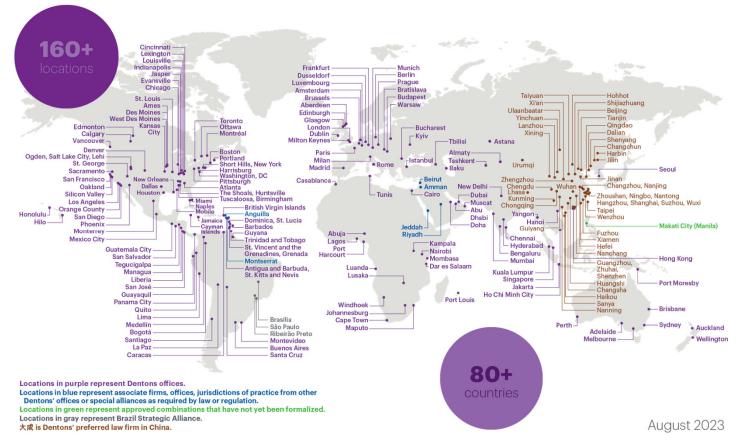
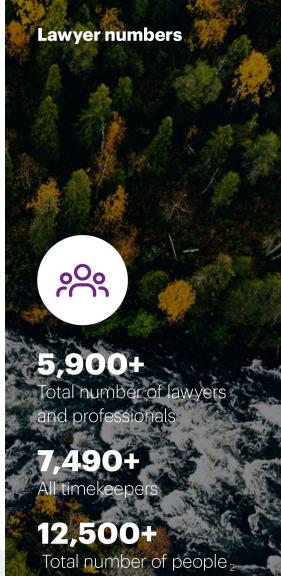


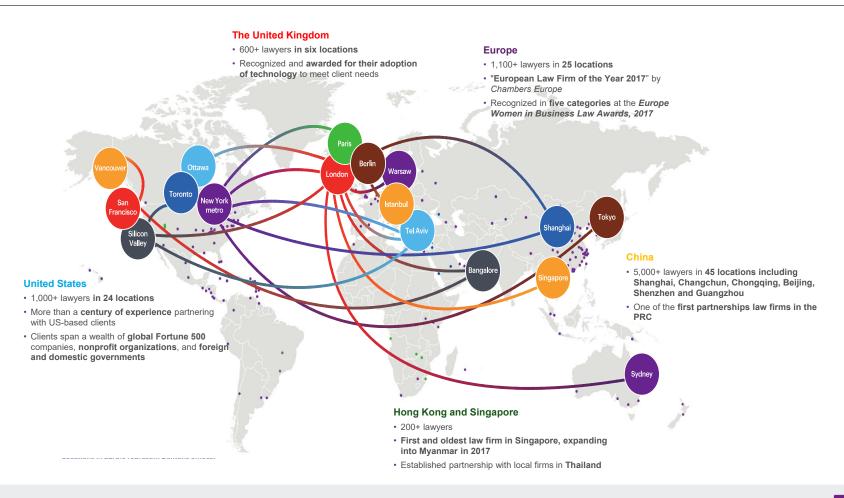
Firm numbers



^{*}Map and figures include combinations approved and announced in 2023



Committed to the markets important to you



Measuring our commitment to diversity and inclusion

Dentons global coverage



countries



160 locations



12,500+

DIVERSITY

43%

in 2019 are women

globally in last 12 months were women

elected partners in 2019 were women

The number of women Global Practice and Sector Leaders has increased from 74 in 2018 to 87 in 2019

of director and manager hires globally in last 12 months were women

100%

of regions have women on their leadership teams

of our 2019 Senior Development Program participants are women

of trainee and student hires globally in 2019 YTD were women

of Regional Board members are women

of Global Board members

members (including allies). Dentons' Global LGBT+ Network is a firmwide group for lesbian, gay, bisexual, trans, nonbinary, queer and questioning colleagues, as well as their allies

Mental Health First Aiders n the UK and 80 +

languages spoken

INCLUSION

In 2018 Dentons held its 3rd annual series of Inclusion Events From June 26-28. The series of linked discussions highlighting different aspects of inclusion and the importance across our Firm. In addition, Dentons invited all partners and employees for the 1st time The Big

The Big

versation to discuss experiences, ideas and potential o create a more inclusive Firm. The Big Inclusion was a truly global event, with colleagues commenting ent locations, across 31 countries and 5 continents. This build on last year's success and continue to make ality through our Big Inclusion Project (over 200 people engaged in this initiative, including 12 Global Board Members)

Key facts

6 Events **1540 Participants**

3000 comments

6000 Platform visits

Key Contact



Amit Singh
Partner, San Diego
D +1 619 699 2541
amit.singh@dentons.com

Amit Singh leads Dentons' West Coast Corporate practice.

Amit is highly skilled in business transactions. He focuses on venture capital and private equity transactions, mergers and acquisitions, joint ventures, technology transactions, and general corporate law for companies whose core value derives from intellectual property. In the hundreds of M&A, venture capital and other sophisticated business transactions he's led over the last two decades and as outside general counsel to life sciences and technology companies, Amit has immersed himself in his clients' businesses, providing practical legal advice in the context of the clients' overall business goals.

Amit is a frequent speaker and author on startups, venture capital and M&A and has written hundreds of thought leadership articles on his blog - www.startupblog.com.

Introduction

- Appear in separate NDAs, Commercial Agreements, Merger documents, employment arrangements and other agreements
- Purpose protect against disclosure/use of Confidential information
- Obligations imposed by law
 - e.g., Attorney-client relationship
- Types
 - One-Way
 - Mutual
 - Multi-Party

NDA Strategies

- David vs Goliath
 - Even with NDA in place, are you safe?
- Don't disclose more than necessary
 - Must know violation occurred
 - Must prove violation
 - Need money for lawyers to sue and win
 - e.g., Waymo vs Uber
- One-Way vs Mutual
 - Discloser favorable vs Recipient favorable

Parties and Purpose

- Clearly identify Parties
- Obligations
 - Keep Confidential
- Only disclose to Representatives with a need to know and who are subject to confidentiality obligations
- Only use for Permitted Purpose
 - e.g., merger, financing, license agreement, other commercial agreement

Parties & Purpose (Cont'd)

• This MUTUAL NON-DISCLOSURE AGREEMENT (this "<u>Agreement</u>") is made effective as of , 201__ ("<u>Effective Date</u>"), by and between _____, and _____, each of the foregoing, a "<u>Party</u>" and together, the "<u>Parties</u>"), to safeguard from unauthorized disclosure Confidential Information that one Party ("<u>Disclosing Party</u>") or its Representatives may disclose to the other Party ("<u>Receiving Party</u>") for the purpose(s) set forth on <u>Exhibit A</u> attached hereto (the "<u>Permitted Purpose</u>").

Definition of Confidential Information

- Discloser wants very broad definition everything disclosed
 - Courts won't enforce if too broad
- Unreasonable restraint on trade
 - Receiver cannot be obligated to keep/not use information that is publicly available
- Receiver wants narrow definition typical carve-outs from definition:
 - Information Receiver already knew
 - Publicly available information
 - Information lawfully received from others
 - Independently developed information

Definition of Confidential Information (Cont'd)

"Confidential Information" means any and all technical and non-technical information, data, agreements, documents, reports, "know-how", interpretations, plans, studies, forecasts, projections and records (whether in oral or written form, machine-readable, electronically stored or otherwise), whether or not proprietary, provided by Disclosing Party or any of its Representatives to Receiving Party or its Representatives, including, without limitation, (a) financial information, books and records, cost information, forecasts, bidding information and strategies, and contracts and agreements; (b) current and proposed products and services, marketing plans and strategies, customer, client, vendor and supplier contracts and agreements, information relating to, and lists of, past, current and prospective customers, suppliers, vendors, business contacts and clients; (c) any information related to corporate structure, corporate direction, financing, operating procedures, techniques, systems, processes and methods; (d) employee records and information; (e) all intellectual property, product and service information, including research and development and proposed products and services; (f) other "know-how", trade secrets and any other information not available to the public generally; (g) information regarding any of the foregoing which Disclosing Party or its Representatives provides to Receiving Party or its Representatives regarding third persons; and (h) all notes, summaries, reports, analyses, compilations, studies, legal opinions and interpretations of any of the items described in (a) through (g), above, whether prepared by or on behalf of Disclosing Party or Receiving Party;

Carve-Outs from Definition

provided, however, that Confidential Information shall not include information that [Receiving Party can demonstrate]^D: (i) was in **Receiving Party's, or its Representatives', possession before** receipt from Disclosing Party or its Representatives[, as shown by written or other tangible evidence and which was not acquired or obtained from a source that Receiving Party or its Representatives had reason to believe was bound by confidentiality obligations with respect to such information]^D; (ii) is or becomes **generally available to the public, other than as a result of a disclosure by Receiving Party** or its Representatives in violation of this Agreement [or by disclosure by any other person or entity in violation of any contractual, legal or fiduciary obligation]^D; (iii) was or is **lawfully received by Receiving Party or its** Representatives from a source other than Disclosing Party or its Representatives has or had reason to believe that such source is prohibited from transmitting the information to Receiving Party or its Representatives by a contractual, legal or fiduciary obligation]^D; or (iv) was or is **independently developed by Receiving Party** or its Representatives[, without use of, or reference to, Confidential Information, as shown by written or other tangible evidence]^D.

Marking Requirement

- Receiver may want information to be marked "Confidential" to be protected
- Trap for Unwary
 - Risk of noncompliance forgetting to mark
- Savings clauses for unmarked disclosures
 - Information Recipient reasonably should know is confidential
 - Information marked later than deadline
- Only applies to improper disclosures after marking

Marking Requirement (Cont'd)

[Notwithstanding anything to the Contrary in this Agreement, information shall be deemed Confidential Information only if it is: (a) marked as Disclosing Party's Confidential Information (or with an equivalent legend) at the time of disclosure, if disclosed in tangible or retainable form; or (b) identified as Disclosing Party's Confidential Information at the time of disclosure and summarized and designated as confidential in a writing delivered to a Receiving Party's authorized representative within thirty (30) days after disclosure is made, if disclosed in any other manner. Information disclosed pursuant to clause (b) of the preceding sentence shall be treated as Confidential Information under this Agreement during the period permitted for providing written confirmation.]^R [Further, information that the Receiving Party should reasonably know is confidential or proprietary shall be deemed Confidential Information even if not marked as Disclosing Party's Confidential Information.]^D

Treatment of Confidential Information

- Standard of Care at least reasonable degree of care
- Notify Discloser of any prohibited disclosures

Treatment of Confidential Information (Cont'd)

Except as specifically permitted in this Agreement, Receiving Party shall, and shall cause its Representatives to, hold all Confidential Information in strict confidence and not disclose Disclosing Party's Confidential Information to any third party, except as approved in writing by Disclosing Party, and will use such Confidential Information for no purpose other than the Permitted Purpose. Receiving Party will use the same degree of care, but no less than a reasonable degree of care, that Receiving Party uses to protect its own confidential information of a like importance to protect Disclosing Party's Confidential Information. Receiving Party may disclose Disclosing Party's Confidential Information to its Representatives who have a need to know and are directly concerned with furthering the Permitted Purpose, so long as such Representatives are bound by confidentiality obligations at least as protective of Disclosing Party's Confidential Information as Receiving Party's obligations under this Agreement. Receiving Party will notify Disclosing Party, in writing, immediately upon learning of any prohibited disclosure, misuse or misappropriation of Disclosing Party's Confidential Information.

"Residuals" Clauses

- Confidential Information receiving party's employees/agents retained in their "unaided memory" may be used/disclosed without restriction.
- Receiving Party's argument in favor:
 - Difficult to separate information learned from the disclosing party from information previously learned/known – i.e., cannot "segment their brains" re what they know and when it was learned (e.g., code learned from a client vs its own methods or other clients' methods)
- Disclosing Party's concern:
 - Could lose trade secret protection
 - Could be an accidental grant of a royalty free license to patents/copyrights
 - Impossible to prove what was retained in "unaided memory"
- If must agree to Residuals clause:
 - Carveout specific key information from the clause
 - Limit to "unaided memory" without intentional memorization or reference to materials that would aid in memorizing such as emails or documents
 - Exclude patent rights and copyrights and state no license is being granted

Compelled Disclosure

- No violation if Confidential Information is disclosed:
 - As required by law
 - Pursuant to valid order of court of competent jurisdiction
 - As necessary to establish the rights of the parties in a dispute
- Requirements
 - Notice to Discloser
 - Cooperation at Discloser's cost

Compelled Disclosure (Cont'd)

Notwithstanding the provisions of <u>Section 3</u>, Receiving Party shall not be in breach of this Agreement if it, or any of its Representatives disclose Confidential Information (i) **in response to a valid order** by a court or other governmental body of **competent jurisdiction**; (ii) as **required by law**; or (iii) if such disclosure was **necessary to establish the relative rights of the Parties in a legal proceeding**; <u>provided</u>, that Receiving Party promptly **notifies Disclosing Party in writing of any such requirement so that Disclosing Party may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. Receiving Party will reasonably cooperate** with Disclosing Party so that it can seek a protective order or other appropriate remedy or limitation, and **Disclosing Party will reimburse all reasonable costs** (including reasonable attorneys' fees and expenses) incurred by Receiving Party in connection with a written request for specified assistance and cooperation by Disclosing Party.

Compelled Disclosure (Cont'd)

- Trap for the Unwary:
 - Information required to be disclosed by law, court order, etc. still needs to remain Confidential Information for all other purposes
 - This is merely an exception to the requirement to keep the information confidential, not an exception to the definition of Confidential Information

Non-Solicitation

- BPC 16600 "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void."
 - Sale of business exception
- Non-solicitation of Customers/Suppliers is Unenforceable Non-compete
 - · OK to extent prohibits use of confidential information/trade secrets to solicit
- Non-solicitation of Employees May No Longer Enforceable (fact specific)
 - OK to extent prohibits use of confidential information/trade secrets
- Non-competes between businesses not void by Section 16600
 - Rule of reason analysis applies
 - Per *Ixchel*, the inquiry is "whether an agreement harms competition more than it helps by considering the facts peculiar to the business in which the restraint is applied, the nature of the restraint and its effects, and the history of the restraint and the reasons for its adoption."

Non-Solicitation

- Prior Law
 - Loral v. Moyes (1985) prohibiting defendant from "raiding" the plaintiffs' employees was a "reasonable" restraint
 - Edwards no "rule of reasonableness" under Section 16600 (didn't address EE non-solicitation, so didn't overrule Loral)

Non-Solicitation (Cont'd)

- AMN Healthcare v. Aya Healthcare Services
 - Can't prohibit travel nurse recruiters from soliciting nurses working at former employer (improperly restrains them from engaging in their profession)
 - EE non-solicitation clause invalid under Edwards
 - Involved nurse recruiters, was it limited to its facts?
- No, AMN not Limited to its Facts (not Cal SCt)
 - Barker v. Insight Global "former employer [cannot restrain] a former employee from engaging in his or her lawful profession, trade, or business of any kind"
 - WeRide v. Huang

Non-Solicitation (Cont'd)

- Bus. & Prof. Code 16600.5
 - Effective January 1, 2024
 - Mandatory attorneys' fees for employees forced to sign non-competes forbidden by 16600 (even if employer is outside CA and employment is outside CA)
- Silent with respect to CA Labor Code 925
 - Law other than CA may be applied to CA employee's employment if employee represented by independent counsel and the independent counsel actively negotiates the agreement
 - 925 likely unaffected by 16600.5

Non-Solicitation (Cont'd)

During and after the termination of Employee's employment with Company, Employee will not, directly or indirectly, solicit or otherwise take away customers or suppliers of Company [and will not, directly or indirectly, encourage or solicit any employee or consultant of Company to leave Company for any reason] if, in so doing, Employee would use or disclose any trade secrets or proprietary or confidential information of Company. Employee agrees that the non-public names and addresses of Company's customers and suppliers [and non-public information about employees], including such customers' and suppliers' buying and selling habits and special needs[, and non-public information about employee skills and compensation,] created or obtained by Employee during Employee's employment with Company, constitute trade secrets or proprietary and confidential information of Company.

^{*} Bracketed language not litigated with respect to EE non-solicitation, but likely enforceable (in my personal opinion only).

Termination; Survival

- Term of Agreement
 - Should it survive execution of definitive agreements (e.g., Merger Agreement)?
 - 1/2 year term
- Survival
 - Perpetuity
- Some states unreasonable restraints on trade unenforceable
 - Limited duration of confidentiality obligations
- 2/3/5 years
- Trade secrets trap may lose trade secret protection after time limit passes

Survival - Trade Secrets

- Trade secret
 - Information
 - Economic value from secrecy
 - Not generally known
 - Reasonable efforts to maintain secrecy
 - "[A]dvising employees of the existence of a trade secret, limiting access to the information on a 'need to know basis,' requiring employees to sign confidentiality agreements, and keeping secret documents under lock."
- Solution to protect trade secrets
 - If there is a fixed duration, confidentiality requirement for trade secrets should survive so long as they qualify as trade secrets

Survival - Trade Secret (Cont'd)

This Agreement may be terminated at any time by either Party upon thirty (30) calendar days' written notice to the other. A Receiving Party's **obligations of confidentiality** with respect to any Confidential Information received prior to the effective date of termination **shall survive** any such termination **[for a period of 3 years thereafter]**^R[; **provided**, **however**, that, with respect to any trade secret, such obligations shall remain in effect for as long as the trade secret remains a trade secret under applicable law relating to trade secrets] D1.

IP Rights; Reps & Warranties

- Discloser retains all IP Rights in its Confidential Information
- Discloser represents it has the right to disclose
- Disclosure makes no warranties re the information itself
 - Provided "AS IS"
 - Make sure definitive agreement overcomes this so it doesn't eliminate value of representations and warranties re Confidential Information

Intellectual Property Rights

Disclosing Party retains all right, title and interest in and to its Confidential Information. No Receiving Party acquires any intellectual property or licensing rights in Confidential Information it receives under this Agreement, by implication, estoppel or otherwise, except for the Permitted Purpose. Unless included in the Permitted Purpose, not by way of limitation of the foregoing, Receiving Party shall not make, have made, use, loan or sell for any purpose any product or other item using, incorporating or derived from Disclosing Party's Confidential Information.

Feedback

- Feedback-What if Receiving Party gives Disclosing Party some good ideas related to its IP?
- Most important in beta testing or evaluation agreements or other collaborative arrangements.
- ["Feedback" means any ideas, suggestions, guidance or other information disclosed by Receiving Party related to Disclosing Party's Confidential Information and any intellectual property rights relating to the foregoing.]^D
- [Receiving Party hereby grants to Disclosing Party a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform and otherwise exploit Feedback without restriction.]

Representations; Warranties

Each Disclosing Party represents and warrants that it has the right and authority to disclose the Confidential Information it discloses to Receiving Party. Each individual executing this Agreement on behalf of a Party represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such Party and agrees to deliver competent evidence of his or her authority to the other Party if requested by the other Party. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS", AND EACH PARTY EXPRESSLY DISCLAIMS ANY WARRANTY, WHETHER EXPRESS OR IMPLIED OR STATUTORY, AS TO THE DESCRIPTION, QUALITY, TITLE, NON-INFRINGEMENT, MERCHANTABILITY, ADEQUACY, SUFFICIENCY, ACCURACY, FREEDOM FROM DEFECT OF ANY KIND, COMPLETENESS OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF ANY CONFIDENTIAL INFORMATION.

Termination – Disposal/Return

- Upon request or termination return/destroy Confidential Information
- Receiver's retention right
 - Compliance requirements
 - Ability to prove compliance with confidentiality obligations

Termination – Disposal/Return (Cont'd)

Within fifteen (15) days after receiving a written request from Disclosing Party, Receiving Party shall: (a) **erase** all Confidential Information (including whole or partial copies and derivations) stored on electronic media, and (b) **return or**, at the written request of Disclosing Party, **destroy** all Confidential Information provided by Disclosing Party in any tangible form, **including all copies and derivations, and all summaries**, analyses, studies, and other material whatsoever relating in any way to the Confidential Information which was prepared by Receiving Party or any of its Representatives[;provided, however, that Receiving Party may retain one copy of the Confidential Information for its legal files for compliance purposes subject to its obligations set forth in this Agreement]^R. An officer of Receiving Party shall then provide Disclosing Party with written notice that Receiving Party has fully complied with all of its obligations under this <u>Section 8</u>.

Remedies for Breach

- Damages
 - Trap exclusions against consequential damages in contracts (need to carve-out NDA)
 - Attorneys' fees
 - Responsibility for breaches by Representatives
- Injunction

Remedies for Breach-Damages

Each Party shall be **responsible for any breach of this Agreement by any of its employees**, agents or other Representatives. If any arbitration, litigation or other legal proceeding arising out of or relating to this Agreement occurs, the **prevailing Party shall be entitled to** recover from the other Party in addition to other relief awarded or granted, its reasonable **costs and expenses, including** (without limitation) attorneys' fees, incurred in the arbitration, litigation or other proceeding, or in any appeal thereof, in the amount determined by the appropriate arbitrator, trial court or appellate court.

Remedies for Breach-DTSA

- Defend Trade Secrets Act of 2016
 - Federal civil cause of action for trade secrets "related to a product or service used in or intended for use in interstate or foreign commerce."
 - Injunction and 2x damages (plus attorneys' fees) if willful and malicious
 - Immunity for whistleblower who discloses trade secret information to a government official or attorney for the purposes of reporting violation of the law
- Exempts someone who discloses the information under seal in a lawsuit
- Such immunity must be disclosed to employees, contractors and consultants that "governs the use
 of a trade secret or other confidential information."

Remedies for Breach-DTSA (Cont'd)

Pursuant to the Defend Trade Secrets Act of 2016, [Employee/Consultant] acknowledges that he or she shall **not have criminal or civil liability** under any Federal or State trade secret law for the **disclosure of a trade secret** that is made (i) **in confidence to a Federal, State or local government official**, either directly or indirectly, or to an attorney, solely for the **purpose of reporting or investigating a suspected violation of law** or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, **if** [Employee/Contractor] files a lawsuit for retaliation by the Company for reporting a suspected **violation of law**, [Employee/Contractor] may disclose the trade secret to his or her attorney and may **use the trade secret information in the court** proceeding if [Employee/Contractor] (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

Equitable Relief - Injunctions

Each Receiving Party acknowledges and agrees that the breach by it of any of its confidentiality obligations hereunder will cause serious and irreparable harm to Disclosing Party that could not adequately be compensated by monetary damages. Each Receiving Party therefore agrees that, in addition to any of the remedies to which a Disclosing Party may be entitled at law or in equity, a Disclosing Party will be entitled to an injunction or injunctions (without the posting of any bond and without proof of actual damages) to prevent breaches or threatened breaches of this Agreement and to compel specific performance of this Agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or equity.

Relationship of the Parties

Each Party is an independent contractor and no agency, partnership, joint venture or other business relationship is created between the Parties by this Agreement. Neither Party, by virtue of this Agreement, is authorized to be an agent, employee or legal representative of the other Party. Except as provided herein otherwise, each Party shall bear all costs and expenses it incurs in connection with this Agreement or its use of the information furnished pursuant to this Agreement. Nothing in this Agreement requires a Party to enter into any further agreement with the other Party regarding the Confidential Information or any other subject, whatsoever. Each Party reserves the right in its sole discretion to (a) provide or not provide Confidential Information; (b) reject any and all proposals made by the other Party or its Representatives regarding any proposed transaction; and (c) terminate discussions and negotiations at any time.

Assignment

Neither Party shall assign or transfer any of its rights or obligations hereunder without the prior written consent of the other Party[; provided, however, that each Party may assign its rights under this Agreement [with respect to the protection of its Confidential Information disclosed prior to such assignment] without such consent within the context of any merger, consolidation, sale of all or substantially all of such Party's assets or any transaction in which more than 50% of such Party's voting securities are transferred (a "Change of Control"). The Party undergoing such Change of Control shall provide notice thereof to the other Party within ninety (90) days of the closing of the Change of Control]^D. Any attempted assignment or transfer of this Agreement in violation of this Agreement shall be void ab initio. This Agreement shall be binding on and inure to the benefit of the successors and permitted assigns of the respective Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

Exporting Confidential Information

- Bureau of Industry and Security (BIS) "Export Administration Regulations" (EAR), which regulates the export and re-export of most commercial items.
- Directorate of Defense Trade Controls defense articles and defense services
- Office of Foreign Assets Control prohibits/restricts trade with a list of countries and individuals
- Nuclear Regulatory Commission export of nuclear materials, nuclear technology and technical data for nuclear power

No Party shall directly or indirectly export any other Party's Confidential Information (including whole or partial copies or derivations) except in **compliance with all applicable laws, rules and regulations relating to the export or re-export of technical data** and information from the United States and other applicable countries.

Governing Law

- Governing law is key to knowing rights
 - · e.g., term of confidentiality obligations
- Venue

This Agreement shall be governed and construed in accordance with the internal laws of the State of California, without reference to its conflicts of laws and choice of laws rules or principles. Any disputes based on this Agreement shall be adjudicated solely in the state or federal courts located in [San Diego County, California]. The Parties hereby consent to the personal jurisdiction and venue of such courts and also hereby irrevocably waive any defense of improper venue or forum non conveniens.

Key Contact



Amit Singh
Partner, San Diego
D +1 619 699 2541
amit.singh@dentons.com

Amit Singh leads Dentons' West Coast Corporate practice.

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Amit is a frequent speaker and author on startups, venture capital and M&A and has written hundreds of thought leadership articles on his blog - www.startupblog.com.