
Aderholt	Carney	Dent
Aguilar	Carson (IN)	DeSantis
Allen	Carter (GA)	DeSaulnier
Amash	Carter (TX)	DesJarlais
Amodei	Cartwright	Deutch
Ashford	Castor (FL)	Diaz-Balart
Babin	Castro (TX)	Dingell
Barletta	Chabot	Doggett
Barr	Chaffetz	Dold
Barton	Chu, Judy	Donovan
Bass	Cicilline	Doyle, Michael
Beatty	Clark (MA)	F.
Becerra	Clarke (NY)	Duckworth
Benishkek	Clawson (FL)	Duffy
Bera	Clay	Duncan (SC)
Beyer	Cleaver	Duncan (TN)
Bilirakis	Clyburn	Edwards
Bishop (GA)	Coffman	Ellison
Bishop (MI)	Cohen	Ellmers (NC)
Bishop (UT)	Cole	Emmer (MN)
Black	Collins (GA)	Engel
Blackburn	Collins (NY)	Eshoo
Blum	Comstock	Esty
Blumenauer	Conaway	Farenthold
Bonamici	Connolly	Farr
Bost	Conyers	Fincher
Boustany	Cook	Fitzpatrick
Boyle, Brendan	Cooper	Fleischmann
F.	Costa	Fleming
Brady (PA)	Costello (PA)	Flores
Brady (TX)	Courtney	Forbes
Brat	Cramer	Fortenberry
Bridenstine	Crawford	Foster
Brooks (AL)	Crenshaw	Fox
Brooks (IN)	Crowley	Frankel (FL)
Brown (FL)	Cuellar	Franks (AZ)
Brownley (CA)	Culberson	Frelinghuysen
Buchanan	Cummings	Fudge
Buck	Curbelo (FL)	Gabbard
Bucshon	Davis (CA)	Gallego
Burgess	Davis, Danny	Garamendi
Bustos	Davis, Rodney	Garrett
Butterfield	DeFazio	Gibbs
Byrne	DeGette	Gibson
Calvert	Delaney	Goodlatte
Capps	DeLauro	Gosar