

SESSION LAWS

of the

STATE OF MINNESOTA

ENACTED BY THE SEVENTY-FIFTH LEGISLATURE

AT THE 1987 REGULAR SESSION

JANUARY 6, 1987 TO MAY 18, 1987

CHAPTER 1—H.F.No. 45

An act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1986, sections 325C.02; 325C.03; and 325C.07.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1986, section 325C.02, is amended to read:

325C.02 INJUNCTIVE RELIEF.

(a) Actual or threatened misappropriation may be enjoined. Upon application to the court, an injunction shall be terminated when the trade secret has ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.

(b) If the court determines that it would be unreasonable to prohibit future use in exceptional circumstances, an injunction may condition future use upon payment of ~~(1) an equitable a reasonable~~ royalty for no longer than the period of time the for which use could have been prohibited; ~~or (2) other compensation.~~ Exceptional circumstances include, but are not limited to, a material and prejudicial change of position prior to acquiring knowledge or reason to know of misappropriation that renders a prohibitive injunction inequitable.

(c) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1986, section 325C.03, is amended to read:

325C.03 DAMAGES.

(a) ~~In addition to or in lieu of injunctive relief, a complainant may recover damages for the actual loss caused by misappropriation. A complainant also may recover for the unjust enrichment caused by misappropriation that is not taken into account in computing damages for actual loss~~ Except to the extent that a material and prejudicial change of position prior to acquiring knowledge or reason to know of misappropriation renders a monetary recovery inequitable, a complainant is entitled to recover damages for misappropriation. Damages can include both the actual loss caused by misappropriation and the unjust enrichment caused by misappropriation that is not taken into account in computing actual loss. In lieu of damages measured by any other methods, the damages caused by misappropriation may be measured by imposition of liability for a reasonable royalty for a misappropriator's unauthorized disclosure or use of a trade secret.

(b) If willful and malicious misappropriation exists, the court may award exemplary damages in an amount ~~which the court deems just and equitable~~ not exceeding twice any award made under paragraph (a).

Sec. 3. Minnesota Statutes 1986, section 325C.07, is amended to read:

325C.07 EFFECT ON OTHER LAW.

(a) Except as provided in paragraph (b), sections 325C.01 to 325C.07 displace conflicting tort, restitutionary, and other law of this state pertaining to providing civil liability remedies for misappropriation of a trade secret.

(b) Sections 325C.01 to 325C.07 do not affect:

(1) ~~contractual or other civil liability remedies, whether or relief that is not based upon misappropriation of a trade secret; or~~

(2) ~~criminal liability for other civil remedies that are not based upon misappropriation of a trade secret; or~~

(3) criminal remedies, whether or not based upon misappropriation of a trade secret.

Approved February 20, 1987

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

CHAPTER 2—H.F.No. 34

An act relating to corporations; providing for modification of liability of directors; amending Minnesota Statutes 1986, sections 302A.111, subdivision 4; and 302A.251, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1986, section 302A.111, subdivision 4, is amended to read:

Subd. 4. **OPTIONAL PROVISIONS; SPECIFIC SUBJECTS.** The following provisions relating to the management of the business or the regulation of the affairs of a corporation may be included either in the articles or, except for naming members of the first board, fixing a greater than majority director or shareholder vote, or giving or prescribing the manner of giving voting rights to persons other than shareholders otherwise than pursuant to the articles, or eliminating or limiting a director's personal liability, in the bylaws:

(a) The members of the first board may be named in the articles (section 302A.201, subdivision 1);

(b) A manner for increasing or decreasing the number of directors may be provided (section 302A.203);

(c) Additional qualifications for directors may be imposed (section 302A.205);

(d) Directors may be classified (section 302A.213);

(e) The day or date, time, and place of board meetings may be fixed (section 302A.231, subdivision 1);

(f) Absent directors may be permitted to give written consent or opposition to a proposal (section 302A.233);

(g) A larger than majority vote may be required for board action (section 302A.237);

(h) Authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation other than the chief executive officer (section 302A.305, subdivision 2);

(i) Additional officers may be designated (section 302A.311);

(j) Additional powers, rights, duties, and responsibilities may be given to officers (section 302A.315);

(k) A method for filling vacant offices may be specified (section 302A.341, subdivision 3);

(l) A certain officer or agent may be authorized to sign share certificates (section 302A.417, subdivision 2);

Changes or additions are indicated by underline, deletions by ~~strikeout~~.