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An Ethical Rabbit Hole: Model Rule 4.4, Intentional Interference with Former Employee Non-Disclosure Agreements and the Threat of Disqualification, Part II

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I. INTRODUCTION

Can a lawyer be disqualified from representation simply because they have had an informal conversation with a former employee with a non-disclosure agreement? A few years ago,¹ lead counsel for plaintiffs in a major class-action suit faced just such a threat. A former employee of the defendant corporation, not previously identified during several years of discovery, contacted a journalist writing about the case with important new information about wrongful acts taken by the corporation. The journalist passed the employee’s name to plaintiffs’ counsel and when counsel spoke with the former employee, startling new information came to light. A subsequent request for documents related to the disclosure revealed to the defendant that there was an undisclosed employee source of information about the corporation, and defendant demanded the name of the former employee. Upon discovering that the former employee had signed a non-disclosure agreement (NDA), defendant claimed that the information in question was confidential business information, that its disclosure outside of formal discovery violated the NDA, and that counsel’s conduct was unethical. In particular, counsel was alleged to have violated *Model Rule of Professional Conduct 4.4*,² which prohibits using a method of obtaining evidence that violates the rights of third parties,³ by interfering with the non-disclosure contract. This claim of unethical conduct then formed the basis for a motion to disqualify counsel from representation in this major class-action suit, a case that had been pursued on a contingency basis for several years.

While vigorously opposing the disqualification on the merits at considerable expense, counsel offered not to use the evidence revealed by the former employee in order to avoid any suggestion of impropriety. There was no disqualification in the end, possibly because counsel had asked about the possibility of an NDA and the former employee had forgotten that any such agreement had been signed, but it was quite a scare. What if counsel had not asked, or the employee had remembered? Would counsel have been disqualified? What if the evidence given up had been central to the case?

1. The details of this skirmish are covered by a protective order and not publicly available, however, I am personally familiar with the facts through my participation in the case as a legal expert. The facts in the actual case have been simplified and modified for this Article.

2. MODEL RULES OF PROF'L CONDUCT R. 4.4(a) (2009). The *Model Rules of Professional Conduct*, which are published by the American Bar Association, will hereinafter be referred to as the “*Model Rules*.”

3. *Id.*

With employer use of non-disclosure agreements proliferating, the threat of an ethics violation, loss of evidence, and disqualification could well be enough to discourage lawyers from engaging in informal discovery with any former employees, because they may be known to have signed an NDA, others because they merely might have signed such an agreement. However, is there really any possibility that it is unethical to informally communicate with a former employee with an NDA, known or unknown, and could this possibly justify disqualification anyway? Since Model Rule 4.4 only makes conduct that violates the rights of third parties unethical, the legitimacy of such conduct will depend on whether it violates the substantive law of contract and tort. This “piggybacking” of ethical rules on substantive law is widespread in the *Model Rules* and, ordinarily, it is both efficient and effective to make ethical standards rest upon substantive law.⁴ However, when substantive law is itself both unsettled and controversial, this technique creates what I call an “ethical rabbit hole, a long and tangled detour into the law producing an uncertain answer.”⁵ That is precisely the situation created by the scenario I have just described.

Whether or not a lawyer can be found to have acted unethically in violation of Model Rule 4.4 initially depends upon whether the lawyer would be liable for intentional interference with the NDA between the former employee and their employer. In part, this is a matter of tort law, and in Part I of this Article, published separately at 89 NEB. L. REV. (forthcoming June 2011), I evaluated the possible application of this quite complex tort to a lawyer’s informal communication with such a former employee for the purpose of obtaining information relevant to proposed or pending litigation. What emerged from this evaluation was a sense that only in a few jurisdictions and with the best facts could we have confidence that a lawyer would not be liable for intentional interference with contract as a matter of tort law.⁶ However, since a breach of an enforceable contract is required before any tort liability can attach, this ethical rabbit hole also includes a detour through contract law as well.

In this second part of the Article, I consider the likelihood that an employee NDA would be interpreted to cover various kinds of information that might be relevant to litigation. While the scope of coverage depends initially upon the language of the agreement, there are good arguments to suggest that various public policy considerations could limit the enforceability of NDAs in this context. However, courts have thus far had limited opportunities to evaluate the public policy impli-

4. See Maura I. Strassberg, *An Ethical Rabbit Hole: Model Rule 4.4, Intentional Interference with Former Employee Non-Disclosure Agreements and the Threats of Disqualification*, 89 NEB. L. REV. 923 (2011).

5. *Id.*

6. *Id.*

cations of NDAs used to block informal discovery, and what results there are have been quite mixed.⁷ As a result, it is almost impossible to predict in advance whether a particular NDA will be found to be unenforceable.

With the possibility that some NDA contracts might be found both enforceable and breached in this scenario, the question of whether a lawyer's connection to such a breach is unethical moves from the arena of substantive law to ethics itself. If tort and contract law actually does extend this far, at least in some jurisdictions, should we embrace the limits thereby imposed on lawyers and make them our own? If we do rubberstamp such tort law in the ethical rules, it provides opposing counsel with a very simple and potent threat. Without opposing counsel ever actually litigating either the tortiousness of the conduct or the enforceability of the contract, and without ever making an ethical complaint, the opposing party can move to disqualify the lawyer on the mere possibility that a lawyer may have violated Model Rule 4.4(a).⁸ This threat so immediately threatens the pocketbook of lawyers and clients⁹ that it may in fact create more deterrence than either the threat of tort liability or the threat of discipline. The threat of tort liability is remote in time, expensive for the other side to pursue, and might be covered by malpractice insurance. The threat of discipline is even more remote as opposing counsel can not get a strategic benefit from any possible discipline and likely suffers from the bar-wide reluctance to report possible ethical violations. Thus, without a deliberate decision as to whether we do indeed want to deter such conduct by litigation counsel, the *Model Rules* could be understood to have handed opposing counsel a weapon capable of producing a serious chill in litigation investigations,¹⁰ or, at the very least, greatly increasing the cost of litigation by shifting informal investigation to formal discovery. In the final section of this Article, I consider the history, purpose, and interpretation of Model Rule 4.4, and conclude that there are good reasons for excluding conduct of this kind from the reach of the rule.

7. See *infra* subsection I.B.1.b.

8. See Susan Becker, *Discovery of Information and Documents from a Litigant's Former Employees: Synergy and Synthesis of Civil Rules, Ethical Standards, Privilege Doctrines, and Common Law Principles*, 81 NEB. L. REV. 868, 981 (2003) (noting the threat of ethical violation and trial sanction when former employees with confidentiality agreements are contacted *ex parte*).

9. See, e.g., *Davidson Supply Co. v. P.P.E., Inc.*, 986 F. Supp. 956, 958 (D. Md. 1997) (noting that motions to disqualify "cause tremendous disruption to the orderly handling of the case (not to mention the expenditure of time and money on matters ancillary to the merits)").

10. See *Chambers v. Capital Cities/ABC*, 159 F.R.D. 441, 445 (S.D.N.Y. 1995) ("agreements calling or appearing to call for silence concerning matters relevant to alleged legal violations, whether or not such agreements are sought to be enforced, inherently chill communication relevant to the litigation").

II. BREACH OF THE NON-DISCLOSURE AGREEMENT

Judicial determination that a breach of contract occurred is a prerequisite for a finding of tortious interference with such a contract.¹¹ As a practical matter, however, interference with the contract will occur before any judicial determination that the interference caused a breach of contract. Since tort liability does not require our potentially interfering lawyer to have subjectively realized that a breach would occur,¹² our lawyer may well bear the risk of an inaccurate prediction about breach. This will be enough to discourage some lawyers from engaging in informal discovery of former employees and persuade those already threatened with disqualification to agree not to use such information without putting the claimed breach of the NDA to a rigorous test. The goal of this next section is to provide the rigorous test that lawyers often feel they cannot afford to do by assessing the possible strength of the underlying breach of contract claims. To the extent that the assumed strength of these claims turns out to be exaggerated, we may question the desirability of allowing Model Rule 4.4 to perpetuate this chilling effect.

A. Lack of Consideration

The presence of consideration for an NDA will depend entirely upon the particular circumstances under which the NDA has been signed by the employee. The NDA may be signed at the beginning of employment, and when this is the case, it will be viewed as supported by the promise of future employment.¹³ Similarly, as NDAs signed at

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11. See *Goldner v. Sullivan, Gough, Skipworth, Summers & Smith*, 105 A.D.2d 1149, 1150 (N.Y. App. Div. 1984) (dismissing as “premature” a tortious interference claim against insurance company attorneys who had advised non-payment of claims due to evidence of arson when issue of whether insurance companies breached by refusing to pay was not yet determined).
 12. The lawyer need only know the facts that subsequently support the court’s legal conclusion of breach. *Don King Prods., Inc., v. Douglas*, 742 F. Supp. 741, 775–76 (S.D.N.Y. 1990) (noting that the law of intentional interference makes knowledge of the existence of the contract rather than knowledge of the validity of the contract sufficient); RESTATEMENT (SECOND) OF TORTS § 766 cmt. i (1979) (indicating that a mistaken belief about the legal effect of a contract provides no excuse). This forces potential interferers to take the risk of being wrong about both whether the contract will be valid and binding and whether their conduct will be a breach.
 13. *E.g.*, *Cubic Corp. v. Marty*, 185 Cal. App. 3d 438, 448 (4th Dist. 1986) (noting that future employment was consideration for NDA when signed at orientation for new employees); *Access Organics, Inc. v. Hernandez*, 175 P.3d 899, 903 (Mont. 2008) (“Consideration exists if the employee enters into the non-compete agreement at the time of hiring.”). *But see* *National Recruiters, Inc. v. Cashman*, 323 N. W. 2d 736, 741 (Minn. 1982) (stating that when employees are not informed of non-compete at hiring, but required to sign one shortly after beginning work, there is no consideration); *George W. Kistler, Inc. v. O’Brien*, 347 A.2d 311, 316 (Pa. 1975) (holding that when oral employment contract is entered into prior to

the end of employment are usually in exchange for severance pay and/or extended benefits, consideration would also normally be present under these circumstances of formation. However, in some cases, the NDA is signed in the middle of employment. Continued employment after such signing is sufficient consideration for the NDA in some jurisdictions,¹⁴ but in others consideration will only be found if the NDA was signed in exchange for a change in the employee's conditions of employment, such as a raise, a promotion, or access to confidential information.¹⁵ If the NDA was requested merely as an afterthought, or because of a change of policy, it will be found to lack consideration.¹⁶ There is some variance, however, in how tight courts require

beginning work and employee learns only when employment starts that they must sign a non-compete, it is without consideration).

14. *E.g.*, *Research & Trading Corp. v. Powell*, 468 A.2d 1301, 1305 (Del. Ch. 1983) (holding that continued employment is consideration for post-employment NDA when employment is at will and employee must sign or be fired); *Farm Bureau Serv. Co. of Maynard v. Kohls*, 203 N.W.2d 209, 212 (Iowa 1972) (finding consideration in continued employment when non-compete signed two months after employment began); *Puritan-Bennett Corp. v. Richter*, 657 P.2d 589, 592 (Ks. Ct. App. 1983) (consideration found where employee was told both that "continued employment was conditioned upon execution of the hiring agreement" and "retained, promoted and entrusted with company secrets for a significant time after execution"); *Lake Land Emp. Group of Akron, LLC v. Columber*, 804 N.E.2d 27, 32 (Ohio 2004) (holding that consideration is present when a post-employment non-compete is followed by continued employment of an at-will employee); *Matlock v. Data Processing Secur., Inc.*, 607 S.W.2d 946 (Tx. App. 1980) (post-employment non-compete supported by consideration of continued employment).
15. *E.g.*, *Modern Controls, Inc. v. Andreadakis*, 578 N.W.2d 1264, 1268 (8th Cir. 1978) (applying Minnesota law, NDA signed nine weeks after employment commenced supported by return promise to pay two years of base pay if unemployable after termination); *Wainwright's Travel Serv., Inc. v. Schmolck*, 500 A.2d 476, 478 (Pa. Super. Ct. 1985) (non-compete providing ownership interest supported by consideration); *see also Access Organics*, 175 P.3d at 903 (noting in dictum that a "salary increase or promotion" or "[a]ccess to trade secrets or other confidential information may also suffice as a form of good consideration"); *Hopper v. All Pet Animal Clinic, Inc.*, 861 P.2d 531, 541 (Wyo. 1993) (holding that additional consideration other than continued employment is necessary to provide consideration for a post-employment promise not to compete). *See generally*, Robert Unikel, *Bridging the "Trade Secret" Gap*, 29 LOY. U. CHI. L.J. 841, 855 n.74 (1998) (collecting cases finding both no need for additional consideration and requiring additional consideration); 54A AM.JUR. 2D *Monopolies and Restraints of Trade* § 895 (2009); Ferdinand S. Tinio, Annotation, *Sufficiency of Consideration for Employee's Covenant not to Compete, Entered Into after Inception of Employment*, 51 A.L.R. 3d 825 (1973).
16. *E.g.*, *Rivendell Forest Prod., Ltd. v. Georgia-Pacific Corp.*, 824 F. Supp. 961, 968 (D.Colo. 1993) *rev'd on other grounds*, 28 F.3d 1042 (10th Cir. 1994) (NDA signed a year after employment when employer became concerned about protecting software found to lack consideration); *Jostens, Inc. v. Nat'l Computer Sys., Inc.*, 318 N.W.2d 691, 703 (Minn. 1982) (finding that NDA signed four years after hiring without a wage increase, a promotion or access to new information lacked consideration); *Access Organics*, 175 P.3d at 903-04 (where at-will employee signed agreement four months after accepting employment and one month after

the relationship to be between the post-employment signing of the NDA and the job benefits. For some courts, if hindsight shows that the NDA in fact opened the door for subsequent promotions, etc., there will be consideration.¹⁷ For others, the raise, promotion, or other new job benefit must be contemporaneous with the signing of the NDA.¹⁸ So there will be cases in which the NDA that serves as the foundation of the intentional interference claim does not even rise to the level of being a contract.

B. Contract Language: Coverage and Enforceability

There is a considerable variability in the language used in employee NDAs to describe the information prohibited from disclosure. If the language of a particular former employee's NDA does not cover the kind of information sought by the lawyer, there is no possibility that a breach of this NDA will arise out of discussions between the lawyer and this former employee.¹⁹ A basic issue, therefore, is simply whether the language of the NDA appears to cover the information sought by the lawyer. There are six categories of discoverable²⁰ infor-

promotion, there was no consideration); *Cox v. Dine-A-Mate, Inc.*, 501 S.E.2d 353, 356 (N.C. Ct. App. 1998) (finding that keeping job was not consideration for NDA signed three years after hiring under threat of dismissal where "plaintiff received no change in compensation, commission, duties, nature of employment or other consideration in exchange"); *Wilmar, Inc. v. Liles*, 185 S.E.2d 278, 283 (N.C. Ct. App. 1971) (finding no consideration where profit sharing plan provided for in covenant not to compete signed six years after employment was illusory); *Labriola v. Pollard Grp., Inc.*, 100 P.3d 791, 796 (Wash. 2004) (finding that continued employment is not consideration for a non-compete agreement signed five years after employment began); *Envtl. Prod. Co., Inc. v. Duncan*, 285 S.E.2d 889, 890-91 (W.Va. 1981) (stating that NDA signed a year after initial employment and after all job benefits either promised or received was void for lack of consideration).

17. *E.g., Puritan-Bennett*, 657 P.2d at 592 (relying both on subsequent promotions and access to secrets as well as continued employment to find consideration when employer threatened to fire employee unless agreement signed); *Davies & Davies Agency, Inc. v. Davies*, 298 N.W.2d 127, 131 (Minn. 1980) (finding that ten years of employment and an opportunity to do sales was consideration for one brother's non-compete agreements, when other brother who refused to sign remained at a clerical position).
18. *E.g., Access Organics*, 175 P.3d at 903 (noting promotion one month before NDA signed could not be consideration); *James C. Greene Co. v. L.E. Kelley Jr.*, 134 S.E.2d 166, 169 (N.C. 1964) ("While the defendant from time to time received increases in salary, the evidence fails to relate any of them to the covenant not to compete.").
19. *E.g., In re Prudential Ins. Co. of Am. Sales Practices Litig.*, 911 F. Supp. 148, 154 (D. N.J. 1995) (allowing ex parte discovery of current and former employees with NDAs when the matters defined as confidential were outside the scope of the litigation).
20. Attorney-client privileged information is not discoverable and therefore not included in this list. *See* FED. R. CIV. P. 26(b)(1) ("[p]arties may obtain discovery regarding any nonprivileged matter.").

mation that a lawyer might seek from a former employee: (1) trade secrets; (2) knowledge integral to employee skills and abilities; (3) other confidential proprietary commercial information; (4) employer conduct; (5) general background information; and (6) trivial information about the employer. Using the kind of information sought as a focus, we can evaluate what language in an NDA might be found to cover these different kinds of information. To the extent NDAs will be understood to cover these kinds of information, there remains a question of whether the NDA will be enforceable in this context of pre-filing investigation and post-filing informal discovery due to the important public policies served by litigation.

1. *Trade Secrets*

i. *Contract Language*

The protection of trade secrets from unauthorized disclosure is well established in the law, even in the absence of an NDA.²¹ Originally handled by tort law under a cause of action variously named breach of a confidential or fiduciary relationship²² or disclosure/misappropriation of trade secrets,²³ tortious disclosure of trade secrets in most states²⁴ is now exclusively covered by a statutory cause of action under the *Uniform Trade Secret Act* (UTSA).²⁵ Coverage of trade secrets by an employee NDA may therefore seem superfluous, but it is important because it can serve to demonstrate that the business has taken reasonable steps to maintain the secrecy of the information, one of the required elements for finding a trade secret.²⁶ Since trade

21. *E.g.*, *Union Pac. R.R. Co. v. Mower*, 219 F.3d 1069, 1073 (9th Cir. 2000) (finding that every employee has an automatic legal duty under Oregon law to protect their employer's trade secrets).

22. *See Monolith Portland Midwest Co. v. Kaiser Aluminum & Chem. Corp.* 407 F.2d 288, 293 (9th Cir. 1969) (describing the cause of action for disclosure of a trade secret under California law as based on a protected confidential relationship rather than on protected property); *Durham v. Stand-by Labor of Georgia*, 198 S.E.2d 145, 149 (Ga. 1973) (noting that confidential "information is fully protectable in the absence of contract if . . . disclosed without privilege, as in violation of relationships of confidence"); *Elcor Chem. Corp. v. Agri Sul, Inc.*, 494 S.W. 2d 204, 212 (Tex. Civ. App. 1973) (describing defendant's disclosure as a breach of "their fiduciary relationship").

23. *See* RESTATEMENT (FIRST) OF TORTS § 757 (1977).

24. Some version of the Uniform Trade Secrets Act has been adopted in every state except Massachusetts, New Jersey, New York, North Carolina and Texas. Gale Peterson, *Trade Secret Law Update 2008: Including Restrictive Post-Employment Covenants*, 947 Practising Law Institute 799, 823-24 (2008).

25. UNIF. TRADE SECRETS ACT § 7 (2005).

26. C. Geoffrey Weirich & Daniel P. Hart, *Protecting Trade Secrets and Confidential Information in Georgia*, 60 MERCER L. R. 533, 544 (2009) ("[N]ondisclosure covenants . . . can provide additional evidence that an employer took reasonable measures to safeguard the secrecy of its proprietary information, as is required to establish trade secret status under the G[eorgia]TSA."); *accord Mower*, 219 F.3d

secrets are an extremely valuable part of a business, it would be a rare employee NDA that did not seek to cover trade secrets, either by express use of the word “trade secrets,”²⁷ or by other language that courts will interpret as referring to trade secrets.²⁸ A lawyer who knows only that a former employee has signed an NDA, with no further details, might well be failing to “connect-the-dots” if they assumed that the NDA did not cover trade secrets.

But how easy is it for a lawyer to determine that the information they seek would be understood as a trade secret? The category of trade secret has been described as “one of the most elusive and difficult concepts in the law to define.”²⁹ A trade secret is defined under the UTSA as:

[I]nformation, including a formula, pattern, compilation, program, device, method, technique, or process that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.³⁰

It is not always the first part of the definition that creates a problem; many pieces of information are easily categorized as a formula, pattern, etc. that has actual or potential economic value when secret.³¹ Rather, it is the resolution of factual issues demanded by the remainder of the definition that creates much of the uncertainty:³² is the in-

at 1076 (finding confidentiality agreement that protected trade secrets for a limited time period waived the common-law duty once the time period had passed).

27. See, e.g., *Favala v. Cumberland Eng'g Co.*, 17 F.3d 987, 989 (7th Cir. 1994) (“confidentiality agreement . . . prohibited [employee] from divulging ‘the trade secrets . . . of the Company’”); *Saini v. Int'l Game Tech.*, 434 F. Supp. 2d 913, 916 (D. Nev. 2006) (“hold in strictest confidence . . . any . . . trade secret”); *R.R. Donnelley & Sons Co. v. Fagan*, 767 F.Supp. 3d 1259, 1263 (S.D.N.Y. 1991) (“Confidential information includes . . . ‘Trade Secrets’ to the full extent of the definition of that term under Illinois law”); *Puritan-Bennett Corp. v. Richter*, 679 P.2d 206, 211 (Ks. 1984) (“Not to disclose . . . any information concerned with any of the Company’s . . . trade secrets”); *State Med. Oxygen & Supply, Inc. v. Am. Med. Oxygen Co.*, 782 P.2d 1272, 1273 (Mont. 1989) (“employee . . . agrees not . . . to divulge . . . any information concerning any matters affecting or relating to the business of State Medical Supply, Inc.’s trade secrets”); *Zep Mfg. Co. v. Harthcock*, 824 S.W.2d 654, 662 (Tex. App. 1992) (“Employee will not . . . disclose . . . any trade secrets of Zep”).
28. See *Revere Transducers, Inc. v. Deere & Co.*, 595 N.W.2d 751, 760, 765 (Iowa 1999) (“Trade secrets would clearly fall within the definition of confidential information” in an agreement not to disclose “any confidential information”).
29. *Lear Siegler, Inc. v. Ark-Ell Springs, Inc.*, 569 F.2d 286, 288–89 (5th Cir. 1978).
30. UNIF. TRADE SECRETS ACT § 1(4) (2005).
31. See generally *Peterson, supra* note 24, at 877–79 (listing recent examples of information found to be a trade secret).
32. See *Lear Siegler*, 569 F.2d at 288–89 (noting that “[t]he term ‘trade secret’ is one of the most elusive and difficult concepts to define” and “[t]he question of whether an item taken from an employer constitutes a ‘trade secret,’ is of the type normally resolved by a fact finder after full presentation of evidence from each side”).

formation in fact not generally known to others,³³ could the information be easily obtained by means such as reverse engineering,³⁴ and has the information been subject to reasonable efforts to maintain its secrecy beyond possible coverage by an NDA?³⁵ Even experts can disagree about what is “generally known.”³⁶ Without knowing the answers to these questions, it would not be possible for a lawyer to be sure possible trade secret information would in fact get trade secret protection.

An additional problem arises with regard to information that falls on the boundary between trade secrets and knowledge integral to employee skills.³⁷ On this boundary, there is a greater possibility that informal pursuit of this information from a former employee is legitimate because, as will be discussed below, knowledge integral to employee skills is not protected from former employee disclosure even when covered by the language of an NDA. At the same time, however, the pursuit of such information will be chilled by the possibility that the information might be found to be a trade secret or, as will be discussed below, the possibility that such information will be protected by a broad enough NDA even if it is not a trade secret.³⁸

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33. *E.g.*, *AMP Inc. v. Fleishhacker*, 823 F.2d 1199, 1203 (7th Cir. 1987) (finding product information not a trade secret because it was “already known to virtually all of AMP’s competitors and easily available from widely circulated public sources”); *Serv. Ctrs. of Chicago, Inc. v. Minogue*, 535 N.E.2d 1132, 1136–37 (Ill. App. Ct. 1989) (finding no evidence to suggest customer survey and linear foot measurement were not both “generally known” and “obvious”).
 34. Orly Lobel, *Intellectual Property and Restrictive Covenants*, Legal Studies Research Paper Series, No. 08-059 at 10 (August 2008), *available at* <http://ssrn.com/abstract=1226463> (“protection will not be granted to information that is public or discernable by proper means”); *e.g.*, *AMP Inc.*, 823 F.2d at 1203 (“[T]he electronic components produced were low technology commodity products which could be easily reproduced.”).
 35. *E.g.*, *Equifax Servs., Inc. v. Examination Mgmt. Servs., Inc.*, 453 S.E.2d 488, 493 (Ga. 1995) (finding NDAs insufficient “to ensure nondisclosure of the information,” and denying protection of the information as a trade secret).
 36. *United States v. Hsu*, 40 F. Supp. 2d 623, 628–30 (E.D. Pa. 1999) (avoiding resolution of the trade secret status of information in criminal prosecution for conspiracy to steal and attempted theft of trade secrets after expert evaluation produced disagreement, and suggesting that there were cases in which the term “generally known to” might be unconstitutionally vague); *see also* Victoria A. Cundiff, *Recent Developments in Trade Secrets Law*, 616 PLI/Pat 217, 224 (2000) (“Courts and defendants alike have grappled with the apparent imprecision of the requirement that a trade secret must not be ‘generally known or reasonably ascertainable’ since it does not impose an absolute standard for determining whether information is a trade secret.”).
 37. Lobel, *supra* note 34, at 10–11 (“defining the lines between industry know-how and firm-specific knowledge has been an ongoing adjudicatory struggle.”).
 38. *See infra* subsection I.B.3.a.

ii. Public Policy

Unlike information protected by the attorney-client privilege, which is entirely undiscoverable,³⁹ information that has met the heavy burden of secrecy required to qualify as a trade secret will be discoverable as long as it is “relevant and necessary” to the litigation.⁴⁰ “In most cases, the issue is not whether the information will be disclosed but under what conditions”⁴¹ Protective orders are used to limit the disclosure where the information is important to the case, but loss of secrecy will damage the value of the trade secret.⁴² The presence of an NDA protecting trade secrets provides no additional basis for avoiding disclosure of relevant information during formal discovery; indeed, an NDA that attempted this would be found to be void as against public policy.⁴³

Our concern, however, is the enforceability of a trade secret NDA outside the context of formal discovery. If the agreement is void in the context of formal discovery, is there an argument that it is void as against public policy in the context of informal discovery, whether pre or post-filing? Determining whether a contract should not be enforced because it violates public policy requires weighing the interests in favor of enforcement and the interests against enforcement.⁴⁴ Certainly, as previously argued with regard to the litigation privilege, the need pre-filing for relevant trade secret information to develop the theory of the case can be significant. However, if trade secret information is obtained in the discovery context, the judge can protect the owner’s property interest in the information⁴⁵ by ensuring that there is no unnecessary disclosure and that any necessary disclosure is limited. This is not the case in informal discovery where there is neither

39. FED. R. CIV. P. 26(b)(1).

40. 8A CHARLES ALAN WRIGHT, ARTHUR R. MILLER, MARY KAY KANE, & RICHARD L. MARCUS, FEDERAL PRACTICE AND PROCEDURE § 2043 n.2 (3d ed. 2010) [hereinafter WRIGHT] (no absolute privilege for trade secrets); see also Becker, *supra* note 8, at 968 n.624 (noting that trade secrets are discoverable if relevant to case).

41. WRIGHT, *supra* note 40, § 2043.

42. FED. R. CIV. P. 26(c)(1)(G) (providing for protective orders for trade secrets).

43. Kenneth Hoffman v. Sbarra, Inc., No. 97 CIV. 4484(SS), 1997 WL 736703, at *1 (S.D.N.Y. Nov. 26, 1997) (“To the extent that the [non-disclosure] agreement might be construed as requiring an employee to withhold evidence designed to enforce federal statutory rights, it is void.”); see also Uniroyal Goodrich Tire Co. v. Hudson, No. 95-1130, 1996 WL 520789, at *8 n.2 (6th Cir. Sept. 12, 1996) (describing approvingly an uncited Georgia proceeding in which the Georgia court found that a confidentiality agreement read to suppress witness testimony would violate public policy).

44. *E.g.*, Town of Newton v. Rumery, 480 U.S. 386, 392 (1987) (citing RESTATEMENT (SECOND) OF CONTRACTS § 178(1) (1981)).

45. See Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1002–3 (1984) (describing public disclosure of trade secrets as depriving the owner of property).

judicial supervision nor—as is often the case—any notice to the owner that disclosure is threatened.⁴⁶

Case law on enforceability of trade-secret protecting NDAs to limit informal investigation is mixed. In *Uniroyal Goodrich Tire Co. v. Hudson*,⁴⁷ an NDA was enforced against a former employee with trade secret information who had been hired as a litigation consultant by plaintiffs adverse to Uniroyal⁴⁸ because disclosure in this context put the trade secret information in the “public realm,”⁴⁹ which posed a significant threat to the confidentiality and therefore trade secret status of the information. The court found that enforcing the agreement by prohibiting the former employee from acting as a pre-trial consultant or expert witness at trial, but allowing him to testify as a fact witness, did not violate public policy.⁵⁰ Similarly, in *Saini v. International Game Technology*,⁵¹ an NDA was enforced against a former employee who volunteered himself as an expert witness in pending litigation against his former employer because he needed a job.⁵² The harm to the employer of public disclosure of its trade secrets⁵³ was seen as outweighing any public interest in exposing evidence of defective gambling devices⁵⁴ where the exposure was motivated by private gain.⁵⁵ While there is some suggestion in *Saini* that disclosures protecting health and safety might involve a public interest that would outweigh the interest in trade secret protection during informal investigation,⁵⁶ *Uniroyal* was a case involving public safety yet the NDA was still enforced.⁵⁷

On the other hand, some courts have refused to enforce an NDA in cases where not only were no public safety or health interests at stake, but no litigation was in process or yet contemplated. Instead, it was these disclosures that eventually triggered litigation, and the litiga-

46. *Accord Saini v. Int'l Game Tech.*, 434 F. Supp. 2d 913, 921–22 (D. Nev. 2006) (noting that allowing former employees to disregard confidentiality obligations without court supervision allows the former employee and adverse counsel to decide what information is “legitimately confidential”).

47. No. 95-1130, 1996 WL 520789 (6th Cir. Sept. 12, 1996).

48. *Id.* at *10 (barring the former employee from acting as an expert consultant or witness, but indicating that he would be allowed to testify as a fact witness).

49. *Id.* at *9.

50. *Id.* at *10.

51. 434 F. Supp. 2d 913 (D. Nev. 2006).

52. *Id.* at 925.

53. *Id.* at 919.

54. *Id.* at 921.

55. *Id.* at 922–23.

56. *Id.* at 923; *see also* Jodi L. Short, *Killing the Messenger: The Use of Nondisclosure Agreements to Silence Whistleblowers*, 60 U. PITT. L. REV. 1207, 1211 (1999) (arguing that NDAs preventing disclosures relevant to public safety and health should not be enforceable regardless of the context of the disclosure).

57. *Uniroyal Goodrich Tire Co. v. Hudson*, No. 95-1130, 1996 WL 520789 (6th Cir. Sept. 12, 1996).

tion sought to protect property interests. In *Re v. Horstmann*,⁵⁸ an NDA protecting trade secret information about a fuel-saving device was not enforced despite the disclosure of the trade secret to law enforcement officials because it resulted in criminal charges being filed.⁵⁹ Similarly, in *Lachman v. Sperry-Sun Well Surveying Co.*,⁶⁰ a breach of NDA action was dismissed when the disclosure informed a well owner's neighbor that the well had deviated into the neighbor's subsurface, and the disclosure then resulted in a successful suit by the neighbor against the well owner.⁶¹ The public interest in disclosing the deviation, which was either a tort or a crime depending on the well owner's knowledge, was found to outweigh any general interest in enforcing the contract.⁶²

Thus, it appears that while a lawyer should assume that any former employee with access to trade secrets has a general duty, which could be contractual, statutory, and/or common-law, not to disclose trade secret information, it is not clear that this duty would be seen as prohibiting the disclosure of trade secret information to a lawyer in our scenario.⁶³ As both *Uniroyal* and *Saini* involve former employees hired as expert consultants/witnesses, it would seem that this is a particularly risky practice. Concern about the unnecessary loss of trade secret property that might result from informal disclosures could also justify broader enforceability of NDAs for any trade secret disclosure made outside of judicial supervision; however, *Re* and *Lochman* suggest that public policy interests can outweigh these concerns. Thus, there is a possibility that a former employee who informally disclosed litigation-relevant trade secret information to a lawyer without payment would not be found to have breached a contract enforceable in that context.

2. *Knowledge Integral to Employee Skills and Abilities*

As a result of employment, training, and ordinary experiential learning associated with work, employees will develop skills and abilities.⁶⁴ Ordinarily, a lawyer may reasonably assume that information

58. 1987 WL 16710 (Del. Super.Ct. Aug. 11, 1987).

59. *Id.* at *2.

60. 457 F.2d 850 (10th Cir. 1972).

61. *Id.* at 854.

62. *Id.* at 853. The status of this information as a trade secret or not is never discussed in the opinion, however, the disclosed information concerned the direction and location of the well and seems like the sort of information that could be a trade secret.

63. *E.g.*, *IBP, Inc. v. Klumpe*, 101 S.W.3d 461, 476–77 (Tex. App. 2001) (finding disclosure of trade secrets relevant to litigation to lawyer was not a misappropriation of trade secret because it was not for a commercial use).

64. *E.g.*, *Smith Oil Corp. v. Viking Chem. Co.*, 468 N.E.2d 797, 801 (Ill. App. 1984) (discussing “general blending or chemistry skills or sales skills”).

integral to these skills and abilities will not be expressly covered by any NDA that is binding on a former employee.⁶⁵ This is because the public interest in ensuring employee mobility⁶⁶ and promoting competition and innovation through the free flow of information and experience⁶⁷ would likely make such an agreement void as against public policy.⁶⁸ Indeed, it is likely that an NDA will expressly

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65. See *AMP Inc. v. Fleishhacker*, 823 F.2d 1199, 1205 (7th Cir. 1987) (noting that the law will not “force a departing employee to perform a prefrontal lobotomy on himself or herself”); *Great Lakes Carbon Corp. v. Koch Indus., Inc.*, 497 F. Supp. 462, 469–70 (S.D.N.Y. 1980) (protecting a former employee’s “skill and judgment” in predicting and calculating estimates of market value); *Serv. Ctrs. of Chicago, Inc. v. Minogue*, 535 N.E.2d 1132, 1135 (Ill. App. 1989) (“knowledge of estimating costs obtained by Minogue during the course of his employment with Deliverex came within the realm of general skills and knowledge which he was free to take and use in later pursuits”); *Pittsburgh Cut Wire Co. v. Sufrin*, 38 A.2d 33, 35 (Pa. 1944) (“[a] man’s aptitude, his skill, his dexterity, his manual and mental ability, and such other subjective knowledge as he obtains while in the course of his employment, are not the property of his employer.”). See generally Unikel, *supra* note 15, at 849.
66. *E.g.*, *Lee v. Delmar*, 66 So.2d 252, 255 (Fla. 1953) (“The right to work . . . [and] earn a living . . . is an inalienable right.”); *ILG Indus. v. Scott*, 273 N.E.2d 393, 396 (Ill. 1971) (noting that in a “society [that] is extremely mobile,” “the right of an individual to follow and pursue the particular occupation for which he is best trained is a most fundamental right”); *Puritan-Bennett Corp. v. Richter*, 679 P.2d 206, 211 (Ks. 1984) (refusing to enforce NDA to the extent that it “would virtually bar appellant from the practice of his profession” by covering information “far beyond trade secrets”).
67. *Lobel, supra* note 34, at 11; see also, *AMP Inc.*, 823 F.2d at 1202 (finding a confidentiality agreement covering any business information with no time or geographical limitation to be unenforceable under Illinois law as an “unreasonable restraint[] on trade which unduly restrict[s] the free flow of information necessary for business competition”); *Puritan-Bennett*, 679 P.2d at 211 (“Hiring agreements which restrict communication of ideas in general, rather than purely trade secrets, have been held unreasonable.”).
68. Alan E. Garfield, *Promises of Silence: Contract Law and Freedom of Speech*, 83 CORNELL L. REV. 261, 304–05 (1998) (“Courts often find . . . agreements . . . not to disclose any information learned on the job, unenforceable on public policy grounds . . . because they constitute an unlawful restraint of trade.”); *e.g.*, *Prudential Ins. Co. of Am. v. Baum*, 629 F. Supp. 466, 469, 471 (N.D. Ga. 1986) (applying Georgia law to find an “overbroad” NDA covering “all information which either identifies or concerns contractholders of the Company” unenforceable as “an unfair restraint upon competition”); *Minogue*, 535 N.E.2d at 1133 (finding unenforceable an NDA covering “any information or material provided to him/her by the Company” because “Minogue is entitled to use the general skills he learned during his employment” and this NDA amounted to a covenant not to compete of unlimited duration); *State Med. Oxygen & Supply, Inc. v. Am. Med. Oxygen Co.*, 782 P.2d 1272, 1274–75 (Mont. 1989) (finding unenforceable an NDA covering “any other information concerning the business . . . , its manner of operation, its plans, processes, or other data without regard to whether all of the foregoing matters will be deemed confidential, material, or important” as an unreasonable restriction on the exercise of a lawful profession, trade or business); *Carolina Chem. Equip. Co. v. Muckenfuss*, 471 S.E.2d 721, 723–24 (S.C. Ct. App. 1996) (finding unenforceable an NDA covering “any knowledge or information

exclude this kind of information from coverage⁶⁹ to avoid this consequence.

However, this simple assumption about most NDAs is complicated by the fact that there is at best only a “fuzzy line delineating protectable trade secrets”⁷⁰ from unprotectable employee expertise. As a result, an NDA that contains language broad enough to cover employee expertise, such as “any information about the business”⁷¹ may, if the court finds trade secrets at the center of employee expertise, be more expansively interpreted than might otherwise be expected under the public policies that justify protection of trade secrets, i.e., encouraging innovation, investment and employment, and discouraging unfair competition,⁷² as well as public policies supporting the enforcement of valid contractual agreements in general.⁷³

In particular, if a lawyer seeks the former employee’s expert judgments about the employer’s products, a mere conversation with a lawyer can engage this expertise and the information that is part of it. If

concerning any aspect of the business of the Corporation” because “if enforced, would prevent Muckenfuss from using the general skills and knowledge he acquired at Carolina Chemical”).

69. *E.g.*, R.R. Donnelley & Sons Co. v. Fagan, 767 F. Supp. 1259, 1263 (S.D.N.Y. 1991) (discussing a confidentiality agreement that expressly stated that the confidential information covered by the agreement “does not include ‘general skills, knowledge and experience’ as those terms are defined under Illinois law”).
70. Lobel, *supra* note 34, at 10 (quoting JAMES POOLEY, TRADE SECRETS, § 1.01, (2006) (noting that courts have struggled with information such as “customer lists and data, contract expiration dates, product costs and pricing formulas, marketing plans, advertising methods and business strategies . . . , [and] negative know-how”); *e.g.*, Smith Oil Corp. v. Viking Chem. Co., 468 N.E.2d 797, 801 (Ill. App. 1984) (finding that customer information was not a trade secret and, in the absence of misappropriated documents, former employees were free to use what information they remembered).
71. *E.g.*, *Puritan-Bennett Corp.*, 679 P.2d at 211 (NDA covering “any information connected with any aspect of the Company’s business would virtually bar appellant from the practice of his profession”); *Thomas v. Best Mfg. Corp.*, 218 S.E.2d 68, 70 (Ga. 1975) (interpreting NDA covering “any . . . other information, pertaining to the business” as an attempt “[t]o restrict an employee from utilizing the experience gained”).
72. Unikel, *supra* note 15, at 846.
73. *E.g.*, *Uniroyal Goodrich Tire Co. v. Hudson*, No. 95-1130, 1996 WL 520789, at *10 (6th Cir. Sept. 12, 1996) (“public policy supports the enforcement of valid contractual agreements belabors the obvious”); *Enter. Leasing Co. of Phoenix v. Ehmke*, 3 P.3d 1064, 1071 (Az. Ct. App. 1999) (“[A] business must be afforded protection against the wrongful appropriation of confidential information by an employee . . . to encourage innovation and invention.”); *Minogue*, 535 N.E.2d at 1135 (“[A]n employer who has invested time, money and effort in developing a secret advantage should be protected from a former employee who obtains the secret through improper means.”); *1st Am. Sys., Inc. v. Rezatto*, 311 N.W.2d 51, 57 (S.D. 1981) (“[P]rotecting confidential and secret information . . . stimulates research and development.”). See generally Unikel, *supra* note 15, at 846–49 (discussing the public policies behind commercial confidentiality law).

such inquiries are combined with a broadly written NDA binding the former employee, there is potential for the court to find that the lawyer induced a breach of the NDA. As we have seen, at least two courts have found a significant threat to trade secrets when a former employee has volunteered his services as a paid expert and “used the knowledge and expertise gained from his employment . . . to testify against”⁷⁴ his former employer.⁷⁵ However, another court in a similar situation found the expert’s responses to questions about the former employer’s product not to involve trade secrets covered by an NDA at all.⁷⁶

Thus, even a lawyer who understands and attempts to respect the law’s protection of trade secrets, with or without an NDA, will run into “jurisprudential uncertainty about the law and policy of trade secrets”⁷⁷ that makes it difficult to predict whether the information sought will be viewed as the trade secret property of the employer or the portable experience and expertise of the employee. Thus, when it comes to disclosures involving employee expertise, it may not help the lawyer to know the language of the NDA because it will be the judicial characterization of the disclosure that will determine whether the NDA might be seen as breached or not.

74. *Uniroyal*, 1996 WL 520789, at *7, 9–10.

75. *E.g.*, *Saini v. Int’l Game Tech.*, 434 F. Supp. 2d 913, 916 (D. Nev. 2006) (prohibiting former employee acting as paid expert in suit against employer from disclosing information found to be either a trade secret or confidential information because there is no public interest in encouraging mercenary whistleblowing in a private contract dispute with no allegations of illegal conduct or a threat to health or safety); *see also*, *Patton v. Cox*, 276 F.3d 493, 499 (9th Cir. 2002) (holding that, under Arizona law, “[t]he need to ensure complete and truthful testimony” does not require protection for witnesses who testify voluntarily).

76. *Favala v. Cumberland Eng’g Co.*, 17 F.3d 987, 991 (7th Cir. 1994). The former employee in *Favala* was the Vice President of Product Integrity and started a consulting business after being fired. *Id.* at 989. The former employee was then hired by a law firm suing his former employer for negligent manufacture. *Id.* While the NDA in this case actually covered both “trade secrets and proprietary, confidential, private or non-published information relating to the business, operation or financial affairs of the Company,” both the parties and the court treated the issue as simply whether trade secrets were being disclosed. *Id.*; *see also* Short, *supra* note 56, at 1228 (arguing that “the exception permitting the use of general knowledge and skills will in many cases allow former employees to serve as expert witnesses or in a consulting capacity, insofar as such activities involve the offering of the individual’s informed opinion based on her accumulated general skill and expertise”).

77. Lobel, *supra* note 34, at 11.

3. *Other Confidential Commercial Information*

i. *Contract Language and Application*

Many NDAs seek to prohibit disclosure of “confidential information”⁷⁸ or “any information”⁷⁹ relating to the employer’s business. As we have seen, confidential information will certainly be understood to mean trade secrets.⁸⁰ It can also include information, understood as “data, technology, or know-how” that is valuable because *some* competitors do not know it.⁸¹ Since trade secrets must not be “generally known in the relevant trade or business,”⁸² one question will be whether this information is sufficiently secret to actually be considered a trade secret. It may be information that meets many of the elements of the UTSA trade secret definition, including having value to the extent the existing level of secrecy is maintained, but it also may be known too far beyond the business to meet the stringent secrecy requirements of the UTSA definition.

If the information cannot be seen as a trade secret, it may be seen as entirely unprotectable because it occupies a “theoretical and practical gap between ‘trade secrets’ and ‘general skill and knowledge.’”⁸³

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78. *E.g.*, *Favala*, 17 F.3d at 989 (finding that the agreement prohibited disclosure of “proprietary, confidential, private or non-published information relating to the business, operation or financial affairs of the Company”); *R.R. Donnelley & Sons Co. v. Fagan*, 767 F. Supp 1259, 1263 (S.D.N.Y. 1991) (“I will not . . . disclose, directly or indirectly, any Confidential Information”); *Revere Transducers, Inc. v. John Deere & Co.*, 595 N.W.2d 751, 760 (Iowa 1999) (“I will not disclose to others at any time during my employment or thereafter any confidential information, knowledge or data belonging to the Company.”); *Zep Mfg. Co. v. Harthcock*, 824 S.W.2d 654, 662 (Tex. App. 1992) (“Employee will not . . . disclose to any other party any confidential information of Zep.”).
79. *E.g.*, *In re JDS Uniphase Corp. Sec. Litig.*, 238 F. Supp. 2d 1127, 1130 (N.D.Ca. 2002) (stating that the agreement prohibited disclosure of “all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company”); *Saini*, 434 F. Supp. 2d at 916 (construing an agreement not to disclose “any information, manufacturing technique, process, formula, development or experimental work, work in process, business, trade secret, or any other secret or confidential matter relating to the products, sales, or business”); *Serv. Ctrs. of Chicago, Inc. v. Minogue*, 535 N.E.2d 1132, 1133 (Ill. App. Ct. 1989) (“The Employee hereby agrees not to disclose or disseminate any information or material provided to him/her by the Company . . .”).
80. *See supra* note 28.
81. Unikel, *supra* note 15, at 844 (dividing confidential information into three categories: (1) information known to substantially all persons in an industry; (2) information known to a majority of persons in an industry; and (3) information known to a minority of persons in an industry).
82. Unikel, *supra* note 15, at 869 (internal quotation mark omitted).
83. Unikel, *supra* note 15, at 842–43; *see also* Rachel S. Arnow-Richman, *Bargaining For Loyalty In The Information Age: A Reconsideration Of The Role Of Substantive Fairness In Enforcing Employee Noncompetes*, 80 OR. L. REV. 1163, 1184 (2001) (noting that the “absence of legal guidance has resulted in a free-for-all as

This gap is not acknowledged to even exist under the two-tiered universe of information carved out for protection under the *Restatements of Torts* and the UTSA.⁸⁴ In this two-tiered universe, information must either be a protected trade secret or unprotected “employee general skill and knowledge.”⁸⁵ Determining whether information is one or the other requires a difficult decision about where “along the continuum between absolute secrecy and universal knowledge commercially valuable information loses its status as a ‘trade secret’ and becomes unprotected ‘general skill and knowledge.’”⁸⁶ Some courts require that a majority of competitors not know the information, while other courts require only that some competitor not know the information.⁸⁷ This means that there is considerable unpredictability as to the protected status of some confidential commercial information under trade secret law.⁸⁸

Step away from trade secret law, however, and other legal doctrines can be used to justify protection for a third category of information, non-trade secret, confidential information.⁸⁹ Thus, for example, as a matter of general contract law, two parties can carve out a new category of information not to be disclosed in an NDA.⁹⁰ So, assuming an NDA contains language broad enough to cover non-trade secret, confidential, commercial information, the question now is whether contractual protection of this information is supported by public policy.

to what confidential information actually is”); Short, *supra* note 56, at 1226 (“[T]here are gaps in trade secret coverage that may leave a substantial portion of an employer’s valuable business information unprotected.”).

84. Unikel, *supra* note 56, 867–68 (describing the First and Third Restatements of Torts and the UTSA as embracing a two-tier classification of information as either an always protected trade secret or a never protected general skill and knowledge).
85. *Id.* at 867.
86. *Id.* at 869.
87. *Id.* at 869–70.
88. *Id.* at 870–71 (describing the predictability problems associated with current “trade secret” definitions as encouraging commercial spying, discouraging investment in innovation, and increasing the costs of innovation).
89. “Confidential information” in an NDA can be attorney-client privilege or work product information. These kinds of confidential information are not subject to the same problems as the commercially valuable non-trade secret information that is the subject of this section, as they are clearly defined and protected under evidentiary and procedural law. *E.g.*, FED. R. CIV. PRO. 26(b)(1) (attorney-client privilege) & (3) (work product); *Swidler & Berlin v. United States*, 524 U.S. 399, 403 (1998) (noting that FED. R. EVID. 501 provides an evidentiary privilege for attorney-client communications).
90. *Lear Siegler, Inc. v. Ark-Ell Springs, Inc.*, 569 F.2d 286, 289 (5th Cir. 1978) (holding that confidential commercial information that may or may not have been trade secrets could be protected by an NDA because, “[i]n the absence of overreaching, the employer and employee have the right to contract to prevent disclosure of information”).

ii. Public Policy

The question of whether public policy concerns arise by protecting this third category of information in an NDA first returns us back to the unacknowledged theoretical gap between trade secrets and employee expertise. To the extent that the two-tier approach is embraced, and protection of less than trade secret information is viewed as producing constraints on the use of employee expertise, there will be a significant public policy obstacle to enforcing such agreements.⁹¹ Indeed, in a number of jurisdictions, NDAs that seek to prohibit disclosure of non-trade secret, confidential information are treated as the equivalent of a covenant not to compete that interferes with employee mobility, and will be found void in the absence of reasonable time and, in some jurisdictions, geographic limitations.⁹²

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91. *E.g.*, *Dynamics Research Corp. v. Analytic Sci. Corp.*, 400 N.E.2d 1274, 1288 (Mass. App. Ct. 1980) (“a non-disclosure agreement which seeks to restrict the employee’s right to use an alleged trade secret which is not such in fact or in law is unenforceable as against public policy”); *Heyer-Jordan & Assocs., Inc. v. Jordan*, 801 S.W.2d 814, 821–22 (Tenn. App. Ct. 1990) (construing words “confidential information” in agreement to mean trade secrets and finding that the actual information involved, knowledge of customers, was not a trade secret and threatened to cross “[a] line . . . drawn between the general skills and knowledge of the trade and information that peculiar to the employer’s business”) (quoting the RESTATEMENT (SECOND) OF CONTRACTS § 188 cmt. g (1981)).
92. *E.g.*, *Henry Hope X-Ray Prods., Inc. v. Marron Carrel, Inc.*, 674 F.2d 1336, 1342 (9th Cir. 1982) (“Under Pennsylvania law, a confidentiality agreement ancillary to the taking of employment is valid if its restrictions are ‘reasonably limited as to duration of time and geographical extent.’” (quoting *Beneficial Fin. Co. v. Becker*, 222 A.2d 873, 875 n.3 (Pa. 1966))); *Wright v. Power Indus. Consultants, Inc.*, 508 S.E.2d 191, 195 (Ga. 1998) (noting that an NDA without a time limitation is unenforceable to the extent it covers non-trade secret information), *overruled by Advance Tech. Consultants, Inc. v. Roadtrac, LLC*, 551 S.E.2d 735 (Ga. 2001); *Cincinnati Tool Steel Co. v. Breed*, 482 N.E.2d 170, 175 (Ill. App. Ct. 1985) (ruling an agreement not to disclose “confidential information” not enforceable because it is not limited in duration); *Elec. S., Inc. v. Lewis*, 385 S.E.2d 352, 355 (N.C. Ct. App. 1989) (citation omitted) (“As a general rule, courts will enforce employer-drawn restrictions on an employee’s use of ‘customer contacts’ and ‘confidential information,’ “‘providing the covenant does not offend against the rule that as to time . . . or as to territory it embraces it shall be no greater than is reasonably necessary to secure the protection’”); *1st Am. Sys., Inc. v. Rezatto*, 311 N.W.2d 51, 59 (S.D. 1981) (remanding an NDA with a ten-year duration for a reasonableness determination, despite finding that all the confidential information together constituted a trade secret, even though each item on its own did not); *Milprint, Inc. v. Flynn*, No. 2006AP501, 2006 WL 2690249, at *2 (Wis. Ct. App. Sept. 21, 2006) (stating that NDAs, like covenants not to compete, must have a “reasonable time limit” and a “reasonable territorial limit”); *see also Carol M. Bast, At What Price Silence: Are Confidentiality Agreements Enforceable?*, 25 WM. MITCHELL L. REV. 627, 639–42 (1999) (summarizing the law in a number of states regarding the enforceability of NDAs covering non-trade secret confidential information); *Weirich & Hart, supra* note 26, at 552 (noting that under Georgia law “a covenant not to disclose confidential information that is *not* a trade secret is void if it lacks a reasonable temporal limitation”). New York law seems

On the other hand, there are also a number of jurisdictions that recognize the existence of a protectable category of non-trade secret, confidential information⁹³ that is based upon a common law duty of confidentiality⁹⁴ arising under agency⁹⁵ or fiduciary law⁹⁶ rather than trade secret or contract law. In these jurisdictions, protection of non-

to be unsettled as to whether a time limit is required for a confidentiality agreement. Compare the majority and the dissenting opinions in *Ashland Mgmt. Inc. v. Altair Invs. NA, LLC*, 869 N.Y.S.2d 465, 471 (N.Y. App. Div. 2008) (“We find no legal support for the dissent’s core position that the absence of a durational limitation renders a confidentiality agreement void as a matter of law in cases where the employee does not provide ‘unique or extraordinary’ services.”).

93. *E.g.*, *Spectrum Creations, L.P. v. Carolyn Kinder Int’l, LLC*, No. SA-05-CV-750-XR, 2008 WL 416264, at *66 (W.D. Tex. Feb. 13, 2008) (stating that protecting valuable non-trade secret confidential information is a legitimate business interest that can support a restrictive covenant); *Saini v. Int’l Game Tech.*, 434 F. Supp. 2d 913, 919 (D. Nev. 2006) (holding that “disclosure of non-trade secret confidential information” creates the same kind of injury as does disclosure of trade secrets); *Jostens, Inc. v. Nat’l Computer Sys., Inc.*, 318 N.W.2d 691, 701 (Minn. 1982) (“[e]mployees have a common-law duty not to wrongfully use confidential information or trade secrets obtained from an employer”); *Den-Tal-Ez, Inc. v. Siemens Capital Corp.*, 566 A.2d 1214, 1224 (Pa. Super. Ct. 1989) (noting that “[c]ertain information protected by agreement may be protected *only* by agreement, as it is considered by a business to be confidential, while not necessarily qualifying as ‘trade secrets’”).
94. *E.g.*, *USM Corp. v. Marson Fastener Corp.*, 393 N.E.2d 895, 903 (Mass. 1979) (dictum) (“plaintiff who may not claim trade secret protection . . . because the information, while confidential, is only ‘business information,’ may still be entitled to some relief against one who improperly procures such information”); *Shwayder Chem. Metallurgy Corp. v. Baum*, 206 N.W.2d 484, 487–488 (Mich. Ct. App. 1973) (finding breach of duty arising out of confidential relationship for disclosure of customer and raw material source lists not found to be trade secrets); *Saliterman v. Finney*, 361 N.W.2d 175, 178–79 (Minn. Ct. App. 1985) (finding a dentist “breached his common law duty not to disclose or use confidential information gained at the expense of his employer” when he used confidential patient lists to solicit patients for his competing dental practice). *But see* *AMP Inc. v. Fleischhacker*, 823 F.2d 1199, 1201 (7th Cir. 1986) (finding that under Illinois law, an employer who relies on “common law restrictions against disclosure of confidential information” can only get protection for “trade secrets or near-permanent customer relationships”). *See generally*, *Bast*, *supra* note 92, at 636–37 n.42 (collecting cases holding that non-trade secret confidential information “is a protectable interest under common law principles”).
95. *See* *Nucor Corp. v. Tenn. Forging Steel Serv., Inc.*, 476 F.2d 386, 392 (8th Cir. 1973) (holding that, under Arkansas law, employees have a duty not to disclose non-trade secret confidential information arising out of the agency relationship between employers and employees); *Standard Brands, Inc. v. Zumpe*, 264 F. Supp. 254, 262 (E.D. La. 1967) (finding the agency duty not to disclose confidential information of the principal paralleled the duty created by a contract not to disclose confidential information); *Organic Chems., Inc. v. Carroll Prods., Inc.*, 211 U.S.P.Q. 628, 631–632 (W.D. Mich. 1981) (holding that confidentiality agreements could protect non-trade secret, confidential information because they create a confidential, fiduciary relationship); *Structural Dynamics Research Corp. v. Eng’g Mechs. Research Corp.*, 401 F. Supp. 1102, 1114 (E.D. Mich. 1975) (using agency liability for disclosure of non-trade secret, confidential information as a

trade secret, confidential information is not seen as limiting the use of employee expertise,⁹⁷ and NDAs that seek to protect such confidential information will be enforceable even in the absence of time or geographical limits.⁹⁸ However, even in these favorable jurisdictions, if the information is not confidential—because it is obvious, generally available, or has not been subject to appropriate efforts to maintain confidentiality⁹⁹—then it will fail to fall within the contract language at all and no breach is possible.¹⁰⁰

If Model Rule 4.4 prohibits intentional interference with former employee NDAs, then a lawyer must first determine if the information sought is a trade-secret, confidential information, or employee expertise, in order to determine whether it is ethical to informally seek the information. Determining which of these three categories of information is involved in any particular situation is a fact-intensive determination ordinarily made by a court after reviewing a significant

justification for enforcing an NDA covering such confidential information); RE-STATEMENT (SECOND) OF AGENCY § 396 (1958).

96. Unikel, *supra* note 15, at 860–62 (noting that many courts have found employees who disclosed confidential information to be in breach of their duty of loyalty as a fiduciary).
97. *E.g.*, Lear Siegler, Inc. v. Ark-Ell Springs, Inc., 569 F.2d 286, 289 (5th Cir. 1978) (“employer and employee have the right to contract to prevent disclosure of information”); *Coady v Harpo, Inc.*, 719 N.E.2d 244, 250 (Ill. App. Ct. 1999) (finding that the “confidentiality agreement does not restrict commerce and does not restrict plaintiff’s ability to work in any chosen career field, at any time”).
98. *E.g.*, *Coady*, 719 N.E.2d at 250 (holding that a “confidentiality agreement will not be deemed unenforceable for lack of durational or geographic limitations where trade secrets and confidential information are involved”); *Revere Transducers, Inc. v. Deere & Co.*, 595 N.W.2d 751, 761–62 (Iowa 1999) (finding that a non-disclosure agreement involving confidential information did not restrict employment opportunities and holding in general that NDAs do not require “geographic or durational limitations”); *Bernier, v. Merrill Air Eng’rs*, 770 A.2d 97, 104 (Me. 2001) (holding that confidential, non-trade secret information may be protected without impinging on the employee’s right to use general skill and knowledge and that neither geographic nor temporal limitations are necessary in non-disclosure agreements covering such information).
99. *E.g.*, *Spectrum Creations, L.P. v. Carolyn Kinder Int’l, LLC*, No. SA-05-CV-750-XR, 2008 WL 416264, at *72–73 (W.D. Tex. Feb 13, 2008) (finding disclosure of information that was about or from discloser was public knowledge, or was not shown to be valuable and confidential, and therefore, not a breach of NDA covering “valuable confidential . . . information”); *Central Plastics Co. v. Godson*, 537 P.2d 330, 334–35 (Okla. 1975) (finding the construction of a device obvious from inspection and the contents of customer lists “easily ascertainable or available generally to the public or trade”).
100. *E.g.*, *Disher v. Fulgoni*, 514 N.E.2d 767, 777–79 (Ill. App. 1987) (finding agreement prohibiting disclosure of confidential information did not cover information that was not subject to “adequate security measures to protect,” was published by the employer, or was known to other competitors independently); *Eutectic Welding Alloys Corp. v. West*, 160 N.W.2d 566, 570 (Minn. 1968) (finding no breach because “ordinary sales information” was not confidential).

quantity of evidence.¹⁰¹ It is not likely that a lawyer in this position will have the facts necessary to resolve the issue. Even with the facts, a definitive prediction as to whether the information would be found a trade secret, confidential information, or non-confidential information, could often be difficult. Trying to resolve this issue prior to informal conversations would likely be quite expensive and not cost-effective. Thus, while there are a number of situations in which a lawyer can ethically seek non-trade secret commercial information, such as where it is not covered by the language of the NDA, it is not legally protectable in this jurisdiction without time/geographic limits, it has not been kept sufficiently confidential, or no tortious interference is present, there will always be considerable uncertainty about whether a particular fact pattern falls within one of these ethical safe harbors. Because this uncertainty creates a risk that informal investigation will violate an ethical rule and trigger a disqualification motion, many lawyers may be deterred from informal investigation.

Other public policy concerns are also relevant to the enforcement of NDAs protecting non-trade secret, confidential information. However, it is impossible to predict when these NDAs will be unenforceable as against public policy¹⁰² because the interests in favor of enforcement and against enforcement must be weighed in a particular situation.¹⁰³ In the context of an NDA protecting non-trade secret, confidential information, the promotion of private contracts by enforcing justified expectations will be one public policy that favors enforcement.¹⁰⁴ In addition, although confidential commercial information may not quite receive the “property” protection of trade secrets, the goals of encouraging innovation and investment while discouraging commercial spy-

101. *Lear Siegler*, 569 F.2d at 288–89 (“The question of whether an item taken from an employer constitutes a ‘trade secret,’ is of the type normally resolved by a fact finder after full presentation of evidence from each side.”); *Jostens, Inc. v. Nat’l Computer Sys.*, 318 N.W.2d 691, 697 (Minn. 1982) (describing the trial necessary to resolve whether information was a trade secret as “long and complex”).

102. *See Garfield*, *supra* note 68, at 314 (“[T]he *Restatement* test gives courts virtually no guidance, other than indicating that a court should begin with the presumption of enforcing contracts”).

103. *E.g.*, *Town of Newton v. Rumery*, 480 U.S. 386, 392 (1987) (following the RESTATEMENT (SECOND) OF CONTRACTS § 178(1)).

104. *Garfield*, *supra* note 68, 298–99 (describing “the public policies that underlie contracts law” as promoting private contracting by avoiding frustration of justified expectations and avoiding the unjust enrichment that may result from non-enforcement after performance by one party); *see also* Ryan M. Philp, *Silence at Our Expense: Balancing Safety and Secrecy in Non-disclosure Agreements*, 33 SETON HALL L. REV. 845, 858 (2003) (describing the *Restatement’s* balancing test as requiring that the “necessity of preserving the integrity of traditional contract law principles” be outweighed by public policies against enforcement).

ing¹⁰⁵ can also be furthered by protecting this information. Thus, we might expect these interests will support enforcement of NDAs covering such information, but more weakly than they protect trade secrets.

On the other side of the balancing test, there are various public policies against enforcement arising out of the litigation context of the disclosure. As already discussed, there is a general public policy disfavoring interference with trial fact-finding.¹⁰⁶ In addition, the lawyer will often be seeking information from the former employee that will reveal employer wrongdoing. As a result, the particular law claimed to be violated by the employer will provide its own distinctive public policy argument against enforcement of any NDA.¹⁰⁷ This will be the same whether the information protected is trade secret, confidential information or, as discussed below, non-commercial information. However, the weight given to different public interests can vary from court to court. Concealment of criminal activity will usually be found to violate a particularly strong public policy that would likely result in non-enforcement of the NDA.¹⁰⁸ Beyond this, however, we return to a

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105. See 2 MELVIN, F. JAGER, TRADE SECRETS LAW § 13:3, n.7 (2010) (“[C]onfidentiality agreements are an effective tool in the maintenance of commercial morality and in promoting invention and innovation.”).
 106. Uniroyal Goodrich Tire Co. v. Hudson, No. 95-1130, 1996 WL 529789, at *10 (6th Cir. Sept. 12, 1996); see also Multiven Inc. v. Cisco Sys., No. 08-05391, 2010 WL 583955, at *3 n.4 (stating, in dictum, that “there even may be situations where disclosure of trade secrets and truly confidential information is necessary in the interests of justice and full and fair disclosure”); Smith v. Super. Ct., 49 Cal. Rep. 2d 20, 26 (Cal. Ct. App. 1996) (“Agreements to suppress evidence have long been held void as against public policy, both in California and in most common law jurisdictions.” (quoting Williamson v Super. Ct., 582 P.2d 126, 131 (Cal. 1978))); John E. Iole & John D Goetz, *Ethics or Procedure? A Discovery-Based Approach to Ex Parte Contacts with Former Employees of a Corporate Adversary*, 68 NOTRE DAME L. REV. 81, 124 (1992) (“Except in cases of privilege or other legitimate protections from discovery, withholding facts never will be a legitimate interest.” (footnote omitted)).
 107. RESTATEMENT (SECOND) OF CONTRACTS § 178(3)(a) (1981) (indicating that public policy is “manifested by legislation or judicial decisions”). Any specific public policy would be enhanced by a general public policy in favor of disclosure of such wrongdoing, as disclosure discourages continued violation. See *Chambers v. Capital Cities/ABC*, 159 F.R.D. 441, 444 (S.D.N.Y. 1995) (“[A]greements obtained by employers requiring former employees to remain silent about underlying events leading up to disputes, or concerning potentially illegal practices when approached by others can be harmful to the public’s ability to rein in improper behavior, and in some contexts ability of the United States to police violations of its laws.”); see also Stefan Rützel, *Snitching for the Common Good: In Search of a Response to the Legal Problems Posed by Environmental Whistleblowing*, 14 TEMP. ENVTL. L. & TECH. J. 1–2 (“[V]iolation reporting by employees has, as examples from other areas show, the potential to dramatically increase compliance with, and enforcement of, environmental law.”) (footnotes omitted).
 108. *Lachman v. Sperry-Sun Well Surveying Co.*, 457 F.2d 850, 853 (10th Cir. 1972) (“The criminal nature of the offense . . . gives the state a clear and separate interest in voiding a contract which conceals the crime, and hampers the punishment

considerable level of uncertainty.¹⁰⁹ As we have seen, there are cases and scholarly commentary that have suggested a public interest in public safety and health should be sufficient to overcome any interests in favor of enforcement,¹¹⁰ but there is no definite acceptance of this argument by the courts.¹¹¹ Concealment of other civil violations, whether statutory or in tort, in which public health and safety is not at stake, may also be sufficient to justify non-enforcement.¹¹² On the

of the offender.”); *McGrane v. Reader’s Digest Ass’n, Inc.*, 822 F. Supp. 1044, 1052 (S.D.N.Y. 1993) (“[T]he courts can hardly be called upon to enforce an employer-employee exit agreement for the covering up of wrongdoing which might violate criminal laws.”); *Re v. Horstmann*, 1987 WL 16710, at *2 (Del. Super. Ct. Aug. 11, 1987) (finding no breach of NDA when disclosure was to law enforcement officials regarding criminally fraudulent conduct).

109. *Garfield*, *supra* note 68, at 312 (noting that “the public policy analysis [of broad confidentiality agreements] is more challenging and more speculative” when non-criminal wrongdoing is involved because there is insufficient law or precedent to offer guidance to courts).
110. *Bast*, *supra* note 89, at 707 (1999) (“[I]n the hierarchy of public policies, safety from physical harm and death ranks at or near the top.” (quoting *Green v. Ralee Eng’g Co.*, 61 Cal. Rptr. 2d 352, 356 (Ct. App. 1997))); *Garfield*, *supra* note 68, at 315 (suggesting that “[c]ourts could easily find an overriding public interest in speech regarding tortious conduct or nontortious conduct that implicates public health and safety”); *Short*, *supra* note 56, at 1234–35 (arguing that NDAs “should not be used to prevent a whistleblower from informing the public about wrongdoing . . . , especially . . . when that wrongdoing implicates public health and safety”).
111. *See supra* note 57.
112. *E.g.*, *EEOC v. Astra USA, Inc.*, 94 F.3d 738, 744 (1st Cir. 1996) (finding the public policy against sexual harassment to outweigh the public policy in favor of “voluntary settlement of employment discrimination claims”); *Lachman*, 457 F.2d at 855 (10th Cir. 1972) (refusing to enforce a confidentiality agreement when disclosure revealed misappropriation of natural gas that was a tort, and would have been criminal if done knowingly); *Amari Co., Inc. v. Burgess*, 546 F. Supp. 2d 571, 582–83 (N.D. Ill. 2008) (indicating in a RICO case that, in theory, confidentiality agreements could not be used to conceal fraudulent racketeering activity, but, denying motion to enjoin enforcement of such agreements because employer was a non-party and no specific former employee witnesses were known to have been chilled by a threat to enforce); *EEOC v. Int’l Profit Assocs., Inc.*, No. 01 C 4427, 2003 U.S. Dist. Lexis 6761, at *2, 6 (N.D. Ill. Apr. 21, 2003) (holding an agreement prohibiting disclosure of “anything relating to his employment” was unenforceable because void as against public policy to the extent the agreement was used to chill communication with the EEOC regarding sexual harassment claims); *In re JDS Uniphase Corp. Sec. Litig.*, 238 F. Supp. 2d 1127, 1130, 1137 (N.D. Cal. 2002) (finding a broad “all information” NDA to be “in conflict with the public policy in favor of allowing even current employees to assist in securities fraud investigations”); *EEOC v. Morgan Stanley & Co.*, No. 01 Civ. 8421, 2002 U.S. Dist. Lexis 17484, at *4–5 (S.D.N.Y. Sept. 20, 2002) (ruling that non-assistance agreements interpreted to prohibit communication with EEOC about gender discrimination would violate important public policy interests); *Chambers v. Capital Cities/ABC*, 159 F.R.D. 441, 444 (S.D.N.Y. 1995) (stating that “it is against public policy for parties to agree not to reveal . . . facts relating to alleged or potential violations of [federal] law” in an age discrimination case); *Nestor v. Posner-Gerstenhaber*, 857 So. 2d 953, 955 (Fla. Dist. Ct. App. 2003) (allowing

other hand, concealment of a breach of contract may provide only a weak public policy against enforcement.¹¹³ Similar uncertainty exists in the context of cases asserting a whistleblower public policy exception to termination of employment at will. In these cases, courts have attempted to distinguish between disclosures promoting the public good and those that serve private interests,¹¹⁴ however, the distinction has proven difficult.¹¹⁵ Whistleblower law does not directly govern in cases involving former employees with NDAs, as former employees cannot be fired in retaliation, but merely sued for breach of contract.¹¹⁶ However, at the very least, since confidentiality agreements and termination cases involve the same balancing of employer interests and public interests, the outcomes should not differ.¹¹⁷

informal discovery in a will contest of parties who had signed a confidentiality agreement covering information about the decedent's testamentary capacity because "[c]ontractual confidentiality agreements . . . cannot be used to adversely interfere with the ability of nonparties to pursue discovery in support of their case"); *see also* Garfield, *supra* note 68, at 327 (arguing that agency and trade secret law suggest that "employers have no legitimate interest in suppressing information about their tortious conduct").

113. *See Saini*, 434 F. Supp. 2d at 921 (enforcing broad "any information" agreement breached by disclosure of trade secrets and confidential commercial information because public interest in "uncovering the sale of defective products . . . is not as high a priority as enforcement of sexual harassment law . . . , at least when . . . the defect at issue is not a threat to the safety or economic well-being of the public at large" and was counterbalanced by policies protecting trade secrets); *accord* Bast, *supra* note 92, at 670 (noting that in most "[c]ases recognizing a whistleblowing public policy exception to the employment at will doctrine . . . the court requires that the information sought to be disclosed must affect public (not private) interests of health or safety, or must concern illegal conduct").
114. Bast, *supra* note 92, at 669 ("In most cases, the court requires that the information sought to be disclosed must affect public (not private) interests of health or safety, or must concern illegal conduct."); *e.g.*, *McGrane v. Reader's Digest Ass'n*, 822 F. Supp. 1044, 1051 (S.D.N.Y. 1993) (noting that under New York's whistleblower statute, only threats to public health and safety, and not financial improprieties, are sufficient to trigger protection).
115. Bast, *supra* note 92, at 669 ("Courts faced with whistleblowing cases have found this a difficult distinction to make.").
116. *Saini*, 434 F. Supp. 2d at 922 (noting that whistleblowing immunity would not have been appropriate here because the disclosure was not "public oriented," as the illegality reported was merely the breach of a contract between the former employer and another company, and the former employee provided the information for a fee because he needed the money).
117. *See* Bast, *supra* note 92, at 706 (arguing that where disclosure would, under whistleblower law, fall under a public policy exception to employment at will, "the same whistleblowing should be sufficient to hold a confidentiality agreement unenforceable"); Garfield, *supra* note 68, at 316 (using whistleblower statutes to argue that "the public interest in information about criminal conduct outweighs a person's privacy interest in suppressing such information").

Finally, the weight of the public policy interest against enforcement is not necessarily determinative of the outcome.¹¹⁸ Also relevant to the analysis will be the factual context of the making of the contract and the disclosure.¹¹⁹ At least one case has suggested that other factors, such as whether “the former employee is *not the initiating party*”¹²⁰ and whether the NDA was intended from the beginning to conceal evidence of wrongdoing,¹²¹ should take on critical importance. Thus, since any determination that an NDA is void as against public policy “will turn on a fact-intensive inquiry,”¹²² even a strong public policy argument against enforcement faces an uncertain response.

4. *Employer Conduct, General and Trivial Information, and Events*

Trade secrets and non-trade secret, confidential information contribute to commercial profit because they enjoy some level of secrecy and have commercial value.¹²³ The remaining three categories of in-

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118. *E.g.*, *Uniroyal Goodrich Tire Co. v. Hudson*, No 95-1130, 1996 WL 520789, at *10 (6th Cir. Sept. 12, 1996) (rejecting public policy arguments and enforcing an NDA to prohibit expert testimony in case involving tire failure, but also finding that former employee could testify as fact witness at trial); *see also* *Garfield*, *supra* note 68, at 275, 294 (noting the enforcement via settlement agreement and injunction of an NDA involving Jeffrey Wigand, a tobacco executive who sought to testify about the health risks of tobacco known to the tobacco companies).
119. *Garfield*, *supra* note 68, at 318 (noting that “[r]elevant contextual considerations include not only who made the promise of silence, but also the relationship of the parties to the contract, and how the party promising silence acquired the suppressed information”).
120. *Saini*, 434 F. Supp. 2d at 921 (enforcing the NDA where former employee contacted plaintiff in contract dispute with employer and offered his services as an expert (quoting *Chambers*, 159 F.R.D at 444)). *But see* *EEOC v. Astra USA, Inc.*, 94 F.3d 778, 745 (1st Cir. 1996) (refusing to enforce a settlement agreement that would prohibit former employees from volunteering information to the EEOC about sexual harassment but would have allowed them to respond to EEOC subpoenas).
121. *Saini*, 434 F. Supp. 2d at 921 (distinguishing between agreements settling employee harassment claims that were designed to prevent additional employer liability and an employment-related NDA designed to protect trade secrets and confidential information); *see also* RESTATEMENT (SECOND) OF CONTRACTS § 178(3)(d) (1981) (indicating that a more direct “connection between th[e] misconduct and the term” sought to be enforced will strengthen the cases against enforcement). *But see* *Lachman*, 457 F.2d at 852 (holding that there is no difference between an agreement that intends to conceal wrongdoing and an agreement that did not so intend but which has that effect).
122. *Garfield*, *supra* note 68, at 318.
123. There may be an additional protected category of non-secret commercially valuable information that is viewed as property under New York law, involving either proprietary materials or valuable ideas. *See, e.g.*, *Frederick Chusid & Co. v. Marshall Leeman & Co.*, 326 F. Supp. 1043, 1060 (S.D.N.Y. 1971) (finding that an NDA could protect materials developed for a career counseling business even if

formation are not commercial information and, as such, may not be entitled to any legal protection.¹²⁴ As a result of their employment, former employees will have information about employer conduct. Some examples may include whether the employer bribed foreign officials or how the employer responded to charges of sexual harassment. Although this conduct might sometimes be the secret to a business's success, it is so only indirectly at best. It is not what you sell or how you do it, but rather what you did in running your business.¹²⁵ Thus, it could be argued it is not proprietary commercial information. Employees also gain general information about their employers. This includes the layout of an office they work in, who reports to whom, or where materials are stored. Employees can also come to know trivial information as well, such as the boss's taste in footwear, the brand of the coffeepot in the kitchen, or the kind of music played at the holiday party. Employees are also witnesses to events involving the employer, such as power failures, the level of floodwater in the building, or a slip and fall on the stairs.¹²⁶

no trade secret or confidentiality could be shown); *Cole v. Phillips H. Lord, Inc.*, 28 N.Y.S.2d 404, 409 (N.Y. App. Div. 1941) (finding idea for radio show about a district attorney protected by contract).

124. *Religious Tech. Ctr. v. Wollersheim*, 796 F.2d 1076, 1090–91 (9th Cir. 1986) (finding Scientology materials not trade secrets where the harm alleged from disclosure was spiritual rather than commercial); *Hoffman v. Sbarro, Inc.*, No. 97 CIV. 4484(SS), 1997 WL 736703, at *1 (S.D.N.Y. Nov. 26, 1997) (suggesting that a payroll policy would not be covered by an NDA because it was not “competition-related information”). See generally, Short, *supra* note 56, at 1224 (“Courts are in broad agreement that nondisclosure agreements, no matter how extensive their coverage, may only be used to restrict the disclosure of trade secret and confidential information.”).
125. *Accord Spectrum Creations, L.P. v. Carolyn Kinder Int’l, LLC*, No. SA-05-CV-750-XR, 2008 WL 416264, at *66 (W.D. Tex. Feb. 13, 2008) (finding the fact that a showroom was opened and that a particular person visited it not “valuable confidential or professional information that would warrant protection under Florida law”); *Mulei v. Jet Courier Serv., Inc.*, 739 P.2d 889, 892 (Colo. App. 1987) (“Only confidential information acquired during the course of employment may be protected, not the general knowledge of a business operation.”), *rev’d in part by*, 771 P.2d 486 (Colo. 1989); RESTATEMENT (FIRST) OF TORTS § 757, cmt b (1939) (noting a trade secret “is not simply information as to single or ephemeral events in the conduct of the business, as, for example, the amount or other terms of a secret bid for a contract or the salary of certain employees, or the security investments made or contemplated, or the date fixed for the announcement of a new policy or for bringing out a new model or the like”).
126. *E.g.*, *Lott v. United States*, No. C-07-3530, 2008 WL 2923437, at *1 (N.D. Cal. July, 25, 2008) (noting no unethical behavior when a lawyer contacted a former employee witness to an accident involving a fall from a gangway).

i. Language

All of this information is arguably covered by an NDA that prohibits disclosure of “any information about the business.”¹²⁷ Why do employers want to keep such information confidential when it is not typically commercially valuable? Certainly, they would prefer to avoid the potential negative consequences of any wrongdoing that might have occurred. However, even disclosure of information about lawful conduct, facts or events can prove embarrassing, trigger a criminal or regulatory investigation, or reveal liability. Consequently, as a rule, employers would prefer to control all the information that might be disclosed by current and former employees. It is for this reason that employers gravitate toward NDAs with the very broad “any information” language.¹²⁸

Whether or not a court will be willing to interpret any information as including non-commercial information is an open question. At least one court, in the face of a quickly-abandoned claim that an any information NDA barred testimony as to alleged criminal and fraudulent conduct by the employer, suggested that it would refuse to interpret the NDA so broadly.¹²⁹ For some courts, any information NDAs are unenforceable because they produce a contract so vague that the former employee has no notice of what they must not reveal. One judge colorfully described this language as seeming to require the “departing employee to perform a prefrontal lobotomy.”¹³⁰ Many courts, on

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127. *E.g.*, *Zanders v. Nat'l R.R. Passenger Corp.*, 898 F.2d 1127, 1133 (6th Cir. 1990) (“You also agree not to disclose to anyone any information obtained in the course of your employment and related to the functions of your position”); *Great Lakes Carbon Corp. v. Koch Indus., Inc.*, 497 F. Supp. 462, 466 (S.D.N.Y. 1980) (finding unenforceable an NDA covering “information of any and every kind pertaining to the existing and/or contemplated business of, and belonging to Company”); *State Med. Oxygen & Supply, Inc. v. Am. Med. Oxygen Co.*, 782 P.2d 1272, 1273–74 (Mont. 1989) (“the employee agrees not to divulge . . . any other information concerning the business of State Medical Supply, Inc., its manner of operation, its plans, processes, or other data without regard to whether all of the foregoing matters will be deemed confidential, material, or important”).
128. Short, *supra* note 56, at 1207 (noting that employers have increasingly used NDAs to “silence whistleblowers and deprive the public of important health and safety information”).
129. *Multiven, Inc. v. Cisco Sys.*, No. 08-05391, 2010 WL 583955, at *3 n.4 (N.D. Cal. Feb. 16, 2010) (noting that if the NDA were to be challenged it would likely be unenforceable because it attempts to prohibit the disclosure of non-confidential information).
130. *AMP, Inc. v. Fleischhacker*, 823 F.2d 1199, 1206 (7th Cir. 1986); *accord* *Garfield*, *supra* note 68, at 283–84 (noting that some NDAs may be attacked as lacking sufficient definiteness or as vague); Short, *supra* note 56, at 1227 (“Courts often strike down broad nondisclosure agreements which give no fair notice to the employee of what information cannot be disclosed.”); *see also* *Thomas & Betts Corp. v. Panduit Corp.*, No. 93 C 4017, 1999 WL 261861, at *3–4 (N.D. Ill. Apr. 8, 1999) (finding “any other information” clause in NDA unenforceable as overbroad, but enforcing as to clause covering confidential information); *Great Lakes Carbon*

the other hand, limit their evaluation of the NDA to the actual enforcement efforts before them, and are therefore unconcerned with a possible absurd application of the language.¹³¹

ii. Public Policy

Any information NDAs that are not unenforceable due to lack of consideration or vagueness and are not limited by interpretation may still be unenforceable as against public policy. Yet, it will always be impossible to predict how a court will rule on this issue. However, the public interest in enforcing NDAs that go beyond confidential commercial information is relatively weak because protecting this information is not necessary to encourage innovation or investment and does little to discourage commercial spying.¹³² Fair commercial competition does not require protecting commercial ventures from adverse economic consequences such as fines, recalls, and boycotts that may arise out of such disclosures.¹³³ Perhaps the strongest argument in favor of enforcing such NDAs arises out of common-law notions of agency loyalty, which is discussed in more detail below. As already noted, a

Corp., 497 F. Supp. at 471 (“The definition of secrets so as to include information of every kind obtained by the employee is absurd.”).

131. *E.g.*, *Serv. Ctrs. of Chicago v. Minogue*, 535 N.E. 2d 1132, 1135 (Ill. App. Ct. 1989) (considering the protectable status of particular information as trade secrets in the context of an any information NDA); *accord*, *United States v. Wallington*, 889 F.2d 573, 576–77 (5th Cir. 1989) (construing a statute to cover only confidential information, after concluding that a literal construction of a criminal statute that prohibited government employees from disclosing “any” employment information would be absurd and produce a “bizarre effect.”).
132. *Garfield*, *supra* note 68, at 304 (“Contracts that suppress other information no longer further the public policy of protecting trade secrets.”); *accord In re JDS Uniphase Corp. Sec. Litig.*, 238 F. Supp. 2d 1127, 1136 (N.D. Cal. 2002) (noting that the employer was only able to assert “arguments about the validity of confidentiality agreements in general” to justify blocking informal discovery of former employees regarding non-trade secret and non-privileged information).
133. *Accord General Electric Co. v. U.S. Nuclear Regulatory Comm’n*, 750 F.2d 1394, 1402 (7th Cir. 1984) (stating generally that the substantial competitive harm exemption to Freedom of Information Act (FOIA) disclosure does not cover “the competitive harm that attends any embarrassing disclosure”); *Pub. Citizen Health Research Grp. v. FDA*, 704 F.2d 1280, 1291 n.30 (D.C. Cir. 1983) (stating with regard to the substantial competitive harm exemption to FOIA disclosure that “[c]ompetitive harm should not be taken to mean simply any injury to competitive position, as might flow from customer or employee disgruntlement or from the embarrassing publicity attendant upon public revelations concerning, for example, illegal or unethical payments to government officials or violations of civil rights, environmental or safety laws” (quoting Mark Q. Connelly, *Secrets and Smokescreens: A Legal and Economic Analysis of Government Disclosures of Business Data*, 1981 Wis. L. REV. 207, 235–36)); *see Garfield*, *supra* note 68, at 328 (noting that although disclosure of information can cause economic harm by subjecting an employer to liability, this is not the same as the loss of competitive advantage sought to be avoided by protection of trade secrets and commercial confidential information).

strong public policy against enforcement of such agreements will always arise out of the general litigation context of this breach and public policies of varying strength will additionally arise out of the specific legal context of the litigation.

In contrast to the categories of trade secrets and confidential commercial information, the public policy against restraining the employment opportunities of former employees also might be relevant in this situation. As discussed when the enforcement effort is in the context of subsequent employment in which the former employee might use non-trade secret information, the any information NDA is usually seen as impinging on the former employee's use of general knowledge and skill in subsequent employment and accordingly void in the absence of a time limit.¹³⁴ However, if a former employee is freely providing general, conduct, trivial, or event information about the former employer to a lawyer, enforcement of an any information NDA to stop this kind of disclosure would not have any negative effect on the former employee's current job prospects, since neither knowledge integral to skills and abilities nor actual employment is at stake. While the fact that a broad NDA *could* impinge on future employment might

134. See *supra* note 92; see also, AMP Inc. v. Fleischhacker, 823 F.2d 1199, 1202 (7th Cir. 1987) (finding all information NDA without time or geographical limitation unenforceable as an "unreasonable restraint[] on trade which unduly restrict[s] the free flow of information necessary for business competition"); *Great Lakes*, 497 F. Supp. at 471 (finding any information NDA without time restriction would be void as an unreasonable interference with the employee's future employment); *Newino, Inc. v. Peregrin Dev., Inc.*, No. CV020390074S, 2003 WL 21493838, at *4 (Conn. Super Ct. June 3, 2003) (finding an NDA covering "virtually all the information that an employee may acquire about the plaintiff's business" unreasonable because of "the effect on the employee's ability to pursue his trade and the effect on the public interest"); *Minogue*, 535 N.E.2d at 1137 (finding unenforceable an any information NDA that was unlimited in time); *Am. Shippers Supply Co. v. Campbell*, 456 N.E.2d 1040, 1041-42, 1044 (Ind. Ct. App. 1983) (affirming refusal to issue injunction based on any information NDA when the customer lists were neither trade secrets nor confidential information and enforcement would have therefore impinged "upon individual liberty of action as to one's trade or calling" (quoting *Club Aluminum Co. v. Young*, 160 N.E.804, 806) (Mass. 1928)); *State Med. Oxygen & Supply, Inc. v. Am. Med. Oxygen Co.*, 782 P.2d 1272, 1275 (Mont. 1989) (finding any information NDA void because it was not "limited in operation either as to time or place"); *Carolina Chem. Equip. Co. v. Muckenfuss*, 471 S.E.2d 721, 723-24 (S.C. Ct. App. 1996) (finding any knowledge NDA unenforceable in the absence of a time limit under South Carolina law). See generally *Jager, supra* note 105, at n.12 ("If the agreement is not limited to confidential information, but is broadly worded to limit the use of 'any knowledge or information' learned during employment, courts are likely to view the agreement as tantamount to a restrictive covenant and declare it void if it is unreasonable in time or territory."). One possible exception to this is when the former employee's subsequent employment was as a litigation expert against the former employer, in which case some courts find the restraint on employee mobility required non-enforcement and others found this restraint of insufficient consequence. See *supra* subsection I.B.2 and notes 74-77.

be enough to void the NDA, a court could also find that such a broad NDA is not void “as applied” since a “refusal to enforce the term will [not necessarily] further th[e] policy”¹³⁵ of protecting employee mobility *in this situation*. Thus, it is unclear whether this policy would even be at issue in our scenario.

iii. Agency-Based Duty of Confidentiality

As previously discussed, some jurisdictions have relied upon an agency-based duty of confidentiality to justify duties of non-disclosure extending beyond trade secrets.¹³⁶ Case law in these jurisdictions tends to broadly state an employee agent’s duty as ensuring the non-disclosure of “confidential information,” without defining what kind of confidential information counts.¹³⁷ The vast majority of these cases involve information of commercial value being used competitively by former employees.¹³⁸ Confidential information in an agency context can also mean any information the employer simply wants to keep secret and which would cause some kind of harm to the employer if revealed.¹³⁹ This adds an additional public policy concern that favors the enforcement of broad NDAs: the public’s interest in ensuring a strong duty of loyalty for employees. However, if the NDA were to be construed to cover anything the employer wants to keep secret, that

135. RESTATEMENT (SECOND) OF CONTRACTS § 178(3)(b) (1981).

136. Bast, *supra* note 92, 637 n.42 (collecting cases finding employees have a common-law duty of confidentiality for non-trade secret confidential information).

137. *E.g.*, Eaton Corp. v. Giere, 971 F.2d 136, 141 (8th Cir. 1992) (stating that under Minnesota law, “employees have a common law duty not to use trade secrets or confidential information obtained from their employer”); Roboserve, Ltd. v. Tom’s Foods, Inc., 940 F.2d 1441, 1456 (11th Cir. 1991) (noting that under Georgia law, “an item may be considered confidential in the context of a business relationship without rising to the level of a trade secret”); Kadant, Inc. v. Seeley Mach., Inc., 244 F. Supp. 2d 19, 39 (N.D.N.Y. 2003) (“Plaintiff signed the confidentiality agreement, so if he disclosed to others or used to his own benefit ‘private information’ . . . he is in breach of both his contract and his fiduciary duty to plaintiff,” under New York law); Structural Dynamics Research Corp. v. Eng’g Mechs. Research Corp., 401 F. Supp. 1102, 1114 (E.D. Mich. 1975) (stating that under Michigan law, agency principles will protect confidential information).

138. *E.g.*, Eaton Corp., 971 F.2d at 137 (involving transaxle technology); *Structural Dynamics*, 401 F. Supp. at 1106 (involving isoparametric elements in a computer program); *Roboserve, Ltd.*, 940 F.2d at 1445 (involving hot-beverage vending machine); *Kadant, Inc.*, 244 F. Supp. 2d at 24 (involving design specifications and customer databases); *Gilda Indus., Inc. v. U.S. Customs & Border Prot. Bureau*, 457 F. Supp. 2d 6, 9–10 (D.D.C. 2006) (explaining Exemption four from FOIA disclosure for confidential information as limited to information causing “competitive injury . . . [which must flow] from the affirmative use of proprietary information by competitors”).

139. *See* RESTATEMENT (SECOND) OF AGENCY § 395 (1958) (“an agent is subject to a duty to the principal not to use or to communicate information confidentially given him by the principal or acquired by him during the course of or on account of his agency . . . in competition with or to the injury of the principal”).

would also seem to include information about employer wrongdoing. Whether the harm that might be prevented by the disclosure of such wrongdoing would be a sufficient counterweight to both the contract promise and agency loyalty is unclear due to the absence of definitive case law.¹⁴⁰

However, it can be argued that the duty of loyalty sometimes invoked to justify enforcement of NDAs should not be understood to extend to evidence of wrongdoing by employers. The fact that American law is willing to protect the privacy of individuals means that individuals have a right to limit the disclosure of both positive and negative personal information, either with or without imposing an NDA to bind those with access to this information.¹⁴¹ Thus, employees of individuals can have an independent duty of confidentiality covering private, non-commercial information. However, American law does not provide privacy rights to fictional legal entities such as corporations.¹⁴² Thus we may ask what, if any, right corporations have to limit disclosure of negative information.

An interesting confluence of individual privacy and corporate confidentiality arose in *Coady v. Harpo, Inc.*,¹⁴³ in which a former employee of Oprah Winfrey's company was enjoined from revealing any information about Oprah or her company under a broad any information NDA.¹⁴⁴ In *Coady*, the information at stake was likely gossip or tidbits of information about an individual who has made a commercially valuable empire around her personality and life.¹⁴⁵ As such, it

140. *Id.* at § 411 cmt d (stating that an agent will not be liable for breach of contract if the failure to act is contrary to public policy). Arguably, since a failure to maintain confidentiality is a breach of the agency contract, *id.* at § 399(a), any countervailing public policy could prevent liability for the breach of duty of loyalty. *Accord*, Garfield, *supra* note 68, at 336–38 (arguing that employee loyalty should not take priority over disclosure of truthful information that disparages an employer without releasing otherwise protected trade secrets or commercial confidential information).

141. *See Patton v. Cox*, 276 F.3d 493, 498 (9th Cir. 2002) (finding that voluntary testimony at a medical license hearing did not give defendant doctor witness immunity to a breach of contract claim for improperly disclosing the results of a psychological examination); RESTATEMENT (SECOND) OF TORTS § 652D (1977) (“One who gives publicity to a matter concerning the private life of another is subject to liability to the other for invasion of his privacy, if the matter publicized is of a kind that (a) would be highly offensive to a reasonable person, and (b) is not of legitimate concern to the public”); *see also*, Garfield, *supra* note 68, at 272–73 (“Individuals sometimes seek promises of silence to protect privacy and reputational interests, typically when a person either learns or will learn of information about an individual that the individual prefers to keep private.”).

142. Garfield, *supra* note 68, at 338–39 (“[T]he law of privacy is unlikely to support the enforcement of contracts with business entities, because such entities are not considered to have a right of privacy.”).

143. 719 N.E.2d 244 (1999).

144. *Id.*

145. *See id.* at 250.

certainly fell within Oprah's personal right of privacy. At the same time, it was Oprah's corporate entity that was the party to the NDA and brought the suit.¹⁴⁶ While the corporation had no privacy right in this gossip, the commercial asset of Oprah's company is Oprah, and information about her not known to the public can be understood as confidential commercial information, the disclosure of which would deprive the company of its product.

Most corporate employers have rather different assets than Oprah Winfrey's corporation and, as a result, likely cannot assert individual-based privacy rights to create commercial property.¹⁴⁷ Furthermore, since corporations are creatures of the law and only granted existence by the government, an argument can be made that they should expect their affairs to be open to scrutiny. It can be argued that there is a special need for the government or public to have access to possible information about corporate wrongdoing because corporations are capable of harnessing the power of many people and can therefore achieve greater wrongdoing than any single individual. Thus, I would argue, legal recognition of an unlimited duty of loyalty and confidentiality to corporate employers is both unsupported by privacy-based notions of loyalty and opposed by the public interest in ensuring corporate accountability.

Consequently, the agency-based duty of confidentiality that applies to corporate employees should be limited to the commercial purposes of such entities.¹⁴⁸ This is the case even if the disclosure of non-commercial information that is evidence of wrongdoing might subject the corporation to negative financial consequences such as fines or damage awards.¹⁴⁹ As a result, most broad former-employee NDAs should

146. *Id.* at 246.

147. *Accord* Cundiff, *supra* note 36, at 228 (suggesting that "the facts of [*Coady*] were unique and such a broad definition of confidential information might not be enforced as to more conventional businesses").

148. *Accord In re EXDS, Inc. v. Devcon Constr., Inc.* No. C05-0787 PVT, 2005 WL 2043020, at *6 (N.D. Cal. Aug. 24, 2005) (stating bankrupt company cannot claim disclosed information to be confidential under an NDA when bankruptcy removes any possibility of commercial benefit); Bast, *supra* note 92, at 702 (arguing that "[p]ublic policy should allow disclosure if the employer has no overriding legitimate business justification, recognizing that the purpose of the confidentiality agreement is to avoid unfair competition"); Garfield, *supra* note 68, at 322-24 (arguing that courts should look to limitations on the suppression of speech in defamation and other tort law to find a First Amendment based public policy that is violated when NDAs extend beyond trade secrets). *But see* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 41 cmt. d (1995) ("[I]n some circumstances an agreement not to use information that is in the public domain may be justified by a legitimate interest in protecting the reputation or good will of the promisee.").

149. *Accord* Pansy v. Borough of Stroudsburg, 23 F.3d 772, 787 (3rd. Cir. 1994) (noting that while a protective order can be made to avoid serious embarrassment to an individual, "it may be especially difficult for a business enterprise, whose primary measure of well-being is presumably monetizable, to argue for a protective order

not be supported on privacy grounds.¹⁵⁰ This would allow courts to reject agency-based justifications for enforcing NDAs that seek to protect more than trade secrets or confidential commercial information. However, it is not clear that courts are currently prepared to acknowledge this distinction between the privacy of individuals and the property of corporations in the context of NDAs.

iv. Court Control

Finally, some question exists as to whether informal contacts with former employees will be permitted post-filing even when the NDA will not be enforced. In a few cases, courts insisted on asserting some control over the informal investigation in order to ensure that trade secrets and privileged information are protected. In *Chambers v. Capital Cities/ABC*,¹⁵¹ plaintiff's counsel, in a pending case, sought authorization from the court to inform former employees that they could safely ignore NDAs and speak with plaintiff's counsel.¹⁵² Although the court found the NDAs unenforceable because they would conceal possible evidence of age discrimination, it refused to "make plaintiff's counsel the decision-maker concerning what confidentiality requirements were related to genuine trade secrets or other legitimately privileged information, and which dealt with concealment of information relating to potential improprieties on the part of the employer."¹⁵³ Instead, the court held that the defendant could either choose to notify former employees that they were free to talk to plaintiff's counsel about specified subjects relevant to the age discrimination case or could take an adverse inference as to their testimony.¹⁵⁴ However, plaintiff's counsel was authorized to talk to the former employees only at deposition or at a pre-deposition interview where defense counsel was invited and present as a silent observer.¹⁵⁵ Similarly, the court *In re JDL Uniphase Securities Litigation*,¹⁵⁶ also refused to give plaintiff's counsel free rein over former employees, but allowed ex parte in-

on this ground" (quoting *Cipollone v. Liggett Grp., Inc.* 785 F.2d 1108, 1121 (3rd Cir. 1986)); *ITT Telecom Prods. Corp. v. Dooley*, 262 Cal. Rptr. 773, 782-83 (Cal. Ct. App. 1989) ("The personal secrets of individuals are comparable to the trade secrets of businesses."); see *supra* notes 133, 138; see also Short, *supra* note 56, at 232-33 (pointing out that under the *Federal Rules of Civil Procedure*, protective orders to avoid embarrassment are different for individuals and corporations, with reputational harm for a business meaning harm to their competitive position).

150. *Accord In re JDS Uniphase Corp. Sec. Litig.*, 238 F. Supp. 2d 1127, 1137 (N.D. Cal. 2002).

151. 159 F.R.D. 441 (S.D.N.Y. 1995).

152. *Id.* at 442.

153. *Id.* at 445.

154. *Id.* at 445.

155. *Id.* at 446.

156. 238 F. Supp. 2d 1127 (N.D. Cal. 2002).

interviews limited to previously submitted questions that clearly did not seek trade secrets or privileged information.¹⁵⁷

These were both cases in which litigation was already pending and the lawyer seeking the information sought the assistance or approval of the court before proceeding.¹⁵⁸ These cases do not prove that the same court would have found unsupervised contacts made before a complaint was filed, or made after filing without court notice, to be unethical and grounds for disqualification in the absence of any allegation that protected information was discussed. They do, however, indicate that lawyers take a risk of being accused of triggering the disclosure of either trade secrets or privileged information if they engage in *ex parte* interviews.¹⁵⁹ However, this risk exists even in the absence of an NDA; it is endemic to *ex parte* contacts with former employees. Therefore, if courts appear to broadly enforce any information NDAs to preclude *ex parte* contacts when such contacts seem to pose a threat to trade secrets or attorney-client privileged information, it is not clear that the NDA is really giving the court any power or justification it did not have without the NDA.¹⁶⁰ Not all former employees have privileged or trade secret information, and even where a former employee may have trade secret information, it will not always be relevant to the litigation. Consequently, there will be situations in which there is no credible risk of improper disclosure of trade secrets or privileged information as a result of *ex parte* contacts. In these cases, the presence of a broad NDA need not trigger greater court supervision or control of informal investigation.

157. *Id.* at 1138.

158. *See id.* at 1129 (ruling in response to motion to limit scope of NDAs); *Chambers*, 159 F.R.D. at 442 (ruling in response to a motion to authorize plaintiff's counsel to inform former employees that they could talk to plaintiff's counsel without fear of breaching NDAs).

159. *E.g.*, *Multiven, Inc. v. Cisco Sys.*, No. C08-05391 JW (HRL), 2010 WL 583955, at *2 (N.D. Cal. Feb. 16, 2010) (noting that after conceding the NDA would not prohibit *ex parte* interviews of the former employee, the interviewing lawyer was accused of getting privileged information during the *ex parte* interviews).

160. *E.g.*, *Uniroyal Goodrich Tire Co v. Hudson*, No. 9501139, 1996 WL 529789, at *2, *10 (6th Cir. Sept. 12, 1996) (affirming an NDA-based injunction against a former employee acting as an expert witness in a tire failure case prohibiting disclosure as an expert witness or consultant of not only "trade secrets and confidential and proprietary information" but also of "any information regarding . . . employees, company policies, practices, procedures, documents inspection and adjustment process and his knowledge about the . . . Plant"); *Zanders v. Nat'l R.R. Passenger Corp.*, 898 F.2d 1127, 1129, 1133-34 (6th Cir. 1990) (finding no public policy violation and affirming an NDA-based injunction against former employee that prohibited disclosure of "any information obtained in the course of her employment" other than "in a proceeding in which Amtrak has the opportunity to assert any applicable claim of privilege" against former employee possessing attorney-client privileged and work product information relating to employment discrimination).

C. Breach and Other Fact Specific Defenses

Assuming the NDA is supported by consideration, and the contract language both covers the information sought and is not against public policy, it may still not serve as the basis for a claim of intentional interference. If, for example, the employer breached the employment agreement with the employee, this breach may have the consequence of discharging the employee's contractual duties of non-disclosure.¹⁶¹ The availability of this defense, however, requires particular facts that cannot be assumed to exist in any significant number of NDAs. Similarly, other particular facts could make available other defenses, such as fraud, which can make a contract voidable.¹⁶² As we have already seen, however, a defense that merely made a contract voidable rather than void might not undermine an intentional interference claim.¹⁶³ Therefore, while the presence of such facts can act as a spoiler for the intentional interference claim, there is little to say about these defenses in a general evaluation of NDAs, other than that their applicability should always be considered when evaluating the risks of a conversation with a particular former employee.

D. Privilege

Previously, this Article considered the availability of the litigation privilege to defeat the claim that the lawyer's conduct in obtaining information from the former employee—covered by an NDA—was intentional interference with the contract. It is important to also consider whether the litigation privilege could be available to the former employee in a breach of contract action against such former employee for disclosing covered information to the lawyer, and what effect this might have on a claim of intentional interference with the contract against the lawyer receiving the information.

One major complication in applying the litigation privilege in this context is that the privilege functions only to protect against "actions for damages."¹⁶⁴ In the tort context, elimination of liability for damages removes the only remedy and thus essentially means that no wrongful conduct has occurred. In the context of a breach of contract,

161. *E.g.*, *Chemtrust Indus. & Kem Mfg. Corp. v. Share Corp.*, Civ. A. No. H-82-1224, 1987 WL 13822, at *6 (S.D. Tex. June 19, 1987) ("It is well settled law that an employer cannot enforce a negative covenant in a contract of employment where it has breached the contract.")

162. RESTATEMENT (SECOND) OF CONTRACTS § 164(1) (1981) ("If a party's manifestation of assent is induced by . . . a fraudulent . . . misrepresentation . . . , the contract is voidable by the recipient.")

163. *See supra* section I.A.

164. *Combustion Sys. Servs. v. Schuylkill Energy Res., Inc.*, No. CIV.A. 92-4228, 1993 WL 514456, *at 4 (E.D. Pa. Dec. 1, 1993) (finding that although privilege would block a claim of damages for breach of contract to recommend a settlement in court, it would not work to bar rescission of the contract).

however, enforcement can take the shape of either an award of damages or injunctive relief providing specific performance. Most NDA enforcement actions will request injunctive relief prohibiting the disclosure rather than asking for damages.¹⁶⁵ Thus, a litigation privilege that protected a witness from monetary liability for disclosing information would not determine whether injunctive relief prohibiting the disclosure, or prohibiting others from using the disclosed information, was available.

The question that next arises is whether the availability of this injunctive relief on the contract satisfies the requirement of the intentional interference tort that a person be caused “not to perform the contract.”¹⁶⁶ Injunctive relief is more forward looking than monetary damages, addressing the future performance of the contract rather than the past failure to perform. Nonetheless, as a precondition of injunctive relief, the plaintiff must show that irreparable harm is likely in the absence of injunctive relief.¹⁶⁷ In the case of a contract, the irreparable harm would naturally arise from either a threatened or already occurring breach of the contract. Thus, even where an injunction is sought, there might already be a non-performance. This suggests that even if the litigation privilege is available to shield a former employee from liability for contract damages for disclosures made outside of formal discovery, it would not automatically preclude the possibility of finding a breach of contract leading to equitable relief, which would then be sufficient to ground tort liability for the lawyer who had induced such disclosures.

In addition, we have already seen that jurisdictions differ as to the availability of the privilege for claims arising from pre-litigation conduct or informal post-filing discovery.¹⁶⁸ In those jurisdictions that limit the privilege to formal discovery and beyond, the litigation privilege could not save a former employee who disclosed covered information informally from a breach of contract claim.¹⁶⁹

165. *But see* ITT Telecom Prods. Corp. v. Dooley, 262 Cal. Rptr. 773, 774–75 (Cal. Ct. App. 1989) (addressing a situation where the former employer sued former employee for damages for disclosures made as consultant to company suing former employer in violation of NDA); *Denise Rich Songs, Inc., v. Hester*, No. 602639/03, 2004 WL 2563702, at *1 (N.Y. Supr. Ct. Oct. 4, 2004) (addressing a situation where the former employer sued former employee for monetary damages for disclosures made in employment discrimination complaint filed in Federal court in violation of NDA).

166. RESTATEMENT (SECOND) OF TORTS § 766 (1979).

167. *Entergy, Ark., Inc. v. Nebraska*, 210 F.3d 887, 898 (8th Cir. 2000).

168. *See* Strassberg, *supra* note 4, at 972–83; *see also* *Dooley*, 262 Cal. Rptr. at 778 (finding former employee who consulted with company considering suit against former employer was not disqualified from claiming the privilege because he was merely “a consultant to . . . a potential litigant”).

169. *See* Strassberg, *supra* note 4, at 980 n.237.

Even in those jurisdictions in which the privilege does extend to pre-litigation conduct or informal post-filing discovery, a second obstacle remains: will the privilege protect against a breach of contract claim at all? In jurisdictions requiring a claim sounding in defamation, not only would the litigation privilege not be available to the lawyer to defend against a claim of intentional interference with contract,¹⁷⁰ it would likely not be available to the former employee to defend against a claim for breach of contract.¹⁷¹

Even a jurisdiction that will apply the privilege to the intentional interference tort will not necessarily apply it to a breach of contract action. Thus, in California, which broadly applies the privilege to almost all torts,¹⁷² a former employee who assisted a potential plaintiff against his former employer as a consultant despite having signed an NDA was privileged against a claim of misappropriation of trade secrets, viewed as a sub-species of the breach of confidence tort.¹⁷³ The employee was not, however, privileged against a claim of breach of contract.¹⁷⁴ It should be noted that the claim of disclosure of trade secrets in this case may have influenced the decision to enforce the contract, as the court found that “society’s interest in accurate judicial proceedings . . . [did not outweigh] ITT’s property interest in information yielding a competitive advantage and [the defendant’s] written promise of nondisclosure.”¹⁷⁵ Indeed, the result in this opinion has been described as a trade secret exception to the litigation privilege.¹⁷⁶ However, subsequent California cases have gone on to sug-

170. *See id.* at 978 n.232.

171. *Accord* Patton v. Cox, 276 F.3d 493, 499 (9th Cir. 2002) (holding that psychologist’s voluntary testimony before state medical board in alleged breach of agreement not to reveal results of evaluation except as directed by court order was not protected by witness immunity); Tulloch v. JPMorgan Chase & Co., No. Civ. A. H-05-3583, 2006 WL 197009, at *7 (S.D. Tex. Jan. 4, 2006) (holding that, under Texas law, a party to a release agreement with a confidentiality clause would not be protected by litigation privilege for breaching the agreement by attaching a copy of the release agreement to a complaint alleging breach of the release agreement and fraudulent inducement); Cummings v. Beaton & Assocs., Inc., 618 N.E.2d 292, 306 (Ill. App. Ct. 1992) (holding that lawyer’s repudiation of settlement to bankruptcy judge in violation of client’s contract to support settlement before bankruptcy judge was not protected by judicial privilege).

172. *Dooley*, 262 Cal. Rptr. at 779 (listing the many torts to which the statutory litigation privilege has been found to apply in California).

173. *Id.* at 781–83.

174. *Id.* at 781.

175. *Id.* at 780.

176. *Wentland v. Wass*, 25 Cal. Rptr. 3d 109, 116 (Cal. Ct. App. 2005) (describing the result in *Dooley* as having been codified by the legislature in a statutory exclusion of trade secret disclosure from the litigation privilege).

gest that litigation disclosures of other kinds of information covered by confidentiality agreements are not privileged.¹⁷⁷

Nonetheless, there are jurisdictions where a broad litigation privilege has been found to protect a former employee from any remedy in a breach of contract action for disclosures relevant to the litigation. Thus, in New York, the applicability of the litigation privilege produced a quick dismissal of a breach of contract action¹⁷⁸ seeking both monetary damages and injunctive relief¹⁷⁹ against a former employee whose statements in an employment discrimination complaint were claimed to violate an NDA.¹⁸⁰ In a Texas case involving the disclosure of trade secrets by a former employee to his attorney in response to a subpoena, the disclosure was found to be privileged in the context of a breach of contract claim arising out of an NDA.¹⁸¹

E. Summary

The enforceability of an NDA will depend upon the circumstances of its formation and performance, the information sought to be protected and disclosed, the legal and factual context of the litigation, and

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177. *E.g.*, *Sanchez v. Cnty of San Bernadino*, 98 Cal. Rptr. 3d 96, 105 n.3 (Cal. Ct. App. 2009) (stating in dictum that disclosure of a romantic relationship covered by a confidentiality agreement was not statutorily privileged in an action for breach of the contract); *Wentland*, 25 Cal. Rptr. 3d at 116 (holding that statements claiming previous self-dealing made in breach of settlement agreement prohibiting disparaging comments filed in connection with action for accounting were not privileged).
178. *Denise Rich Songs, Inc., v. Hester*, No. 602639/03, 2004 WL 2563702, at *3 (N.Y. Sup. Ct. Oct. 4, 2004) (“It has long been the law that statements made in the course of judicial proceedings are absolutely privileged, even if purportedly made in violation of a confidentiality agreement.”).
179. *Id.* at *1.
180. *Id.* at *5. The NDA covered only “certain proprietary and confidential information and competitively sensitive data and information, and Trade Secrets.” *Id.* at *1 (quotation marks omitted). Given that the disclosures complained of concerned the status of the employee as employee rather than independent contractor, his compensation, and being forced to make a campaign contribution, *id.*, it seems likely that the NDA might not actually have covered the disclosures in question anyway.
181. *IBP, Inc. v. Klumpe*, 101 S.W.3d 461, 479–80 (Tex. App. 2001) (granting summary judgment on claims that disclosure of trade secret information and documents to attorney breached NDA because disclosure was privileged, but denying summary judgment on breach of contract claim based on employee’s taking of documents to attorney because employee may have stolen the documents); see also *Kelly v. Golden*, 352 F.3d 344, 350 (8th Cir. 2003) (noting that disparaging pleadings were privileged against a breach of contract suit when contract contained non-disparagement clause); *Rain v. Rolls-Royce Corp.*, No. 1:07-cv-1233, 2009 WL 2591647, at *2 (S.D. Ind. Aug. 21, 2009) (finding that the Indiana Supreme Court would follow Texas and extend litigation privilege to litigation conduct alleged to be a breach of a non-disparagement contract and the damages suffered arose from the defamatory nature of the statements).

the availability of the litigation privilege. As to some of these legal variables, a lawyer will be able to make a reasonable prediction about the enforceability of a known NDA, at least in jurisdictions with relevant legal precedent. For example, we have seen that only NDAs formed in the midst of employment have the possibility of lacking consideration, and then only in some jurisdictions. A lawyer should be able to get the relevant details of time of signing, promotions, raises, etc. from the former employee to determine through legal research whether the NDA may be unenforceable due to a lack of consideration.

To the extent that the kind of information sought has an effect on the enforceability of an NDA, we know that a duty of confidentiality for trade secrets can always be assumed, as it requires no contract at all. As to whether NDAs protecting trade secrets are enforceable in our scenario, there are public policy arguments that can be made on both sides. The few existing cases differ factually from our scenario in significant ways and cannot provide clear answers about enforceability in even these jurisdictions.

Things are a bit more complicated for non-trade secret, confidential information because some jurisdictions allow such information to be protected through an NDA and others do not. But, at least in jurisdictions where there is sufficiently developed legal precedent on this issue, a lawyer will be able to know what level of protection may be available. However, where enforceability depends on whether the information sought by the lawyer is actually either a trade secret or confidential commercial information, it will be nearly impossible for a lawyer merely attempting to determine the ethics of seeking information from a former employee to predict which of these two categories particular information will fall within. This determination turns upon facts about secrecy that may, in large part, be unknown to the former employee and unavailable to the lawyer, or upon a difficult and unpredictable judgment as to whether the information falls within the general knowledge and expertise of the former employee.

Even if the jurisdiction both recognizes the existence of a category of protectable, non-trade secret, confidential information and the information sought certainly falls within this category rather than general knowledge and expertise, the language of the contract can affect the enforceability of the NDA. For example, in some jurisdictions, a contract broadly drawn to cover "any information" might not be enforceable at all. Where this is not a problem, other public policies may provide a strong basis for refusing to enforce such an NDA.

Some of the strongest arguments against the enforceability of an NDA will be available when it seeks to protect other kinds of information, such as employer conduct, general information, and events. First, it is an open legal question whether such information should be protectable at all, and the answer will depend upon the jurisdiction,

the nature of the employer, and the public interest in the particular information sought. Even in the best of jurisdictions and with the best facts, considerable uncertainty as to the enforceability of the NDA will remain because the result will depend upon a balancing of conflicting public policy interests.

Finally, litigation privilege is certainly unavailable in a number of jurisdictions for breach of contract claims. In all jurisdictions in which the litigation privilege has definitely been applied to a breach of contract claim, the factual context has not been a typical employer-employee NDA.¹⁸² Thus, even in these jurisdictions, there can be no certainty of the availability of the privilege to the former employee. In addition, due to the enforceability of contracts by injunction, it is not clear that the former employee's immunity from damages for breach via the litigation privilege will necessarily undermine a claim for intentional interference against a lawyer arising out of disclosures clearly prohibited by the NDA.

In sum, there is some ability to predict that an NDA will be enforceable in some jurisdictions in some factual contexts. What is less possible, however, is to predict that an NDA will not be enforceable, either because it involves an open legal question in some jurisdictions, because it depends upon facts the lawyer cannot have, or because it depends upon a balancing of interests a lawyer cannot predict. Thus, while there are some circumstances in which the lawyer's tort liability for intentional interference will depend entirely upon the tort law issues previously explored¹⁸³, because there will be a breach of an enforceable contract, there are many cases in which uncertainty about the enforceability and/or breach of the NDA will simply add an additional layer of uncertainty to the already complicated tort analysis.

III. IS IT UNETHICAL?

So far we have seen that a lawyer who obtained information from a former employee with an NDA could be liable in tort for intentional interference, but we have also seen that, with the right facts and in jurisdictions with favorable law, liability might be avoided. We have also seen that, in many cases, regardless of jurisdiction, it would be difficult to predict whether such liability would or would not attach. In light of these findings, we can now consider whether any such intentional interference with contract falls within Model Rule 4.4's prohibition against using "methods of obtaining evidence that violate the

182. In *Unarco Material Handling, Inc. v. Liberato*, 317 S.W.3d 227, 238 (Tenn. Ct. App. 2010), which did involve breach of an NDA, privilege was found to apply to the tortious interference claim against the attorney. However, since the grant of summary judgment on the breach of NDA claim against the employee was not appealed, it is not clear if privilege was ever asserted for the employee. *Id.*

183. See Strassberg, *supra* note 4.

legal rights of . . . [a third] person.”¹⁸⁴ First, we shall consider how judges faced with disqualification motions based on claims that such conduct is unethical have responded. In the absence of any disciplinary opinions considering intentional interference with contract as a possible violation of Model Rule 4.4, we shall then consider whether Model Rule 4.4 *should* be interpreted to cover such lawyer conduct.

A. Disqualification Cases

Most disqualification cases involving lawyer contact with former employees involve the possibility that attorney-client privileged, work product, or trade secret information was received through ex parte contact.¹⁸⁵ There are only a few disqualification cases in which the ethical violation involved the receipt of other kinds of information whose protection came entirely from an NDA.¹⁸⁶ None of them directly address intentional interference with contract as a violation of Model Rule 4.4.

184. MODEL RULES OF PROF'L CONDUCT R. 4.4(a) (2009).

185. *E.g.*, *Rentclub, Inc. v. Transamerica Rental Fin. Corp.*, 811 F. Supp. 651, 654 (M.D. Fla. 1992) (disqualifying lawyer when information known to former employee included information relating to “strategies, theories and mental impressions in this and/or substantially related litigation”); *MMR/Wallace Power & Indus., Inc. v. Thames Assocs.*, 764 F. Supp. 712, 725, 728 (D. Conn. 1991) (disqualifying lawyer when former employee had worked for employer as a trial consultant or paralegal on the same litigation); *Am. Prot. Ins. Co. v. MGM Grand Hotel*, Nos. LV-82-26 HEC, LV-82-96 HEC, 1983 WL 25286, at *1 (D. Nev. Dec. 8, 1983) (disqualifying lawyer when former employee had been a vice president of the opposing party and then a paid consultant for the same litigation, and the court found both that “his advice, suggestions and counsel in this litigation was of great importance to MGM” and “[h]e also was fully privy to MGM’s confidence”).

186. *E.g.*, *Kitchen v. Aristech Chem.*, 769 F. Supp. 254 (S.D. Ohio 1991) (finding the only ethical violation for ex parte conversation with defendant’s former environmental engineer was if engineer’s access to work product and privileged communications of defendant made him a party not to be communicated with without the consent of defendant’s counsel); *In re Bell Helicopter Textron, Inc.*, 87 S.W.3d 139 (Tex. Ct. App. 2002) (finding disqualification appropriate when law firm hired helicopter manufacturer’s former Chief of Flight Safety as expert consultant on helicopter crash case because she had previously worked with manufacturer’s counsel on legal strategy in other crash suits); *see also In re Data Gen. Corp. Antitrust Litig.*, 5 Fed. R. Serv. 3d 510, 1986 U.S. Dist. LEXIS 21923, at *7–9 (N.D. Cal. 1986) (refusing to lift a protective order to allow employees with attorney-client privileged information *and* knowledge of trade secrets covered by NDAs to be hired as experts against their former employer and also noting that no one had challenged the validity of the NDAs in this case). *But see Becker, supra* note 8, at 981–83 (suggesting that ethical protections for client confidences and attorney-client privilege, legal protections for trade secrets and proprietary information, and civil procedure protections for privileged information “portend legitimacy for private confidentiality agreements between former employees and employers” and could provide a basis for litigation sanctions, and further suggesting that *Kitchen*, 769 F. Supp. 254, supported this view).

One close case is *Butler v. Biocore Medical Technologies Inc.*,¹⁸⁷ where the Tenth Circuit upheld the district court's finding that a lawyer created an "appearance of impropriety"¹⁸⁸ by hiring a former employee of the opposing party to assist with litigation against her former employer.¹⁸⁹ The former employee had worked extensively with the employer's commercial confidential information and had signed a confidentiality agreement presumably covering such information.¹⁹⁰ The district court stated that, rather than hiring a former employee to gain information about an opposing party, "an attorney should use the discovery process."¹⁹¹ However, since the former employee in this case had no access to privileged confidential information that would "have tainted the underlying trial," the district court refused to disqualify the lawyer.¹⁹² This led the reprimanded attorney to appeal, claiming that the absence of privileged information justifying disqualification meant that there was also no ethical violation.¹⁹³ The appellate court affirmed the district court's finding of an ethical violation, citing at least one other case in which an ethical violation was found "based upon inducements to breach confidentiality agreements independent of any privileged information regarding litigation."¹⁹⁴ Thus, although neither Model Rule 4.4 nor intentional interference with contract was discussed in the opinion,¹⁹⁵ *Butler* would seem to suggest that it is unethical for a lawyer to induce a breach of a confidentiality contract covering commercial information.

However, the persuasiveness of this holding is somewhat undermined because the only case cited in *Butler* to support the importance

187. 348 F.3d 1163 (10th Cir. 2003).

188. *Id.* at 1170 (quoting KAN. SUP. CT. R. 225, Canon 9 (1987) ("A lawyer should avoid even the appearance of impropriety."), *superseded by* KAN. SUP. CT. R. 226.

189. *Id.* at 1172.

190. *Id.* at 1170. The district court summarily concluded that the confidentiality agreement covered various kinds of information relevant to the litigation, and neither the Tenth Circuit or the district court appeared to consider the precise language of the agreement in relation to the litigation relevant information she had access to. *See Biocore Med. Techs., Inc. v. Khosrowshahi*, 181 F.R.D. 660, 673 (D. Kan. 1998).

191. *Biocore*, 181 F.R.D. at 673.

192. *Id.* at 674; *see, e.g., Camden v. Maryland*, 910 F. Supp. 1115, 1123–24 (D. Md. 1996) (disqualifying attorneys because access to privileged and work-product information is prejudicial to the other side and undermines the privilege itself); *MMR/Wallace Power & Indus., Inc. v. Thames Assocs.*, 764 F. Supp. 712, 727 (D. Conn. 1991) ("[G]iving Thames unrestricted access to plaintiff's trial strategies and tactics . . . [could] have a devastating effect on the outcome of the litigation.")

193. *Butler*, 348 F.3d at 1171–72.

194. *Id.* at 1171, citing *Rentclub, Inc. v. Transamerican Rental Finance Corp.*, 811 F. Supp. 651, 655 (M.D. Fla. 1992).

195. This may have been because the evidence failed to show definitively that the former employee had actually disclosed any confidential information to the lawyer in breach of her contract. *See Biocore*, 181 F.R.D. at 673 (noting that the former employee was ostensibly hired only to organize a chaotic document production).

of the confidentiality agreement is *Rentclub, Inc. v. Transamerican Rental Finance Corp.*¹⁹⁶ In *Rentclub*, the facts failed to show that any confidentiality agreement was signed by the former employee¹⁹⁷ and did show possible disclosure of work product information by the former employee.¹⁹⁸ The former employee, who had acted as the chief financial officer for the employer, was found to be privy to both work product information and business information that the *Rentclub* court described as “confidential and proprietary.”¹⁹⁹ While the inducement to disclose work product information in *Rentclub* was clearly unethical and on its own provided grounds for the disqualification,²⁰⁰ the significance of the disclosure of confidential commercial information is more problematic. The *Rentclub* court relied primarily on Model Rule 4.2 in finding the lawyer’s conduct with regard to obtaining this information to be unethical.²⁰¹ However, to reach this conclusion, the court relied on an interpretation of Model Rule 4.2 that has largely been rejected²⁰²—that former employees with managerial positions are represented parties under Model Rule 4.2 and cannot be contacted without the consent of employer’s counsel.²⁰³ Now that Model Rule 4.2 is understood not to treat former employees as represented by counsel, it cannot justify a conclusion that inducing former employees to disclose non-trade secret, confidential information is unethical.

Had there been an NDA in *Rentclub*, it might have been possible to ground the ethical violation on Model Rule 4.4, but it would require a careful analysis to make sure that the NDA was breached and enforceable, and also that tort liability would attach. Alternatively, Model Rule 4.4 might also make this conduct unethical if this jurisdiction would have found the employee to have an independent agency-based duty of confidentiality that could, as described above, reasonably cover confidential commercial information. Even this, however, would require a determination that the information in question was commercially valuable in a trade secret kind of way, rather than valuable simply because it was evidence of wrongdoing that could create financial liability. No such analysis was made by the *Rentclub* court, possibly because it had already found two other simple ethical violations,

196. 811 F. Supp. 651 (M.D. Fla. 1992).

197. *Id.* at 653–56 (detailing the facts of the former employee’s position and the confidential business information he was exposed to, but failing to state that he was subject to an NDA of any kind).

198. *Id.* at 654.

199. *Id.* at 655.

200. There was also another base for the finding of an ethical violation—the appearance that the former employee was paid for factual testimony rather than expert advice. *Id.*

201. *Id.* at 654.

202. *See infra*, notes 233–36 and accompanying text.

203. *Rentclub*, 811 F. Supp. at 658.

inducing work product disclosures and paying a fact witness, that were more than sufficient for disqualification.²⁰⁴

In *Butler*, of course, there was a confidentiality agreement that could have created a duty not to disclose. As this Article has shown, a determination that disclosure of business information in the context of an NDA is both a breach by the employee and tortiously induced by the lawyer requires considerable analysis, and the result is by no means certain. Because the *Butler* court made no reference to intentional interference with contract as the basis of the ethical violation, it also failed to undertake the analysis necessary to determine whether the lawyer's conduct was wrongful. For example, there was no consideration of the validity and scope of the confidentiality agreement, nor was there evidence that the lawyer either knew that the former employee was subject to a confidentiality agreement or had any reason to suspect the possibility of such an agreement. As a result, the legal duty that serves as the foundation for the ethical violation was not established.

But there was one fact in *Butler*, shared with all the other cases cited by the court, including *Rentclub*, that could have helped show tortious inducement by the lawyer if all the other elements had also been met: the former employee was hired by the lawyer to assist in litigation against the former employer.²⁰⁵ The district court prominently included this as one of the facts contributing to the ethical violation.²⁰⁶ However, we have presumed for purposes of this Article that the former employee's conversations with the lawyer will not involve monetary inducement or an employment relationship. Thus, to the extent the result in *Butler* depends primarily upon the fact that the lawyer *hired* the former employee, it fails to address whether otherwise inducing a breach of a confidentiality agreement would have been found to be unethical.

A closer case may be *In re: EXDS, Inc. v. Devcon Construction, Inc.*,²⁰⁷ in which the lawyer obtained, merely from conversation, confidential commercial (but no attorney-client privileged or trade secret) information from a former employee with a confidentiality agreement.²⁰⁸ After engaging in the kind of searching analysis this Article suggests is necessary to determine the wrongfulness of such conduct, the court concluded that there was no improper conduct by counsel

204. *Id.* at 655.

205. *Butler*, 348 F.3d at 1170; *see supra*, note 185 and the cases cited therein.

206. *Khosrowshahi*, 181 F.R.D. at 673 ("An attorney violates Canon 9 when he hires a witness who has been exposed to substantial confidential information, to assist in litigation against a former employer.")

207. No. C05-0787 PVT, 2005 WL 2043020 (N.D. Cal. Aug. 24, 2005).

208. *Id.* at *1.

that could be a basis for disqualification.²⁰⁹ It began by noting that “[n]ot all information a business may consider confidential qualifies as confidential with respect to those who are not signatories to a confidentiality agreement.”²¹⁰ The court’s careful analysis of the claimed “confidentiality” of the information first revealed that there was a question as to whether EXDS, Inc. still possessed the right to enforce the confidentiality agreement after having sold virtually all of its assets in bankruptcy.²¹¹ Furthermore, the court looked carefully at the information in question to evaluate in what sense it could be viewed as confidential and therefore protected under the agreement.²¹² Since EXDS did not appear to actually treat the information as confidential,²¹³ it was difficult for them to establish the required elements for possible legal protection discussed above—both actual secrecy and reasonable attempts to maintain such secrecy.²¹⁴

In addition, the *EXDS* court also took seriously the legal requirement that information should have commercial value derived from its secret or relatively secret status in order to gain legal protection as confidential.²¹⁵ The information at issue in *EXDS* failed in this respect, as the court could not see any commercial advantage the employer could gain from such information given its unusual post-bankruptcy position of merely distributing the assets of the bankrupt estate and pursuing claims against third parties.²¹⁶ Furthermore, the court noted that information that might be protected in a commercial context would not be protectable in the context of litigation in which such information was relevant.²¹⁷ This echoes our earlier discussion of the potential unenforceability of confidentiality agreements that restrict access to relevant information in litigation. Finally, the court pointed out that, when only disclosure of “non-privileged, but commercially confidential, information”²¹⁸ is at issue, it was not clear how

209. *Id.* at *10 (“Because EXDS has not shown Defense counsel engaged in any improper conduct, nor that they obtained any confidential or privileged information from Fetzer, none of the ‘remedial’ relief requested by EXDS is warranted.”).

210. *Id.* at *5 n.11.

211. *Id.* at *5 n.10.

212. *Id.* at *5.

213. *Id.* (noting that much of the information disclosed was then freely disclosed again by EXDS in court filings with no attempt to seal the record).

214. *See supra* subsection II.B.1.

215. *EXDS*, 2005 WL 2043020, at *6.

216. *Id.* at *1, *6.

217. *Id.* at *6 (“In the litigation context, absent a privilege, the law allows a company’s opponent to obtain discovery of relevant information, regardless of whether it discloses the company’s proprietary or trade secret information (though upon a showing of good cause courts will enter protective orders to preclude the company’s competitors from obtaining and using the information for business purposes).”).

218. *Id.* at *4 n.8.

there is any threat to the integrity of the judicial process that might justify disqualification.²¹⁹

This limited case law suggests that as long as the former employee is not hired by our lawyer, there is a greater likelihood that a court considering disqualification will focus on the breach of the NDA as a critical element in determining the presence or absence of unethical conduct. A careful analysis of the scope and enforceability of the NDA may in many cases be sufficient to reveal that no ethical wrongdoing is present. As a result, no case appears to have found it necessary to go on to consider the possible interference liability of a lawyer and whether this is covered by Model Rule 4.4.

B. Should Intentional Contract Interference be Understood to Violate Model Rule 4.4?

It is not surprising that there do not seem to be any ethics rulings considering intentional interference with contracts in general, or NDAs in particular, as an unethical method of obtaining evidence. Model Rule 4.4 as a basis for disqualification is useful to lawyers; therefore it is invoked in this context. Disciplinary proceedings against opposing lawyers, on the other hand, make lawyers uncomfortable and have little or no strategic value. Thus, lawyers have had little incentive to bring this issue to disciplinary authorities. Furthermore, while the complexity of the issues involved here suggest that asserting such a violation of Model Rule 4.4 would not necessarily be frivolous as a basis for a motion to disqualify, it also suggests that the underlying liability is too uncertain to provide the “knowledge” of a rule violation necessary to trigger mandatory misconduct reporting by another lawyer under Model Rule 8.3.²²⁰ Indeed, many lawyers might also wonder if this conduct, a mere conversation that happens to produce a breach of contract, raises “a substantial question as to that lawyer’s honesty, trustworthiness or fitness as a lawyer in other respects.”²²¹

If we have no information about how such disciplinary complaints have in fact been treated, we can ask how they should be treated. Should lawyers, in the exercise of professional self-governance, choose to interpret Model Rule 4.4 to include intentional interference liability

219. *Id.* (stating that disqualification would only be appropriate “if the facts supported a finding that the integrity of the judicial process had been injured”); *see also* *Kitchen v. Aristech Chem.*, 769 F.Supp. 254, 258–59 (S.D. Ohio 1991) (finding that former employee’s possible violation of a confidentiality agreement through contact with plaintiff’s attorney had no relevance to either “opposing party’s interest in a trial free from prejudice due to disclosures of confidential information . . . or the public’s interest in the scrupulous administration of justice”).

220. MODEL RULES OF PROF’L CONDUCT R. 8.3(a) (2009)

221. *Id.*

as a “method[] of obtaining evidence that violate[s] the legal rights of . . . a [third] person.”²²² We can begin by considering the legislative history of this clause of Model Rule 4.4. The prohibition on the “use of methods of obtaining evidence that violate the rights of . . . a [third] person” was part of the Kutak Commission’s recommendation for the original version of the *Model Rules* adopted to replace the *Model Code of Professional Responsibility*.²²³ Unlike the other section of proposed Model Rule 4.4, which addressed use of “means that have no substantial purpose other than to embarrass, delay, or burden a third person,”²²⁴ the “methods of obtaining evidence” language was given no cited counterpart in the *Model Code*.²²⁵ At least in its specific reference to gathering evidence, this was, therefore, a novel prohibition.²²⁶ The only explanation offered for “the specific reference to methods of obtaining evidence was its relation to the lawyer’s responsibility as an officer of the court.”²²⁷ As an integral part of court proceedings whose purpose is to enforce and maintain respect for the law, lawyers must ensure that their own conduct stays within legal bounds. Not only does due process require that only legal means be used in litigation, but public respect for courts and the law itself depends upon limiting lawyer conduct in this way.

While it is not hard to see how this purpose can be accomplished by prohibiting criminal means of obtaining evidence, means that violate civil statutes, and means involving torts like trespass or conversion, we may well ask whether prohibiting intentional interference with contracts is also necessary to achieve this purpose. Stealing evidence is a method that is wrong in itself, as is trespass or conversion. Violation of a civil statute in this context would probably involve obtaining statutorily protected information without the specified authorization. This would likely mean that the lawyer engaged in some deception or fraud to appear authorized under the statute.²²⁸ On the other hand,

222. *Id.* R. 4.4.

223. CTR. FOR PROF’L RESPONSIBILITY, AM. BAR ASS’N, A LEGISLATIVE HISTORY: THE DEVELOPMENT OF THE ABA MODEL RULES OF PROFESSIONAL CONDUCT, 1982–2005, at 553 (2006) [hereinafter ABA, A LEGISLATIVE HISTORY].

224. *Id.* at 554.

225. *Id.* at 555 (citing corresponding *Model Code* provisions that refer only to harassing conduct).

226. However, use of methods of obtaining evidence that violate the rights of third parties would, for the most part, have already come within the general prohibition of Model Code DR 7-102(8), which prohibits a lawyer from “[k]nowingly engaging in other illegal conduct” in the “representation of a client.” MODEL CODE OF PROF’L RESPONSIBILITY DR 7-102(A)(8) (2009).

227. ABA, A LEGISLATIVE HISTORY, *supra* note 223, at 554.

228. *E.g.*, *In re Disciplinary Proceedings Against Michael B. Sandy*, 546 N.W.2d 876, 878 (Wis. 1996) (discussing an attorney who obtained complaining minor’s confidential court file to defend his criminal client, alleged to have sexually assaulted the minor, by misrepresenting himself as minor’s attorney); *see supra* note 17 and the cases cited therein.

it is difficult to see how public respect for lawyers, the courts or the law would be negatively affected by allowing lawyers to do something which looks on its face exactly like what lawyers always do—ask people questions—with the only difference being the presence of an invisible contract. The conduct in question has no facial appearance of illegality or lack of respect for the law. Indeed, the ordinariness of the conduct involved, mere conversation, might itself suggest that this was not what the Commission had in mind when it prohibited “methods of obtaining evidence that violate legal right[s].”²²⁹ In fact, we have seen that, in some states, such an informal conversation with a lawyer will be protected by litigation privilege from all tort liability, including intentional interference. It seems unlikely that conduct could simultaneously be reasonably understood as privileged, yet found inconsistent with a lawyer’s role as officer of the court.

In addition, given the importance of informal fact investigation to effective client representation,²³⁰ it ought not be constrained by employer decisions to unilaterally impose NDAs on employees at the point of hiring or firing.

Indeed, the importance of informal investigation of former employees has already had an impact on our understanding of what is and is not ethical under the *Model Rules*. The Model Rule 4.2²³¹ prohibition of ex parte contact with represented persons was initially interpreted by some courts to forbid ex parte contacts with former as well as current employees of a represented employer.²³² However, noting the “inhibit[ing] effect of such an interpretation on] the acquisition of information about one’s case,”²³³ the ABA refused to interpret Model Rule 4.2 so broadly. Through both its formal opinion process,²³⁴ and later

229. MODEL RULES OF PROF'L CONDUCT R. 4.4 (2009).

230. *E.g.*, *Int'l Bus. Mach. Corp. v. Edelstein*, 526 F.2d 37, 42 (2d Cir. 1975) (stating that restrictions on informal ex-parte interviewing of witnesses “not only impair the constitutional right to effective assistance of counsel but are contrary to time-honored and decision-honored principles, namely, that counsel for all parties have a right to interview an adverse party’s witnesses (the witness willing) in private, without the presence or consent of opposing counsel and without a transcript being made”); *Bryant v. Yorktowne Cabinetry, Inc.*, 538 F. Supp. 2d 948, 953 (W.D. Va 2008) (“[R]equiring discovery of former employees only through formal means will needlessly raise the cost of litigating”); *Terra Int'l, Inc. v. Miss. Chem. Corp.*, 913 F. Supp. 1306, 1314 (N.D. Iowa 1996) (“Requiring formal discovery methods rather than informal *ex parte* contacts as the only means of obtaining information would have a deleterious effect on the time and expense necessary to pursue litigation.”).

231. MODEL RULES OF PROF'L CONDUCT R. 4.2 (2009).

232. *See* ABA Comm. on Ethics and Prof'l Responsibility, Formal Op. 91-359 (1991) [hereinafter Formal Op. 91-359] (discussing contact with former employee of adverse corporate party and collecting cases holding that former employees were covered by Model Rule 4.2).

233. *Id.*

234. *Id.*

in an addition to the comments to Model Rule 4.2,²³⁵ the ABA has made clear that *ex parte* contacts with former employees are not off-limits. Most jurisdictions adopting the *Model Rules* have also followed this ABA interpretation,²³⁶ recognizing the importance of the fact finding it makes possible. The only concern expressed by the ABA was that such *ex parte* contacts not be used to obtain attorney-client privileged information from former employees and it referenced Model Rule 4.4 as prohibiting this.²³⁷ To the extent that protection of privileged information is an additional target of the “methods of obtaining evidence” section of Model Rule 4.4, it is not furthered by making intentional interference with contract liability an ethical violation.

Similar concerns about the prejudice to employer litigants of *ex parte* disclosure of work product and trade secret information have led to court-imposed prohibitions on possible attempts to obtain work product and trade secret information outside of formal discovery, where access can either be limited as required by law or protected as needed.²³⁸ However, the absence of any such prejudice from the *ex parte* disclosure of information that is neither attorney-client privileged, work product, or trade secret provides an additional basis for excluding intentional interference from Model Rule 4.4. There can be no limit during formal discovery to access to non-privileged, non-work product, and non-trade secret information, even when an NDA covers

235. MODEL RULES OF PROF'L CONDUCT R. 4.2 cmt. 7 (2009) (“Consent of the organization’s lawyer is not required for communication with a former constituent.”).

236. See DENNIS P. DUFFY, SELECTED ETHICS AND PROFESSIONALISM ISSUES IN LABOR AND EMPLOYMENT LAW CASES, SM027 ALI-ABA 797, 904 n.147 (2006) (collecting thirty-six cases finding *ex parte* contact with former employees permissible).

237. Formal Op. 91-359, *supra* note 232 (“With respect to *any* unrepresented former employee, of course, the potentially-communicating adversary attorney must be careful not to seek to induce the former employee to violate the privilege attaching to attorney-client communications to the extent his or her communications as a former employee with his or her former employer’s counsel are protected by the privilege (a privilege not belonging to or for the benefit of the former employee, by the former employer). Such an attempt could violate Rule 4.4.”).

238. See *supra* note 160 and the cases cited therein (providing protection for work product and trade secret information outside of formal discovery); see also *In re EXDS, Inc. v. Devcon Constr., Inc.* No. C05-0787 PVT, 2005 WL 2043020, at *4 (N.D. Cal. Aug. 24, 2005) (“While the court is unaware of any case in which a court *disqualified* counsel based on counsel having obtained non-privileged, but commercially confidential, information from an opposing party’s former employee, such a result *might* be appropriate if the facts supported a finding that the integrity of the judicial process had been injured.”); *In re Data Gen. Corp. Antitrust Litig.*, 5 Fed. R. Serv. 3d 510, 1986 U.S. Dist. LEXIS 21923, at *4-5 (N.D. Cal. 1986) (noting that defendant was “not free, however, to raid plaintiffs’ roster of former employees where those employees, during their tenure, have become privy to matters protected by the attorney-client or work-product privilege or which are subject to employee agreements protecting Fairchild’s trade secrets”).

such information.²³⁹ If subsequent access to such information creates no prejudice, then there is also no possible prejudice arising out of earlier access to this information through informal investigation.²⁴⁰ This lack of any taint on the trial is precisely why no court has been willing to actually disqualify a lawyer for obtaining such information in advance of discovery.²⁴¹

Of course, disqualification and ethical violation are not co-extensive.²⁴² Often this is because a court considering disqualification will factor in the hardship to the client of losing their lawyer in the litigation,²⁴³ despite the fact that any such hardship is ethically irrelevant.²⁴⁴ However, the reason there was no disqualification in *Butler* was not because of concerns about the hardship to the client. Rather, the focus was on the presence or absence of taint to the trial.²⁴⁵ Conduct that taints a trial is certainly an ethical concern as well, but ab-

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239. *E.g.*, *Kenneth Hoffman v. Sbarra, Inc.*, No. 97CIV 4484(SS), 1997 WL 736703, at *1 (S.D.N.Y. Nov. 26, 1997) (“To the extent that the [non-disclosure] agreement might be construed as requiring an employee to withhold evidence . . . designed to enforce federal statutory rights, it is void.”); *Nestor v. Posner-Gerstenhaber*, 857 So. 2d 953, 955 (Fla. Dist. Ct. App. 2003) (holding that confidentiality agreements “cannot be used to adversely interfere with the ability of nonparties to pursue discovery in support of their case”); *see also* *Smith v. Superior Court*, 49 Cal. Rptr. 2d 20, 26 (Cal. Ct. App. 1996) (noting that “[a]greements to suppress evidence have long been held void as against public policy, both in California and in most common law jurisdictions” in refusing to give effect to a Michigan injunction barring a former employee expert witness who had entered into a settlement agreement agreeing not to voluntarily disclose employer trade secrets or testify as any kind of witness (quoting *Williamson v. Superior Court*, 21 Cal. 3d 829, 836–37 (1978))).
240. *Nestor*, 857 So. 2d at 955 (noting that confidentiality agreements cannot block “informal ex parte interviews with former employees”).
241. *E.g.*, *Barron Builders & Mgmt. Co. v. J & A Air Conditioning & Refrigeration, Inc.*, No. CIV. A. 96-2921, 1997 WL 685352, at *4 (E.D. La. Oct. 31, 1997) (finding “no impermissible *ex parte* communication” when attorneys obtained information that was neither “proprietary” nor attorney-client privileged from former employee); *Davidson Supply Co. v. P.P.E. Inc.*, 986 F. Supp. 956, 959 (D. Md. 1997) (denying a motion to disqualify counsel for ex parte contact with a former employee who provided evidence of the employer’s conduct violating federal statutes that did not involve either trade secrets or attorney-client privileged information); *see also supra* section II.A (discussing *Butler* and *EXDS*).
242. *E.g.*, *Butler v. Biocore Med. Techs., Inc.*, 348 F.3d 1163, 1170 (10th Cir. 2003) (finding an appearance of impropriety despite lack of taint necessary for disqualification).
243. *Meat Price Investigators Ass’n v. Spencer Foods, Inc.*, 572 F.2d 163, 165 (8th Cir. 1978) (“In determining whether an attorney should be disqualified . . . three competing interests must be balanced: (1) the client’s interest in being represented by counsel of its choice; (2) the opposing party’s interest in a trial free from prejudice due to disclosures of confidential information; and (3) the public’s interest in the scrupulous administration of justice.”).
244. Thus, a conflict of interest, which is clearly unethical, will not necessarily result in disqualification, if the hardship to the client outweighs the prejudice.
245. *Biocore Med. Techs., Inc. v. Khosrowshahi*, 181 F.R.D. 660, 674 (D. Kan. 1998).

sent such taint, our only ethical concern must be to avoid any inherent illegality in the obtaining of the evidence that displays disrespect for the law. Therefore, it is only the “officer of the court” justification that can be relevant to the ethical legitimacy or illegitimacy of inducing a breach of an NDA to obtain information that will be freely discoverable in formal discovery.

However, intentional interference with such contracts fails to display blatant disrespect for the law. In part, this is the case because we have difficulty determining whether this conduct is even tortious. As this Article has shown,²⁴⁶ the inchoate nature of this tort, the uniqueness of lawyer interference relative to existing case law, the variability of standards of knowledge and litigation privilege across jurisdictions, and the problematic enforceability of the contracts in question all combine to create a legal rabbit hole from which it is difficult to emerge with a clear sense of underlying tort liability. This in turn creates uncertainty about the ethics of such conduct. However, as one court has stated with regard to ethical prohibitions, “[l]awyers need to know where the electrified third rail lies.”²⁴⁷

A similar uncertainty caused the ABA to change its position on the ethics of another method of obtaining evidence: the secret recording of telephone calls. Initially, in 1974, the ABA found this to be an unethical practice²⁴⁸ because it was deceptive.²⁴⁹ At that time, the legal status of such recording was less clear, with state, federal and regulatory law in some conflict.²⁵⁰ The initial conclusion of the ABA was that even if the conduct was legal, it could well be unethical.²⁵¹ Twenty-seven years later, most states had legalized the practice, and more people were engaging in it.²⁵² It had also become clear that secret recordings were a “legitimate and necessary activity”²⁵³ in a number of civil and criminal law enforcement contexts. As a result, it began to

246. *See generally* Strassberg, *supra* note 4.

247. *Bryant v. Yorktown Cabinetry, Inc.*, 538 F. Supp. 2d 948, 953 (W.D. Va. 2008) (discussing lawyers’ need for “clear guidance” on ethical matters in general in light of a lack of consensus on whether former employees could be contacted *ex parte*).

248. ABA Comm. on Ethics & Prof'l Responsibility, Formal Op. 337 (1974) (stating that recording of conversations without the knowledge of all parties is unethical, except perhaps as done by law enforcement officials).

249. *Id.*

250. *Id.* at n1 (detailing state laws, federal law and FCC regulations applicable to secret recordings).

251. *Id.*

252. ABA Comm. on Ethics & Prof'l Responsibility, Formal Op. 01-422 (2001) (deciding that the variable legality of non-consensual recordings across the states, disagreements about the deceptiveness of such recordings, and the importance of such recordings in many circumstances required the ABA to rescind its blanket prohibition on such calls except where it is a clear criminal offense or otherwise violates an ethical rule).

253. *Id.*

seem less and less deceptive to engage in this conduct.²⁵⁴ In many states, ethics opinions concluded that such recording was not unethical, either in general or in specified situations.²⁵⁵ In lifting its blanket prohibition on such recording, the ABA stated, “[a] degree of uncertainty is common in the application of rules of ethics, but an ethical prohibition that is qualified by so many varying exceptions and such frequent disagreement as to the viability of the rule as a basis for professional discipline, is highly troubling.”²⁵⁶

So, in 2001, the ABA had to decide whether, now in the face of clear legality, the practice of secret recording was still deceptive, and therefore, unethical. It was the disagreement about the deceptiveness of the conduct that was the problem. In the face of this uncertainty, and the evidentiary value of secret recordings, the ABA concluded that the practice, if legal, was not unethical.²⁵⁷

In the case of intentional interference, as is still the case with secret recordings, it may be illegal in some jurisdictions and not in others. However, unlike secret recordings, there may be no reasonable way to determine which jurisdictions would definitely make it a tort. So the uncertainty lies in the issue of illegality. Aside from its possible status as a tort, there is no other way this conduct can be seen as wrongful under the *Model Rules*, as there need not be any deception or other wrongful conduct involved. In two important ways, therefore, the situation of intentional interference in all jurisdictions can be compared to the situation of secret recordings in 2001 in the jurisdictions in which it was legal. First, there is only one possible basis for finding the conduct unethical (tort liability) and that is subject to a very high degree of uncertainty and disagreement. This is inconsistent with a significant purpose of the movement from the *Canons of Professional Ethics* and the *Model Code of Professional Responsibility* to the *Model Rules*, which was to produce more—rather than less—certainty, especially about ethical prohibitions.²⁵⁸ Second, there is a great deal of law/rights enforcement value in being able to freely question former employees about non-privileged, non-work product, and non-trade secret information. Therefore, since the ABA concluded that legal secret recording was not unethical because of both the evidentiary value of the practice and uncertainty about its wrongfulness, it also makes sense to exclude intentional interference with contract from the

254. *Id.* (“[I]t is questionable whether anyone today justifiably relies on an expectation that a conversation is not being recorded by the other party . . .”).

255. *Id.*

256. *Id.*

257. *Id.*

258. Irma S. Russell, *The Evolving Regulation of the Legal Profession: The Costs of Indeterminacy and Certainty*, 2008 *Journal of Professional Lawyer* 137, 1 available at <http://ssrn.com/abstract=1357609> (noting that the rules “emphasize[] clear notice and due process”).

“methods of obtaining evidence” intended to be included in Model Rule 4.4.

If this were done, it would mean that even in a jurisdiction in which a lawyer would be liable for such intentional interference, it would not be unethical for that lawyer to engage in this conduct. Given our usual practice of “piggy-backing” ethics on the law, this would be an unusual result, and we would lose the warning function of the ethical rules regarding potential legal liability.²⁵⁹ However, piggy-backing ethics on the law allows courts, juries, and legislators—rather than lawyers—to define the ethical contours of legal practice. While this may not be a problem most of the time, it may be important for lawyers to be more active in defining their role in situations in which there is not clear agreement. If we believe informal fact investigation ought not to be constrained by employers trying to hide wrongdoing, if the litigation privilege ought to cover this tort, then we can take a position on this through our ethics rules. This may in turn have an effect on the legal analysis of such conduct; in particular, whether the interference in question is “improper.” Thus, we can attempt to shape the law as it develops in this area, rather than simply wait for each jurisdiction to take up the question.

Finally, even if intentional interference with contract were not clearly excluded from Model Rule 4.4, we could more directly deal with the chilling effect of disqualification or threats of disqualification for this conduct. If, as a matter of law, it were clear that disqualification is not available for intentional interference with contract that does not seek privileged, work product, or irrelevant trade secret information due to the lack of prejudice, then the strategic use of NDAs for motions to disqualify would be largely eliminated. Alternatively, if neither an ethical violation nor disqualification could be found in the absence of clear intentional interference liability in the jurisdiction in question,²⁶⁰ this would remove much of the strategic value of disqualification motions in this context by making them considerably more expensive to pursue and less likely to succeed. However, this assumes that there will continue to be no legal clarification of the application of

259. *But see id.* at 20 (arguing that when to achieve certainty, the *Model Rules* provide clear ethical permission in the face of uncertain common law legal liability, lawyers not only run the risk of liability, but also lose sight of the normative considerations that are developed in the common law). However, in this case, the increased certainty in the *Model Rules* would be the result of taking a normative stand, thus the latter concern of Professor Russell would not be present.

260. *E.g., In re EXDS, Inc. v. Devcon Constr., Inc.* No. C05-0787 PVT, 2005 WL 2043020 (N.D. Cal. Aug. 24, 2005); *accord Tradewinds Airlines, Inc. v. Soros*, No. 08 Civ. 5901(JFK), 2009 WL 1321695, at *5 (S.D.N.Y. May 12, 2009) (noting in a case seeking disqualification due to the attorney’s violation of a confidential settlement agreement, that “the Second Circuit requires a high standard of proof on the part of the party seeking to disqualify an opposing party’s counsel” (quoting *Kubin v. Miller*, 801 F. Supp. 1101, 1113 (S.D.N.Y. 1992))).

the intentional interference tort to lawyers who “induce” breach of NDAs during informal fact investigation, due primarily to a lack of interest in pursuing such claims against lawyers. Should this change, however, the only way to have an impact on such legal liability is to make it clear that the legal profession does not find such conduct inconsistent with our role as officers of the court.