

Legislative History for Connecticut Act

HB 5448	PA 344	1983
House	2080-2088, 5007-5014 <small>Vol 26 p 6</small>	(17)
Senate	2643-2646, 2780-2781, <small>26</small> 3379-3382, 3420-3421	(12)
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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1983

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House of Representatives

Tuesday, April 19, 1983

SPEAKER STOLBERG:

Rep. John Zajac.

REP. ZAJAC: (83rd)

Mr. Speaker, so we don't end up on a serious note before we return to the Calendar, I'd like the Journal to note, and for Rep. Dyson's sake, that I once while I was in the service passed through Waco, Georgia, Rep. Dyson.

I went through so fast that I didn't see the name, Rep. Dyson. (Laughter)

SPEAKER STOLBERG:

Are there further announcements or points of personal privilege?

If not, would the Clerk please return to the call of the Calendar. Will members be seated.

CLERK:

Favorable Reports. Calendar page 2, Calendar No. 143, File No. 142, Substitute for House Bill No. 5448, AN ACT ADOPTING THE UNIFORM TRADE SECRETS ACT. Favorable Report of the Committee on Judiciary.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Richard Tulisano.

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REP. TULISANO: (29th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER STOLBERG:

Will you remark?

REP. TULISANO: (29th)

Yes, Mr. Speaker. The Clerk has an amendment, LCO 5841.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 5841, which will be designated House Amendment Schedule "A". Would the Clerk please call and read.

CLERK:

LCO No. 5841, designated House Amendment Schedule "A" offered by Rep. Groppo of the 63rd District.

In line 103, delete the word "The" and substitute the following in lieu thereof: "Unless otherwise agreed by the parties, the".

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

I move adoption of the amendment.

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SPEAKER STOLBERG:

Will you remark?

REP. TULISANO: (29th)

Yes, Mr. Speaker. The amendment, I think, is self-explanatory. What it attempts to do is allow commercial parties to contract between themselves limitations on their liability that is provided for under this act. This is based on a uniform trade secret law and I've read the comments to the section, and they would indicate that that was the intent of the Uniform Law Commissioners.

I move passage and adoption of the amendment.

SPEAKER STOLBERG:

Will you remark further on adoption of the amendment?

Will you remark further?

If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay.

The amendment is adopted and ruled technical.

Will you comment further on the bill?

REP. TULISANO: (29th)

Yes, Mr. Speaker. Mr. Speaker, what this legislation

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does is it replaces our common law to some extent by establishing a statutory remedy for misappropriation of a trade secret. It clarifies and expands the legal protections of commercial parties and commercial secrets.

This is designed to combat industrial espionage and conflicting claims over valuable intellectual property. As we presently have it right now, we also have a different definition in the Freedom of Information Act and for purposes of that act the definition has not been changed. Remedies available to an injured party under this bill, or damages for actual loss, caused by misappropriation and unjust and gain by the misappropriation.

Mr. Speaker, I think this is important legislation for a modern, technological society. We are less and less a manufacturing state and less and less a manufacturing society and more and more one engaged in high technology and trade secrets become more and more important. I think it is important to institute this stand, and I hope everyone will support it.

SPEAKER STOLBERG:

Will you remark further on the bill? Will you remark further on the bill?

REP. SCHMIDLE (106th)

Mr. Speaker.

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SPEAKER STOLBERG:

Rep. Mae Schmidle.

REP. SCHMIDLE: (106th)

Through you, sir, a question to Rep. Tulisano.

SPEAKER STOLBERG:

Please frame your question.

REP. SCHMIDLE: (106th)

I'm not sure I got everything that you had to say about this bill in relation to the Freedom of Information. What impact does it have on our current FOI Act?

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

None. That's an exception to this act. It leaves the existing definition in the Freedom of Information for those purposes the same. That's an exception to this act, so that one can still get the information under trade secrets. Certain documents are filed for private parties with agencies now, that still will be available to be obtained. However, if it is misappropriated, there might be a lawsuit against the individual who misappropriated it, selling and using it in their own business. They do

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it for their own health and care, then it's okay. We have not changed the FOI definition at all.

SPEAKER STOLBERG:

Will you remark further on the bill?

REP. SCHMIDLE: (106th)

Okay, thank you.

SPEAKER STOLBERG:

Rep. Schmidle, you have the floor.

REP. SCHMIDLE: (106th)

Another question, through you. Did I also hear you say that there are now going to be two different definitions of a trade secret? Through you, sir.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. For purposes of Freedom of Information, the definition of trade secret is somewhat narrower than that in this proposal. So, for that purpose, there is a different definition. Otherwise, this is the new trade secret definition, outside -- instead of the common law definition.

REP. SCHMIDLE: (106th)

Through you, sir. Is it possible to have conflict now that we're going to have two definitions?

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REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

I don't think there will be a conflict. What will happen is that individuals will get their information. If they misappropriate it, which is also provided for here, they still be subject to the damage provisions of this law. So, I don't think there's really a conflict.

The proposal and the amendments that were developed by the committee in consultation with all interested parties tries to mesh it together so that there would not be a conflict.

REP. SCHMIDLE: (106th)

Thank you.

SPEAKER STOLBERG:

Will you remark further on the bill? Will you remark further on the bill?

REP. KRAWIECKI: (78th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Krawiecki.

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REP. KRAWIECKI: (78th)

Very quickly, members of the House have heard other members wondering why there were so many negative votes in committee on this item. I think it should be pointed out on the floor that a good number of legislators voted no in committee to point out the importance of the bill, to draw your attention to the item that was being debated. In addition, there were individuals who were not going to support the bill out of fear that there would be no criminal penalties in this type of activity.

There is a second bill coming of the Judiciary Committee that would deal with those problems. I believe that the committee, as a whole, felt it was a good proposition and one that certainly should be adopted.

SPEAKER STOLBERG:

Will you remark further? If not, will members please be seated. Staff and guests, please come to the well of the House. The machine will be opened.

The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately. The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately.

Have all the members voted? Have all the members voted?

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If all the members have voted, the machine will be locked and the Clerk will take a tally.

Would the Clerk please announce the tally.

CLERK:

House Bill No. 5448, as amended by House Amendment Schedule "A".

Total number voting	139
Necessary for passage	70
Those voting yea	137
Those voting nay	2
Those absent and not voting	12

SPEAKER STOLBERG:

The bill is passed.

Would the Clerk please continue with the call of the Calendar.

CLERK:

Calendar No. 147, File No. 147, House Bill No. 6179,
AN ACT CONCERNING THE LENDING LIMITS OF STATE BANK AND
TRUST COMPANIES. Favorable Report of the Committee on
Banks.

REP. BALDUCCI: (27th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Richard Balducci.

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House of Representatives

Wednesday, May 18, 1983

CLERK:

Calendar Page 26, Potential Disagreeing Actions, Calendar No. 42, Files No. 32 and 479, House Bill No. 5540, AN ACT INCLUDING PART-TIME MUNICIPAL EMPLOYEES WITHIN COLLECTIVE BARGAINING, as amended by House Amendment Schedules "A" and "B" and Senate Amendment Schedule "A". Favorable Report of the Committee on Labor and Public Employees.

REP. MOYNIHAN: (10th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Moynihan.

REP. MOYNIHAN: (10th)

Mr. Speaker, I move that item be passed retaining its place in the Calendar.

SPEAKER STOLBERG:

The motion is to pass retain. Is there objection? Is there objection? Seeing no objection, the item is passed retaining its place.

CLERK:

Calendar Page 27, Calendar No. 143, Files No. 142 and 460, Substitute for House Bill No. 5448, AN ACT ADOPTING THE UNIFORM TRADE SECRETS ACT, as amended by House Amendment Schedule "A" and Senate Amendment

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House of Representatives Wednesday, May 18, 1983

Schedule "A". Favorable Report of the Committee on
Judiciary.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Richard Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, I move acceptance of the Joint
Committee's Favorable Report and passage of the bill.

SPEAKER STOLBERG:

Will you remark?

REP. TULISANO: (29th)

Yes, Mr. Speaker. The Clerk has an amendment,
LCO 4465, Senate "A".

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 4465, designated
Senate Amendment Schedule "A". Will the Clerk please
call and read.

CLERK:

LCO No. 4465, previously designated Senate
Amendment Schedule "A".

In line 110, delete the word "or".

In line 112, after the word "secret" and before
the period, insert the following: "; or (3) access to

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public records under section 1-19 of the general statutes and disclosure and release of information pursuant to section 31-40j to 31-40p inclusive or subsection (b) of sections 12-62 of the general statutes, or wherever expressly provided by law."

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, I move rejection of Senate "A".

SPEAKER STOLBERG:

Will you remark?

REP. TULISANO: (29th)

Mr. Speaker, the attempt of Senate "A" is to insure that this will not affect the duty of a person or state or municipal agency to disclose information required by the Freedom of Information Act. I'm not so sure it does that.

I think it does more than that. We're not quite sure what it does, but I understand what the Senate intended to do and we move for its rejection now and then propose another amendment which will clarify the issue.

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SPEAKER STOLBERG:

The motion is to reject Senate "A". Will you remark further? All those in favor of rejection of Senate "A" please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay.

Senate "A" is rejected.

Will you remark further?

REP. TULISANO: (29th)

Mr. Speaker, the Clerk has an amendment, LCO 6582.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 6582 which will be designated House Amendment Schedule "B". Will the Clerk please call and read.

CLERK:

LCO No. 6582, designated House Amendment Schedule "B", offered by Rep. Tulisano of the 29th District.

In line 110, delete the word "or".

In line 112, after the word "secret" and before the period, insert the words:

"; or (3) the duty of any person or state or

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municipal agency to disclose information pursuant to section 1-19, sections 31-40j to 31-40p, inclusive, or subsection (b) of section 12-62 of the general statutes, or wherever expressly provided by law."

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tulisano.

REP. TULISANO: (29th)

I move adoption of the amendment.

SPEAKER STOLBERG:

Will you remark?

REP. TULISANO: (29th)

Yes, Mr. Speaker. The amendment before us now makes it clear that if there's an obligation of either Freedom of Information or Worker's Right to Know, by either an individual, state or municipal agency, or some other law we might have missed, to disclose information, that they may do so, and this act will not affect their obligation to do so, so they might be subject to lawsuit, as example for misappropriation.

I move for its adoption.

SPEAKER STOLBERG:

Will you remark further on House Amendment Schedule "B"?

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Rep. Mae Schmidle.

REP. SCHMIDLE: (106th)

Mr. Speaker, through you, a question to Rep. Tulisano.

SPEAKER STOLBERG:

Please frame your question.

REP. SCHMIDLE: (106th)

Rep. Tulisano, I guess maybe just in some other words I'd like to hear you reaffirm again that this does not affect 1-19 of the Freedom of Information Act.

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER STOLBERG:

Do you so affirm?

REP. TULISANO: (29th)

I do so affirm, and this is an attempt to clarify that once more for the file copy. I think it went broader than that in the Senate. Well we don't know what they did in the Senate, and this makes it very clear that the State or an individual has the duty to disclose, and this act would not restrict them from doing so.

REP. SCHMIDLE: (106th)

Thank you, sir.

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SPEAKER STOLBERG:

Will you remark further on House "B"? Will you remark further? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay.

House "B" is adopted and ruled technical. Will you remark further on the bill?

REP. TULISANO: (29th)

Mr. Speaker, I move for passage of the bill as amended by House "A" and "B".

SPEAKER STOLBERG:

Will you remark further? If not, will members please be seated. Will staff and guests come to the well of the House. The machine will be opened.

Have all the members voted? Have all the members voted? If so, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally.

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CLERK:

House Bill 5448, as amended by House Amendment
Schedules "A" and "B".

Total number voting	147
Necessary for passage	74
Those voting yea	147
Those voting nay	0
Those absent and not voting	4

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Calendar No. 240, File No. 298, House Bill No.
7118, AN ACT CONCERNING REVOCATION OF LICENSURE OF PURCHASERS
OF PRECIOUS METALS AND STONES, as amended by Senate Amendment
Schedule "B". Favorable Report of the Committee on General
Law.

REP. MOYNIHAN: (10th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Moynihan.

REP. MOYNIHAN: (10th)

Mr. Speaker, I move that this item be recommitted
to the Committee on General Law.

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THE CHAIR:

You can rest assured.

SENATOR MATTHEWS:

Thank you, Mr. President.

THE CHAIR:

The question before the Chamber is a motion of Wilber Smith, Senator Wilber Smith, a motion for rejection of the committee's Unfavorable Report. To put it another way, he's asking for overturning of the Unfavorable Report. If you wish to vote for rejection of the Unfavorable Report you vote yea. Contrary-minded, no. The machine is open. Please record your vote. Has everyone voted? Machine is closed. Clerk, please tally the vote. The result of the vote, 18 yea, 18 nay. The motion is defeated.

THE CLERK:

On page 2, under the heading Favorable Reports, Calendar No. 323, File Nos. 142 and 460, Substitute for House Bill No. 5448. An Act Adopting The Uniform Trade Secrets Act. (As amended by House Amendment Schedule "A"). Favorable Report of the Committee on Judiciary.

SENATOR OWENS:

Mr. President.

THE CHAIR:

Senator Owens.

THE CLERK:

And the Clerk has an amendment.

SENATOR OWENS:

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I move acceptance of the joint committee's favorable report as amended by House Amendment "A".

THE CLERK:

And the Clerk has a Senate Amendment.

THE CHAIR:

You move for adoption of House "A"?

SENATOR OWENS:

I did. Yes, Sir.

THE CHAIR:

Do you wish to remark on House "A"?

SENATOR OWENS:

House "A" made it clear that the act could not prevent parties from entering contractual agreements regarding liability for misappropriation of trade secrets. I move its adoption.

THE CHAIR:

Do you wish to remark further on House "A"? All those in favor signify by saying aye. Those opposed, nay. The ayes have it. The amendment's adopted. Clerk has an amendment?

THE CLERK:

Yes, Mr. President. Senate Amendment Schedule "A", LCO No. 4465.

SENATOR OWENS:

Waive its reading and move its passage - move its adoption.

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THE CHAIR:

Do you wish to remark?

SENATOR OWENS:

The amendment to this act clarifies the act does not effect provisions or statutes which allow access to certain public records. For example in a freedom of information case, the definition of trade secret of our statutes will control and the provisions of the Worker's Right To Know Bill passed last year will not be effected. Move its adoption.

THE CHAIR:

On the Amendment, all those in favor signify by saying aye. Those opposed, nay. The ayes have it. The amendment's adopted.

SENATOR OWENS:

Mr. President, on the bill itself, the bill would establish a statutory definition of trade secret and would clarify the court procedures available to prevent wrongful acquisition, use or disclosure of a trade secret and to recover damages. It goes in and defines what trade secrets are, what type of information it does. It also sets forth what the penalties are in the event that there's acquisition of another's trade secret by theft, bribery, misrepresentation. It also goes into what damages are in the event that there's a violation of the statute and it, in fact, codifies all of the old common law definitions. I move, if there's no objection, that this bill as amended by House Amendment "A" and Senate Amendment "A" be placed on the consent calendar.

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THE CHAIR:

Without objection, so ordered. Senator Larson.

SENATOR LARSON:

Thank you, Mr. President. Mr. President, I rise for a point of personal privilege.

THE CHAIR:

You may proceed.

SENATOR LARSON:

With me today, I'm very fortunate to have one of my sternest critics and one of my most ardent supporters, a lady who I have tremendous admiration and respect for and I would hope that the members of the circle would join with me in welcoming my mother up in the east balcony, Pauline Larson. (Applause).

THE CLERK:

Calendar No. 359, File No. 486, House Bill No. 5124. An Act Concerning Rate of Interest Recoverable As Damages In Civil Actions And Arbitration Proceedings. Favorable Report of the Committee on Judiciary. The Clerk has amendments.

THE CHAIR:

Senator Owens.

SENATOR OWENS:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

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Hearing none, it'll be passed retained. Senator Schnelller. Senator Schnelller.

SENATOR SCHNELLER:

Mr. President, I'd ask that we call the vote on the consent calendar of all those bills that we've done up to this point because there are a couple of Senators, I happen to be one, that have to leave at this point.

THE CHAIR:

The Clerk will make the announcement for a roll call and then after making the announcement will proceed through the consent calendar.

THE CLERK:

Immediate roll call has been called for in the Senate. Will all Senators please take their seats. An immediate roll call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Give your attention to the Clerk who will proceed to call the consent calendar.

THE CLERK:

On page 2, calendar 323, 359, 437. Page 3, calendars 454, HB6174, HB5655, HB7061, HB7030, 460, 461, 464. Page 4, calendar 511. Page 6, calendar 540. Page 7, HB5238, HB7166, HB7151, HB5712, calendars 548, 549 and 550. Page 8, calendars 551, 552, 554, 555. Page HB5817, 9, calendars 556, 558, 559, 560, 561. Page 10, calendar 562. Page 11, HB5364, HB6148, HB6365, HB7092, calendar 571, 572. Page 12, calendar 577. Page 13, calendar 578, 582, HB7216, HB5304, HB5879, HB6443, HB5367, HB7038

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580, 582 and 583.

THE CHAIR:

Is there any correction or question on the consent calendar?

If not, the machine is open. Cast your vote on the consent calendar.

Machine'll be closed and locked. Total voting is 35, voting yes, 35.

The consent calendar is adopted. Ready, Mark?

THE CLERK:

One moment, Mr. President.

THE CHAIR:

Senator Schneller, the Judiciary bills that have been petitioned out, do you want them still to be marked as go since Senator Owens has left?

SENATOR SCHNELLER:

Mr. President, all of the Judiciary bills that are marked as go I'd appreciate it if you'd pass retain because Senator Owens has left the Chamber.

THE CHAIR:

Is there any objection? Hearing none, the Judiciary bills that remain that were marked go will be marked pass retained.

THE CLERK:

On page 18, under the heading Foot of the Calendar, Calendar 151, File No. 156, Substitute for Senate Bill No. 380. An Act Concerning The Investment Powers Of Savings And Loan Associations. Favorable Report of the Committee on Banks.

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1983 GENERAL ASSEMBLY

SENATE

TUESDAY
MAY 24, 1983

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Senate A and House A on Consent? Hearing none, it will go on Consent.

THE CLERK:

Calendar 323, File 142, 460 and 956, Substitute for House Bill 5448, AN ACT ADOPTING THE UNIFORM TRADE SECRETS ACT, as amended by House Amendment, Schedules A and B and Senate Amendment, Schedule A, Favorable Report of the Committee on Judiciary.

THE CHAIR:

Senator Owens.

SENATOR OWENS:

I move acceptance of the Joint Committee's Favorable Report as amended by House Amendment A and House Amendment B.

THE CHAIR:

Remark Senator?

SENATOR OWENS:

Yes. House Amendment A provided that in line 3, they deleted the word "the" and substituted the following in lieu thereof. Unless otherwise agreed by the parties the closed quote. I'd ask its adoption.

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THE CHAIR:

You're moving House A and B? I think we previously adopted when it was up here, the House Bill? Or did they adopt it since we put on A?

SENATOR OWENS:

They've adopted it. They rejected, Mr. President and substituted that for Senate Amendment.

THE CHAIR:

Will you remark further on House Amendment--

SENATOR OWENS:

No, I move its adoption Mr. President.

THE CHAIR:

Of what?

SENATOR OWENS:

Of House Amendment A.

THE CHAIR:

Remark further? If not all those in favor will signify by saying aye. Those opposed, nay. The ayes have it. House Amendment Schedule A is adopted. Senator, on House B?

SENATOR OWENS:

I move adoption of House Amendment B and waive its

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reading.

THE CHAIR:

Remark?

SENATOR OWENS:

Basically it provides that the duty of any person or state or municipal agency to disclose information is expressly provided by law. I'd move its adoption.

THE CHAIR:

Remark further on B? If not, all those in favor of adopting House Amendment, Schedule B will signify by saying aye. Those opposed, nay. The ayes have it. House Amendment, Schedule B is adopted. On the Bill as amended, Senator?

SENATOR OWENS:

Yes. The Bill as amended would establish a statutory definition of trade secret and would clarify court procedures available to prevent wrongful acquisition. These two Amendments that were put on in the House pretty well straighten out any problems that were with the Bill. The Bill has previously been explained in this chamber in detail. I'd ask if there is no objection, that this Bill as amended by House Amendment A and House Amendment B be

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placed on Consent.

THE CHAIR:

Any objection to placing on Consent? Hearing none,
the item will go on Consent.

THE CLERK:

Calendar 400, File 515 and 955, Senate Bill 752, AN
ACT CONCERNING THE PAYMENT OF HOUSING AUTHORITY POLICE, as
amended by Senate Amendment, Schedule A and House Amendment,
Schedule A, Favorable Report of the Committee on Planning
and Development.

THE CHAIR:

Senator Wilber Smith. Senator Margaret Morton.

SENATOR MORTON:

Mr. President. I move acceptance of the Bill in con-
currence with the House.

THE CHAIR:

Will you remark, Senator?

SENATOR MORTON:

Yes Mr. President. The House rejected Senate Amendment
A and adopted House Amendment A and therefore--do I have to
reject Senate--the Senate Amendment?

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will call for the Governor to return them to the last chamber that passed them. Are we ready for the Consent Calendar? The Clerk will make an announcement for the Consent Calendar to be taken by Roll Call and then we'll go through the list which is rather lengthy.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Please give your attention to the Clerk who will go through the list of Consent items.

THE CLERK:

On page 3, Calendar 56; on page 4, Calendar 295; on page 5, Calendar 510; on page 7, Calendar 606, 621, and 629. On page 8, Calendar 637, 657; on page 9, Calendar 658, 661. On page 10, Calendar 669, 670, 671, 672. Page 11, Calendar 673, 674, 675, 680, 681. On page 12, Calendar 684, 687, 688. On page 21, Calendar 177, 229, 323, 400. On page 22, Calendar 424, on page 23, Calendar 559, 173. That completes the list on today's Consent Calendar.

SB788, SB794,
SB915, HB7042,
HB5557, HB6384,
HB5598,
HB6817, HB7190,
SB1149, SB1151,
SB1154, SB690,
SB928, SB932,
SB926, SB486,
SB904, HB6046,
HB5344, HB6383,
SB850, SB396,
HB5448, SB752,
SB925, HB5364,
SB267

1983 GENERAL ASSEMBLY

SENATE

TUESDAY
MAY 24, 1983

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THE CHAIR:

Senator Reginald Smith.

SENATOR REGINALD SMITH:

Yes Mr. President. I'd like to request that one of the items be removed from the Consent Calendar.

THE CHAIR:

What's the item Senator?

SENATOR REGINALD SMITH:

Page 8, Calendar 637, File 244, Substitute House Bill 6573.

THE CHAIR:

The matter will be removed from Consent. We'll vote on it immediately after the Consent Calendar. Are there any other requests to make an alteration in the Consent Calendar? If not, the machine is open on the Consent Calendar. The machine will be closed and locked.

TOTAL VOTING 36

YEAS 36

The Consent Calendar is adopted. The Clerk will call Calendar 637.

THE CLERK:

Calendar 637, on page 8, File 244, Substitute for

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STANDING
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REP. TULISANO: Thank you. I don't have a sign-up list. All agency heads and legislators have already spoken who would desire to speak? On the bills before us? Is the Permanent Commission going to give testimony today?

: (Inaudible.)

REP. TULISANO: About the coalition. Okay. Okay. The public hearing will commence at 2 o'clock for the public generally. Thank you.

-- the public hearing to order. You know this hearing is for the public at this point in time. Prior to commencing it, however, I'd like to just indicate there's a written statement of support of Committee Bill 5107 from the Department of Criminal Justice. That is An Act Concerning the Liability of Sellers of Alcoholic Liquor. Mr. Kadan testified in the original part of this hearing for agency heads and this was omitted from that testimony. I'm presenting it at this point in time. I'll submit it to the clerk. Thank you.

Mr. Dan Kiley from Monsanto. I can't read it; I'm sorry. I found it up on top. Please use the mike so you can be heard.

DON KILEY: I'm Don Kiley from Monsanto Company, Bloomfield, Connecticut. Our company supports HB 5448, the Uniform Trade Secret Act. We are a science company and to us and other high tech firms, propriety information is the key to our ability to bring new product to the consumer. Example: We derive much of our income from agriculture products. Products that are environmentally safe, but allow the American farmer to out produce the world. It takes us seven years and \$18 to \$20 million to bring out a product and put that first container in the farmer's hand. We have been hurt.

I cite the Hartford Courtant of September 19, 1982, and I will read to you only the first paragraph of that news story. The headline is accidental disclosure may prove costly to Monsanto. The Monsanto Company's top secret recipe for one of the most profitable agricultural weed killers ever appears to have fallen into a rival's hand because the bureaucrats blundered. HB 5448 will not prevent the pirates from stealing our scientists secrets. It will force them to break the law and give us a basis

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MR. KILEY: (continued)
for recompense.

The conflicting and miry definitions of trade secrets in Connecticut is of concern to us. The adoption of HB 5448 would do much to encourage our efforts at the Bloomfield Technical Center to continue to take risks and to develop more products for the consumer. There are problems in Connecticut. With the rush to tell-all, show-all, we have in Connecticut, a city has passed an ordinance to cut off police response to a business or a home alarm system if three false alarms occur. Reasonable.

The list obviously considered confidential by public safety because it is a crook's shopping list, was accessed and published by a local media. Through the of our FOI statutes. A sister firm in Connecticut complied with Connecticut law and gave it's local health department lists of its materials. This list became public through the enadequate trade secret definition in Connecticut statutes 1 - 119.

In their official opinion, the FOI commission derided the damage they were forced to do to this firm under our law. Firemen want to know what is dangerous in our plant. We want them to know. But under existing statutes, the locations of these dangerous materials can be accessed. And again, the Tylenol nut, now wouldn't be able to know where to throw the match.

We request that you include in HB 5448 the provision that section 2-d, definition of trade secrets, applies to all existing statutes to give us consistency in our laws. Please report this bill favorably our of your committee and support its passage. And I thank you.

REP. TULISANO: Thank you. Any questions? Thank you, Mr. Kiley. Larry McGrath.

LARRY MC GRATH: I am Larry McGrath of the Connecticut Bankers Association. I would like to address the committee on Raised Bill number 6718, An Act Concerning Estate Inventories.

On behalf of the Connecticut Bankers Association, I would like to express our supportive thoughts on the proposed bill, An Act Concerning Estate Inventories, which we regard as a welcome technical amendment to section 45-202 of the

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REP. BERMAN: Thank you.

REP. TULISANO: Thank you, Bob.

MR. CROOK: Thank you.

REP. TULISANO: Anita LoAlbo.

ANITA LO ALBO: Good afternoon. I am Anita LoAlbo, staff attorney for the Connecticut Business and Industry Association. CBIA represents approximately 6,000 companies employing over 700,000 men and women in Connecticut.

REP. TULISANO: Could you speak (inaudible).

MS. LO ALBO: Our businesses range from small businesses to large industrial corporations. I'm here this afternoon to strongly support proposed House Bill 5448, An Act Adopting a Uniform Trade Secret Act.

There are several reasons why such a measure would greatly aid Connecticut law and Connecticut business. As most of you are aware, under patent law there is a provision for a legal right to a monopoly of an invention for a specific time. Under patent law, however, in exchange for this temporary monopoly a person or corporation must allow public disclosure of that invention immediately. Patents, however, may be declared invalid at which time competitors then have the advantage of public disclosure. The results of this history has been a strong reliance upon the state law regarding trade secret protection to protect indefinitely commercially valuable information from competitors.

Needless to say, the technological and economic pressures to rely on uniform trade secret protection is increasing. You will hear specific testimonies from individual companies today. There are companies which have lost or will potentially lose millions of dollars due to discrepancy in the interpretation of state laws concerning trade secret protection. CBIA is supportive of the adoption of a uniform act as a statutory solution towards the ongoing theft of trade secrets. Our association represents a variety of businesses that are significantly impacted by the trade secret statute in Connecticut. Our small and medium-sized members face the danger that one or two legally

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MS. LO ALBO: (continued)

protectable trade secrets which literally can make or break a company may be disclosed to their competitors.

REP. The risk involved to a company has expanded tremendously with the growth and sophistication of our high technology industry in the state. The uniform trade secrets act would aid the high tech companies in its protection of formulas, programs, methods, and techniques used in all areas of industry involved in high technology including the whole area of electronic components. That includes photonics, electro-optics and bio-chemical manufacturing, all of which are major areas of high technology in Connecticut.

The uniform act makes statutory the principles found in common law trade secrets protection. It is important to understand that competitor companies still may properly discover or acquire trade secrets in a variety of ways. More importantly, under the uniform act, improper acquisition or discovery can result in relief to an aggrieved company. A 1974 U.S. Supreme Court case indicated that the broad concept of trade secret law is the maintenance of standards of commercial ethics. It is this standard which we support. I thank the committee for their time and urge a favorable report on 5448. Thank you.

REP. TULISANO: Thank you. Any questions? Thank you.
Tom Dorsey.

TOM DORSEY: Good afternoon. My name is Tom Dorsey. I am here representing my employer, Dow Chemical, the Allen's Point Plant, Gales Ferry, Connecticut. I express support also for HB 5448, An Act Adopting a Uniform Trade Secret Act.

It is hoped that this act will become law here in Connecticut. It is also hoped that this statute, if enacted, will override the references to trade secrets in other Connecticut statutes. I thank you for your time.

REP. TULISANO: How wonderful. Thank you. We love those kinds of speeches. You may get elected here. Marie O'Brien. It would be nice if you would address the Freedom of Information issue.

MARIE O'BRIEN: Would you like me to?

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REP. TULISANO: Could you?

MS. O'BRIEN: Sure.

REP. TULISANO: Thanks.

MS. O'BRIEN: My name is Marie O'Brien and I'm with STANCHEM, Incorporated and I'm testifying in support of House Bill No. 5448, An Act Adopting a Uniform Trade Secret Act.

STANCHEM is a small chemical company located in East Berlin, Connecticut, where we employ approximately 100 people. We design specialty products for a number of national and international industries. For example, to give you a few product applications, we sell chemical binders to makers of non-woven fabrics which go into the manufacture of surgical gowns and masks. We manufacture fireproofing coatings for constructional steel and we sell protective coatings for electrical switch gear boxes.

STANCHEM successfully competes with the large U.S. chemical companies for these markets. Considerable research and development and engineering go into the products for these markets and we have established very stringent procedures to maintain the secrecy of these products because of their economic value.

I urge you to adopt the uniform trade secret act because it provides appropriate protection for Connecticut small companies, especially those like STANCHEM who simply blend or count on product ingredients in their manufacturing process. In addition, I ask you to consider that presently product disclosure is required under existing Connecticut statutes are conflicting and the uniform trade secrets act should resolve this.

Since I've been asked to comment specifically on a freedom of information decision that affected my company, I will. In the spring of 1982, the Freedom of Information Commission decided in two cases, one brought by former Senator Bill Curry against the Department of Environmental Protection and one brought by the Connecticut Citizens' Action Group against the health director in East Berlin, that the information they were formerly held confidential concerning products that STANCHEM manufactured should be disclosed.

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MS. O'BRIEN: (continued)

STANCHEM maintained that the list of ingredients in its products constituted a formula in essence. The current FOI statute does not, at this point, coincide with what has been cited in law cases, federal and state law cases, regarding trade secrets. What I mean to say is that a simple compilation of ingredients that make up a product is not protected under the current definition of trade secret.

REP. TULISANO: The proportions might be.

MS. O'BRIEN: The proportions might be but a simple listing of the ingredients is not. And, again, STANCHEM is not a primary manufacturer of raw materials. We purchase raw materials from the large chemical companies in the U.S. and we simply blend or compound them. We engage in one chemical process for all of our products. Other than that, we are simply mixing them as you would mix cake batter.

REP. TULISANO: The question I guess I had is does that disclosure act somehow impinge on what you need as trade secrets. No? Yes? Does that, is there, do you see a conflict between that decision and this legislation before us? Or do you think they're compatible?

MS. O'BRIEN: I don't think they're compatible. The definition of trade secret as contained in 5448 is slightly different from what's contained in 119, Connecticut Statute 119. I should tell you that STANCHEM has appealed both decisions and they are in Connecticut Superior Court.

REP. TULISANO: Okay. I will not continue. I wish you had told me that before. That's okay.

MS. O'BRIEN: I'd be pleased to answer any questions about the FOI cases.

REP. TULISANO: No, that's, I don't think we'd better go into FOI.

MS. O'BRIEN: All right.

REP. TULISANO: What's pending we should not discuss.

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MS. O'BRIEN: All right. Well, thank you for your time and attention.

REP. TULISANO: We have another question.

REP. BERMAN: I have a question. How would this bill conflict with the necessity to know about hazardous waste materials?

MS. O'BRIEN: I think that the knowledge of hazardous waste materials required under different Connecticut statutes certainly protects all of us. The present send on to both federal EPA and state DEP as well as to the health agency, the local health agency, all information that they require, whether it be trade secret information or not. Currently, they're holding it in confidential files that are not open to the public and therefore not under FOI. Thank you.

REP. TULISANO: Mary Sault.

MARY SAULT: Shame on you, Richard. Okay, I'm a lobbyist for the National Association of Social Workers.

REP. TULISANO: I used to be one of those too.

MS. SAULT: However, I am not representing them. This testimony is a reflection of my personal views. I am a student of social work and I am from Hamden.

SEN. OWENS: Would you tell the members of the committee what bill you're here on to testify.

MS. SAULT: I'm sorry. 5599.

SEN. OWENS: Thank you.

MS. SAULT: I'll be brief in my comments since previous testimony covers most of what I would want to say. In my opinion, the evidence in court should stick to the events of the crime, not only because of the victim's right to privacy, but because of the irrelevancy of prior sexual conduct, to the crime. I say this because sexual assault is sexual only in the nature of the physical contact. Rape is simply another means of causing physical and emotional harm to another person. It is my opinion that the passage of this bill will act to encourage victims

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MS. SAULT: (continued)
of sexual assault to report the crime.

Rapists are a threat to the community and we must do all that is possible to remove this threat. I base my opinion on research that I've done into the general topic of sexual assault and my writings are available to any member of the committee upon request. Thank you.

REP. TULISANO: Thank you. You also could get elected.

MS. SAULT: Thank you.

REP. TULISANO: Any questions? Joe Coppola.

JOE COPPOLA: Yes, my name is Joe Coppola and I'm with UNIROYAL Chemical Plant in Naugatuck. I'm here to speak today regarding Proposed House Bill 5448. And, I'm here to encourage you to give favorable consideration to passage of that bill.

Previous speakers are proponents of the passing of this bill, I think pointed out clearly the reasons why this is a good bill. I'd just like to reemphasize. I think it's important that we provide protection to someone who's willing to invest millions of dollars in time, people, materials, facilities, to encourage development of new ideas into viable projects. If we don't protect those who are willing to make these investments against people who are in a position maybe possibly to take advantage of them, I think we really are taking away the motivation of these people to invest their money in the state. So, again, I encourage you to favorably consider House Bill 5448.

REP. TULISANO: Thank you. Norman Poulton and then Frank Santy. First, let me say before Mr. Poulton speaks that State's Attorney Brown was here --

SEN. OWENS: Yes, right.

REP. TULISANO: -- in support of Bill 703, except he didn't know the new rule that he couldn't speak. So he had to go back to work.

SEN. OWENS: For the record, Mr. Brown was one of the people who brought that to the committee's attention that there

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DAVE PELLETIER: My name is Dave Pelletier. I'm a member of Agent Orange Victims International. I'm a Vietnam veteran.

SEN. OWENS: What's your address, Dave?

MR. PELLETIER: Pardon me?

SEN. OWENS: What's your address?

MR. PELLETIER: Waterbury, CT. I came here in support of Bill 175. I agree with James Sparrow and his testimony, and Jane Dziezic. We definitely have to have some lifting on the restrictions for this lawsuit. I came here in support of that. Thank you.

SEN. OWENS: Thank you very much. Any questions for Mr. Pelletier? Thank you. Mr. Tyson. I believe that's the last speaker for our public hearings today. I don't have any other

EDWARD GRADY: Senator, I was on the list. My name is Ed Grady (inaudible).

SEN. OWENS: Okay.

REP. TULISANO: We're going to ask for a signature check later.

SEN. OWENS: Don't, don't fool around like that (laughter).

WAYNE L. TYSON: Senator Owens, Representative Tulisano, members of the committee, my name is Wayne Tyson. I'm here representing my employer, Clairol, Inc. of Stamford, in support of House Bill 5448, an act adopting the Uniform Trade Secrets Act.

We fully support this bill and urge its adoption, and hope that it becomes the basic law in the State of Connecticut regarding trade secrets. Thank you.

SEN. OWENS: Any questions? Thank you Mr. Tyson.

REP. TULISANO: How nice to be on the same side with you.

MR. TYSON: Delightful. Thank you.

SEN. OWENS: Mr. Grady. I believe Mr. Grady is our last speaker for the public hearing today.