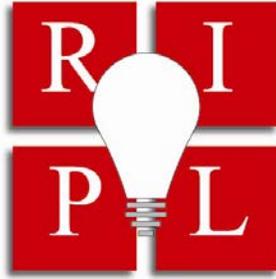


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MAKING THE LIST: WHAT DOES IT TAKE TO MAKE A PATIENT LIST A TRADE SECRET?

SARA GHANTOUS

ABSTRACT

What exactly makes a patient list a trade secret? This question has been a topic of heated debate for the last thirty years. It turns out that there is no right answer to this question. Long story short: it depends. The enumerated factors in the Uniform Trade Secrets Act (UTSA) lack specificity, and the courts fan to clarify how to meet the UTSA's ambiguous standards. Because there is no clear approach to determine whether a patient list enjoys trade secret protection, there is no way for physicians to know the proper measures to take in gathering, maintaining, and protecting patient information. In this comment, Sara Ghantous suggests that the drafters of the UTSA should add language that clarifies these ambiguities. In the end, despite the Act's shortcomings, Ghantous concludes that the courts' various findings can serve as a guide to defining the inconsistencies of the UTSA, and offers suggestions to aid healthcare facilities in protecting patient information.

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SARA GHANTOUS

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MAKING THE LIST: WHAT DOES IT TAKE TO MAKE A PATIENT LIST A TRADE SECRET?

SARA GHANTOUS*

I. INTRODUCTION

*“A doctor’s . . . skills encompass the ability to gather information in order to facilitate accurate diagnosis, counsel appropriately, give therapeutic instructions, and establish caring relationships with patients.”*¹

Virtually everyone is a patient.² The human body is a fragile host to a variety of needs, unique to each being.³ The degrees of those needs vary, requiring special, individually catered attention from physicians. The patient-physician relationship, therefore, is a delicate one.⁴

To receive the proper care we seek, we share a vast pool of information with our physicians that is compiled in the form of patient lists.⁵ This information may range from names and contact information,⁶ to x-ray films, financial records, and patient charts.⁷ Physicians generally use the information in patient lists to contact,

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¹ See generally Jennifer Fong Ha & Nancy Longnecker, *Doctor-Patient Communication: A Review*, 10 OCHSNER J. 38, 38-43 (2010) (discussing the importance of effective doctor-patient communication in the medical field).

² See E. Michael D. Scott, *The Term “Patient” May Describe Me...But it Does Not Define Me*, J. PARTICIPANT MED. (December, 29 2010), <https://participatorymedicine.org/journal/opinion/commentary/2010/12/29/the-term-patient-may-describe-me-%E2%80%A6-but-it-does-not-define-me> (a patient, for the purposes of this Comment, refers to individuals who seek healthcare services from a healthcare professional who is employed by a covered entity).

³ Efthimios Parasidis, *Defining the Essence of Being Human*, 13 MINN. J.L. SCI. & TECH. 825, 834 (2012) (noting that humans contain physical, cognitive, and cultural characteristics that distinguish them from other species, making them “uniquely human”).

⁴ S. Elizabeth Wilborn Malloy, *Physician Restrictive Covenants: The Neglect of Incumbent Patient Interest*, 41 WAKE FOREST L. REV. 189, 235 (2003) (describing the strength of a doctor-patient bond as being “one of the most sensitive and important in American society”).

⁵ See James W. Lowry, *Covenants Not-To-Compete in Physician Contracts: Recent Trends Defining Reasonableness at Common Law*, 24 J. LEGAL MED. 215, 232 (2003) (a physician, for the purposes of this Comment, refers to all those licensed to practice medicine).

⁶ *Dickinson Med. Grp., P.A. v. Foote*, No. 84C-JL-22, 1989 Del. Super. LEXIS 156, at *2 (Super. Ct. Mar. 23, 1989) (holding that the names and addresses of patients “constituted confidential and proprietary business information protected by the Delaware Uniform Trade Secrets Act”).

⁷ *Marsico v. Cole*, C.A. No. 13104, 1995 Del. Ch. LEXIS 78, at *12 (Ch. June 30, 1995) (holding that “[t]he patient lists of a dental practice, together with the patient histories and x-rays for each patient, is ‘commercially valuable’ and derives independent economic value from its secrecy,”

diagnose, treat, and gain an overall understanding of the distinctive needs unique to each patient. Importantly, physicians need this information to communicate with patients and provide them with the services they seek, much like your average business.⁸ This necessary information represents a valuable asset to healthcare providers and facilities.⁹ Many courts have held that the information compiled in patient lists is so valuable that it constitutes a trade secret, entitling physicians to protection from disclosure of patient information.¹⁰ But how much patient information is necessary to render a patient list a trade secret?

The purpose of this comment is to explore what exactly makes a patient list a trade secret. In an effort to accomplish this purpose, Part I of this comment will define relevant trade secrets law, lay-out the factors that determine whether information is a trade secret, and explain how trade secrets become misappropriated. Part II of this comment will briefly explain what patient lists are, and the type of information contained in patient lists. Part III of this comment will examine relevant cases in which courts have ruled on the issue of whether patient lists are trade secrets. Part IV of this comment will explore what it takes to declare a patient list a trade secret. Finally, part V of this comment will provide a conclusion that briefly summarizes these issues, and reemphasizes their importance in the contemporary intellectual property climate.

II. BACKGROUND

A. Defining Trade Secrets

Healthcare is an industry that furthers both commercial and humanitarian goals, thereby requiring the protection of certain information for the growth and

representing compilations of information that meet the definition of a trade secret).

⁸ George A. Nation III, *Non-Profit Charitable Tax-Exempt Hospitals—Wolves In Sheep's Clothing: To Increase Fairness and Enhance Competition in Health Care All Hospitals Should Be For Profit Taxable*, 42 RUTGERS L. J. 141, 180 (2010) (arguing that healthcare is a business because it invokes the essence of the law of economics, comparing it to the force of gravity and the role it plays on Earth).

⁹ *In re Phx. Dental Sys., Inc.*, 144 B.R. 22, 23 (Bankr. W.D. Pa. 1992) (holding the “names of the patients were a trade secret because they were unique” to the employer and “were not ascertainable from an outside source.” The court also noted that the employer’s patients were its “most valuable asset” for the following reasons: “each patient obtained services at the employer’s place of business;” “the patient relationships were created through the efforts of the employer and were not directed to the employee who was not entitled to benefit from that direction in trust and confidence;” and “the employee was not able to develop patient relationships at the employer’s facility through his own efforts because every patient was created by the employer’s special efforts to provide a treatment facility.”).

¹⁰ *Id.* at 23 (stating “[i]nformation that is confidential and constitutes a valuable asset is a trade secret for which an employer is entitled to protection from disclosure or use by former employees. The information must be a particular secret of the employer and not a general secret of the trade which he is engaged.”).

success of healthcare facilities and physicians.¹¹ Much debate has centered on the question of whether patient lists can be trade secrets, and numerous courts have held that patient lists are, in fact, trade secrets, while others have disagreed.¹² After all, patients are one of the primary sources of revenue for healthcare facilities; consequently, physicians hold their patient lists in confidence.¹³ But what exactly is necessary to make a patient list a trade secret?

The Uniform Trade Secrets Act (“UTSA”) serves as a model for a uniform body of state law, much like the Restatements, or the Model Rules of Professional Responsibility.¹⁴ It has been adopted by all but two states, including the District of Columbia.¹⁵ The UTSA’s multidimensional evaluation provides jurisdictions with the opportunity to employ their own particular interpretations in determining the scope of protections that should be granted to patient lists.¹⁶ In doing so, the UTSA sets forth a list of definitions relating to trade secrets law.¹⁷ The UTSA defines “trade secret” as “information, including a formula, pattern, compilation, program device, method, technique, or process.”¹⁸ This information, according to the UTSA, must possess independent economic value, and must not be “generally known to,” or “readily ascertainable by” others who can “obtain economic value from its disclosure or use.”¹⁹ The UTSA further emphasizes that the information must be the “subject of efforts that are reasonable under the circumstances to maintain its secrecy.”²⁰

The court in *American Preferred Prescription v. Health Management* broke this definition down, defining a trade secret as a “formula, process, device or compilation

¹¹ Don A. Hernandez & Cynthia M. Reed, *Intellectual Property Issues in the Healthcare Context: Are Patient Lists Trade Secrets?*, AMERICAN BAR ASSOCIATION (Nov. 2009), https://www.americanbar.org/newsletter/publications/aba_health_resource_home/Volume6_03_Hernandez.html (stating “[h]ealthcare is provided by medical professionals, often for humanitarian goals. Yet, healthcare is simultaneously an industry grappling with the same concerns of any business, including protection of valuable intellectual property as physicians enter and leave practices in advance of their own careers.”).

¹² *See id.* (providing a list of both federal and state cases in Delaware, Kansas, New York, and Pennsylvania that have held that patient lists are trade secrets, using the definition of “trade secrets” defined in the UTSA).

¹³ *Ilg Indus. v. Scott*, 273 N.E.2d 393, 396 (1971) (stating “[a] trade secret must relate to something held in secret or confidence, and it must relate to the operation of the particular trade or business.”).

¹⁴ Hernandez & Reed, *supra* note 11.

¹⁵ 14 U.L.A. 541 (1985).

¹⁶ Henry J. Silberberg & Eric G. Lariere, *Eroding Protection of Customer Lists and Customer Information Under the Uniform Trade Secrets Act*, 42 BUS. LAW. 487, 487 (1987) (stating “[t]he Uniform Trade Secrets Act represents a new statutory lens by which to view customer list and customer information litigation.”).

¹⁷ 14 U.L.A. 541.

¹⁸ Richard Stim & Stephen Fishman, *The Defend Trade Secrets Act (DTSA)*, NDAS FOR FREE <http://www.ndasforfree.com/UTSA.html> (last visited Sept. 11, 2018) (stating “[t]he Defend Trade Secrets Act (“DTSA”), signed into law in May 11, 2016, ‘federalizes’ trade secret law by providing a procedure for trade secret owners to file civil lawsuits in federal court.”).

¹⁹ *Id.* (stating “[a]ny company possessing a trade secret that is ‘related to a product or service used in, or intended for use in, interstate or foreign commerce’ can take advantage of the provisions of the DTSA.”).

²⁰ *Id.* (The Uniform Trade Secrets Act (“UTSA”) is a model act adopted by forty-eight states and the District of Columbia. Courts in Massachusetts and New York, the only two states that have not adopted the UTSA, follow common law principals.).

of information used in one's business that confers a competitive advantage over those in similar businesses who do not know of or use it."²¹ The court further emphasized that a trade secret requires the composition of a "combination of characteristics and components" individually existing in the public domain.²² However, while the individual components of the trade secret may be available through the public domain, it is the combination of those individual components that comprises the trade secret, providing businesses a unique protection and competitive advantage.²³

The UTSA lays-out a number of factors to be used in determining whether a trade secret has been misappropriated.²⁴ To establish a prima facie claim for misappropriation of trade secrets, a plaintiff must prove that: (1) a trade secret existed; (2) the plaintiff communicated the secret to the defendant; (3) there was an understanding that the secret would be respected; and (4) the secret information has been improperly used by the defendant to the injury of the plaintiff.²⁵

B. Patient Lists: What Are They?

Finally, in order to fully understand what a patient list is, it is important to establish what is meant by the term "patient." For the purposes of this comment, a patient is an individual seeking or needing healthcare-related services from a healthcare professional.²⁶ Patient lists are fundamentally compilations of private information pertaining to individual patients who seek care from a particular physician or medical practice.^{27 28} This information may include everything from a patient's x-rays and medical records,²⁹ to a patient's name and home address.³⁰

²¹ 186 B.R. 350, 356 (E.D.N.Y. 1995).

²² *Id.* (holding that "[a] trade secret can exist in a combination of characteristics and components, each of which, by itself, is in the public domain, but the unified process, design and operation of which, in unique combination, affords a competitive advantage and is a protectable secret.").

²³ *Id.*

²⁴ Richard Stim & Stephen Fishman, *The Uniform Trade Secrets Act (UTSA)*, NDA'S FOR FREE <http://www.ndasforfree.com/UTSA.html> (last visited Sept. 2018) (The UTSA sets forth definitions of the terms: "improper means," "misappropriation," "person," and "trade secret." The UTSA further sets forth a number of protections for those accused of trade secret theft. It also lays out a number of protections and remedies for those who are victims of trade secret theft, like injunctive relief, damages, awarding of attorney's fees, and preservation of secrecy by the court.).

²⁵ *Total Care Physicians, P.A. v. O'Hara*, 798 A.2d 1043, 1052 (Del. Super. Ct. 2001).

²⁶ See generally Scott, *supra* note 2 (discussing the meaning of the term "patient," and whether the term "patient" should be replaced in order to strengthen physician-patient relationships and improve physician-patient communication in healthcare settings).

²⁷ *Total Care Physicians, P.A.*, 798 A.2d at 1052 (examining whether patient information in a medical practice will be afforded trade secret protection under Delaware's definition of a trade secret, which was modeled off of the UTSA).

²⁸ Hernandez & Reed, *supra* note 11 (stating "[p]atient lists are natural candidates for protection as trade secrets" because they contain patient data that is not generally available in the public domain; they "derive economic value to the medical practices by containing valuable contact information;" and healthcare facilities take extensive care to protect the patient information).

²⁹ *Total Care Physicians, P.A.*, 798 A.2d at 1053 (Comparing the content contained in misappropriated patient lists in two precedent cases. In one case, a misappropriated patient list contained x-ray films and patient charts. In the other, a misappropriated patient list set forth the names and addresses of all patients treated by a particular physician. In both cases, the court

Ultimately, patient lists are a source of great economic value to healthcare facilities because of the private patient information that they contain.³¹

C. Exploring Case Law: What Patient Information Was Used and How Was it Used?

Jurisdictions have differed considerably in their holdings regarding whether patient lists may qualify as trade secrets.³² The question of what exactly is required to make a patient list a trade secret may be answered through an examination of the relevant case law that addresses this issue. In 1987, the Supreme Court of New York held in *Allan Dampf, P. C. v. Bloom*, that patient lists were, in fact, trade secrets.³³ In *Dampf*, the appellant, a dentist's employee, copied and used information contained in the appellee-employer's electronic medical records, as well as information in appellee's receptionist's desk, for the purpose of soliciting and diverting patients.³⁴ The patient list contained patients' names, addresses, telephone numbers, prior and prospective appointment dates, services provided, and fees billed.³⁵ The court further found that the information in the patient list had been secured through years of practice, individual effort, and advertising.³⁶ According to the court, the combination of the effort expended and the specific type of information contained in the patient list constituted a trade secret.³⁷

In contrast, however, a 1989 ruling by the Court of Special Appeals of Maryland held in *Allan M. Dworkin, D.D.S., PA. v. Blumenthal*, that unrestricted patient lists were not trade secrets.³⁸ In *Dworkin*, the appellees left the appellant's dental practice in order to open a competing practice, and utilized the appellant's accessible

concluded that the patient lists were trade secrets.).

³⁰ *In re Phx. Dental Sys., Inc.*, 144 B.R. 22, 23 (Bankr. W.D. Pa. 1992).

³¹ Hernandez & Reed, *supra* note 11 (discussing the economic value patient lists provide to medical practices because of the type of valuable and private information they hold, like patient contact information, insurance information, and medical records).

³² *Id.* (stating “[a]lthough some jurisdictions differ, courts in four states, i.e., Delaware, Kansas, New York, and Pennsylvania have recognized that patient lists are entitled to trade secret protection.”).

³³ 127 A.D.2d 719, 720 (App. Div. 1987) (holding that the employee had “engaged in unfair competition with the employer by his misappropriation and exploitation of confidential information.”).

³⁴ *Id.* (holding that the employee's actions were an abuse of his trustworthy relationship with the employer).

³⁵ *Id.* (finding that the employee's actions were an improper use of the information contained in the patient list when it was used to solicit the employer's patients).

³⁶ *Id.* (holding that the private information contained in the patient lists was “not readily ascertainable inasmuch as they had been obtained through past treatments” by the plaintiff and “his judgment concerning the frequency of future checkups for each patient.” The court further noted that the personal information of each patient had been “secured by years of efforts and advertising by the plaintiff.”).

³⁷ *Id.* (holding that the actions the plaintiff took in compiling the patient list made it a trade secret, not only because of the private, valuable, and unique content it contained, but also because of the time plaintiff spent, the efforts the plaintiff took, and the finances plaintiff expended to acquire the patient-specific content. It was a combination of these factors that made the patient list a trade secret.).

³⁸ 551 A.2d 947, 948 (1989).

patient list in an effort to inform appellant's patients about the new practice.³⁹ The patient list included, among other things, the names and addresses of appellant's patients.⁴⁰ While the court recognized that patient lists may constitute a trade secret,⁴¹ it ultimately held that patient lists are not trade secrets when access to the patient lists is left unrestricted and made available to the public, or to the healthcare facility as a whole.⁴² The court further noted that the facts in question demonstrated a circumstance where an employer failed to make reasonable efforts to maintain the secrecy of the information. Consequently, the court determined that the information at issue should not be protected.⁴³

Seven years later, in *American Preferred Prescription v. Health Management*, the Eastern District of New York held that an employer's patient list that contained the names of HIV-positive clients was a trade secret due to the confidentiality that individuals afflicted with HIV might expect.⁴⁴ Additionally, the court addressed the efforts that the employer took in advertising in HIV-centered publications, and the considerable financial expenditure involved in providing support service information to employer's AIDS/HIV patients.⁴⁵ The court concluded that the combination of the desired confidentiality of HIV patients, and the effort expended in acquiring the HIV patients, qualified the employer's patient list as a trade secret.⁴⁶

In a similar action, the Delaware Superior Court held in the 2001 case *Total Care Physicians, P.A. v. O'Hara*, that patient lists were trade secrets.⁴⁷ In this case, the defendant personally compiled a list of patients he had treated while working for the plaintiff.⁴⁸ The defendant then sent letters to those patients announcing his

³⁹ *Id.* (holding that the patient list was "not a trade secret because appellant had not taken reasonable efforts to maintain its secrecy.").

⁴⁰ *Id.* at 950.

⁴¹ *Id.* (recognizing that a patient list may constitute a trade secret when certain factors are met. These factors may include both the content contained within the patient list, like patient-specific information, and the circumstances surrounding the preservation and secrecy of the content, like the efforts and finances expended in obtaining the content.).

⁴² *Id.* (addressing a number of factors that may assist in determining whether a patient list is a trade secret: "(1) the extent to which the information is known outside of the employer's business; (2) the extent to which it is known by the employees and others involved in the employer's business; (3) the extent of measures taken by the employer to guard the secrecy of the information; (4) the value of the information to the employer and to his competitors; (5) the amount of effort or money expended by the employer in developing the information; (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.").

⁴³ *Id.* (The court implies that patient lists, maintained with unrestricted access, do not deserve trade secret protection because the lack of secrecy displays a lack of desire to protect the information.).

⁴⁴ 186 B.R. at 356 (E.D.N.Y. 1995) (holding that the patient list was a trade secret, but denied the employer's request to enjoin the employee from disclosing the trade secret because the employer failed to provide evidence that the employee disclosed or would disclose the secret information to warrant a preliminary injunction).

⁴⁵ *Id.* (holding an employee may not use a former employer's customer lists to solicit customers for the same business when those customer lists qualify as trade secrets).

⁴⁶ *Id.* (holding an employee may not use a former employer's customer lists to solicit customers for the same business when those customer lists qualify as trade secrets. Patient lists may qualify as trade secrets where the patients are "discoverable only through extraordinary efforts and the employer's clientele has been secured through many years' expenditure of time and money.").

⁴⁷ 798 A.2d at 1054 (Del. Super. Ct. 2001).

⁴⁸ *Id.*

departure to a new place of employment.⁴⁹ The list also contained patient charts, addresses, medical diagnoses and treatment codes, and patient-specific insurance information, all of which was privately maintained.⁵⁰ The court determined that the patient list was a trade secret primarily due not only to the combination of valuable data it contained, but also because the data in question was of the type that is generally unavailable in the public domain.⁵¹

Shortly after, in 2005, the Superior Court of Connecticut held in *Priority Care, Inc. v. Gentiva Heath Services* that the plaintiff-employer's patient list was not a trade secret because it was not maintained in secrecy.⁵² The patient list included identities, diagnoses, treatment regimens, residential addresses, and other patient-specific information.⁵³ The court's reasoning echoed that of the court in *Dworkin*. The court concluded that while the information contained in the patient list was valuable to competitors, valuable content alone was not enough to render the patient list a trade secret.⁵⁴

Finally, in 2009, the U.S. District Court for the District of Kansas held in *US Bioservices Corp. v. Lugo* that a patient list containing patient identities and specifically-described patient reports was a trade secret.⁵⁵ The court further held that, because the patient list was maintained in secrecy, and contained valuable, patient-specific information, the list was valuable to competitors and constituted a trade secret.⁵⁶

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* (holding that the plaintiff-employer's patient lists contained information that justifies "trade secret status and protection" because "they compile patient addresses, medical diagnoses and treatment codes, and specific patient information, all of which are valuable data in the commercial operation of a medical practice, and all of which are generally unavailable in the public domain.").

⁵² No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16 (Super. Ct. Jan. 7, 2005) (stating "[W]hether a particular use of a customer list by a former employee constitutes an exercise of his right to use general knowledge and experience gained in the former employment, or whether it violates his confidential relationship with his former employer not to use trade secrets or confidential information acquired in the course of his former employment, will depend generally on the particular facts and circumstances involved." The court held, however, that there is no trade secret "if the customers' names can readily be ascertained through ordinary business channels.").

⁵³ *Id.* at 16-17 (holding "[W]here the identity of customers is readily ascertainable through ordinary business channels or through classified business or trade directories, the courts refuse to accord to the list the protection of a trade secret." The court lays out five factors to be considered in determining whether given information is one's trade secret: "(1) the extent to which the information is known outside of his business; (2) the extent to which it is known by employees and others involved in his business; (3) the extent of measures taken by him to guard the secrecy of the information; (4) the value of the information to him and to his competitors; (5) the amount of effort or money expended by him in developing the information; and (6) the ease or difficulty with which the information could be properly acquire or duplicated by others.").

⁵⁴ *Id.* at 18 (finding that the patient list was not maintained in secrecy because it was available to the public domain and could, therefore, not be given trade secret protection).

⁵⁵ 595 F. Supp. 2d 1189, 1195 (D. Kan. 2009) (inferring that the content coupled with the secrecy of information is what made the patient list a trade secret).

⁵⁶ *Id.* (holding that the Kansas Trade Secrets Act, which is modeled off of the UTSA, is not limited to the protection of customer lists, but also extends to patient lists).

III. ANALYSIS

The case law presented suggests that there are a number of factors to consider when determining whether a patient list deserves trade secret protection.⁵⁷ These cases make clear that patient lists must be examined as a whole, and evaluated using subjective, circumstantial tests to determine whether trade secret protection is warranted.⁵⁸ Additional examination of case law is necessary in order to determine what it takes for a patient list to qualify as a trade secret.

Recall *Allan Dampf, P.C. v. Bloom*, where the Supreme Court of New York employed a broad assessment of the value of the patient information, and the efforts that the employer had expended in obtaining it.⁵⁹ The court found that the patient list was valuable to the employer because it contained personal and confidential patient information that was beneficial to competitors.⁶⁰ Moreover, the court held that the employer engaged in years of extensive effort and advertising in order to obtain the patient information.⁶¹ Given these facts, the court found that the employer's patient list was a trade secret.⁶²

The *Dampf* court failed to articulate any specific guidelines or criteria for determining what rises to the level of sufficient value and effort.⁶³ An inference can be drawn from the court's holding that information is not "readily ascertainable" if it is "secured through years of effort and advertising," -meaning that information is not generally known if substantial effort is expended to gather it.⁶⁴ The *Dampf* court's vagueness may create uncertainty for future courts when determining whether patient lists should enjoy trade secret protection.⁶⁵

In *Allan M. Dworkin, D.D.S., PA. v. Blumenthal*, the Court of Special Appeals of Maryland adopted a more stringent analysis, focusing on two factors: (1) the effort expended in obtaining the patient information, and (2) the secrecy of the patient

⁵⁷ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195; *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16; *Total Care Physicians, P.A.*, 798 A.2d at 1054; *Am. Preferred Prescription*, 186 B.R. at 356; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948; *Allan Dampf, P. C.*, 127 A.D.2d at 720 (All of these cases held that valuable content alone does not award patient lists trade secret protection. The factors the court used came from a combination of the UTSA, state adopted versions of the UTSA, case law, circumstantial tests, and the judges' personal discretion.).

⁵⁸ *Id.* (The courts explored the type of data contained within the patient lists, the ways in which the patient lists were both obtained and maintained, and the efforts expended in acquiring the patient information. None of the courts, however, evaluated the same way. This may present a source of confusion for cases of trade secret misappropriation, as these cases indicate that there is not a uniform approach. Rather, these cases imply that it is up to the courts to determine what factors to consider when assessing whether a patient list enjoys trade secret protection.).

⁵⁹ 127 A.D.2d at 720 (holding that the "defendant engaged in unfair competition with the plaintiff by his misappropriation and exploitation of confidential information in abuse of his relationship of trust with the plaintiff and his improper use of information to solicit the plaintiff's patients" using the information he appropriated from the plaintiff's patient list while the plaintiff was out of the office for a four-day vacation).

⁶⁰ *Id.* (stating the plaintiff's patient list contained all of the "patients' names, addresses, telephone numbers, dates of last appointments, and dates due for next checkup").

⁶¹ *Id.* (holding that the patient information was not "readily ascertainable" because it was "secured by years of efforts and advertising by the plaintiff[.]").

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

list.⁶⁶ The Maryland court found that the appellant-employer did not expend *enough* effort in gathering the patient information because the patient list was developed “as an incident” to the appellant’s practice.⁶⁷ The court reasoned that while the patient list was not available in the public domain, it was readily available and used, without any restrictions, by others employed at the appellant’s practice.⁶⁸ Consequently, the court found that the employer did not meet the minimum standard for secrecy because he did not take sufficient measures to guard the secrecy of the patient list.⁶⁹ As a result, the Maryland court ultimately held that the appellant-employer’s patient list was not eligible for protection as a trade secret.⁷⁰

The UTSA states that information warranting trade secret protection must not be “generally known to,” or “readily ascertainable by other persons” who can “obtain economic value from its disclosure or use.”⁷¹ The *Dworkin* court adopted a more stringent standard by expanding the definition of “other persons” to include co-workers,⁷² suggesting that, in order to qualify as trade secrets, patient lists must not be made available to the public domain, or to other employees.⁷³ By establishing those rigid limitations on the sharing of patient lists within a healthcare facility, the *Dworkin* court’s ruling may pose substantial challenges for both physicians and patients. For example, this limitation might present a problem for patients who seek immediate care and may not have the intellectual, mental, linguistic, or physical capacity to communicate their medical histories to a substitute healthcare professional at an urgent time – such as when a patient’s original physician may not be readily available.

In *American Preferred Prescription v. Health Management*, the court primarily evaluated the *nature* of the patient list information, and the efforts the plaintiff-employer expended in obtaining it.⁷⁴ The New York court concluded that the

⁶⁶ 551 A.2d at 951 (holding that the trial court did not err in finding that appellant’s patient list did not constitute a trade secret).

⁶⁷ *Id.* (stating “there is no evidence in the record to indicate that an extraordinary amount of effort or money was expended by appellant to generate the patient list,” and “the information was developed as an incident of the practice.”).

⁶⁸ *Id.* (holding that the element of secrecy is essential to trade secret protection and that “access to the patient information was totally unrestricted” and the appellant did not set any “rules, regulations, or known procedures which restricted the availability of the patient information only to select persons.” Therefore, “the patient information was readily available, and in fact used by, others involved in the appellant’s practice.”).

⁶⁹ *Id.* (holding that the “appellant took no measures to guard the secrecy of the patient list.” The court, however, fails to define the expected secrecy standards.).

⁷⁰ *Id.* at 950.

⁷¹ 14 U.L.A. 541 (1980) (defining a trade secret as information that “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”).

⁷² *Id.* (The UTSA defines “person” as a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.” This definition does not include the court’s interpretation of co-workers.).

⁷³ *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 951.

⁷⁴ 186 B.R. at 356 (referencing six factors in determining whether information constitutes a trade secret: “(1) the extent to which the information is known outside the business; (2) the extent to which the information is known by employees and others involved in the business; (3) the extent of measures taken by the company to guard the secrecy of the information; (4) the value of the

employer expended a great deal of time and money in compiling a patient list that contained AIDS/HIV specific clientele.⁷⁵ Additionally, the court found that the employer's patients might expect confidentiality in the information contained in the patient list because of the sensitive nature of AIDS/HIV disease.⁷⁶ This type of evaluation ultimately led the *American Preferred* court to hold that the employer's patient list qualified as a trade secret.⁷⁷

American courts' historical hesitancy to address the sensitive nature of patient list information will likely pose challenges for future litigants.⁷⁸ Under the Health Insurance Portability and Accountability Act ("HIPAA"), all health-specific information is legally deemed sensitive in nature.⁷⁹ The *American Preferred* court's holding essentially extends trade secret protection to almost all patient lists that contain some sort of reference to medical histories.⁸⁰ The application of such a broad standard could lead to an increase in the number and prevalence of misappropriation-related lawsuits.

The Superior Court of Delaware evaluated the value and availability of an employer's patient list in *Total Care Physicians, P.A. v. O'Hara*, holding that the plaintiff-employer's patient list was a trade secret.⁸¹ The Delaware Superior Court relied on the Delaware Code's definition of a trade secret,⁸² which is ultimately derived from the Uniform Trade Secrets Act.⁸³ According to the court, the facts established that the employer's patient list contained valuable and important patient information that justified extending trade secret status and protection.⁸⁴ This information included patient addresses, medical diagnoses, treatment codes, and insurance information.⁸⁵ The Delaware court held that the patient information was not generally available in the public domain, and was valuable to the commercial operation of the plaintiff's medical practice.⁸⁶ However, the court did not consider the maintenance of the information or the efforts expended in acquiring it.⁸⁷ The

information to the company and its competitors; (5) the amount of effort and money expended by the company in developing the information; and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others." While the court referenced these six factors, it primarily focused on the type of information contained in the patient list and the effort expended in obtaining the information.)

⁷⁵ *Id.* (holding that the plaintiff "spent a great deal of time and money to provide support service information to its AIDS/HIV clientele" and that the plaintiff "sought out and advertised in publications addressing HIV concerns in order to "reach the HIV community and expand its client listing").

⁷⁶ *Id.* (stating "given the nature of the AID/HIV disease, it follows that individuals afflicted might seek confidentiality and would not be accessible through ordinary channels").

⁷⁷ *Id.* at 357.

⁷⁸ *Id.*

⁷⁹ See generally OFFICE FOR CIVIL RIGHTS, SUMMARY OF THE HIPAA SECURITY RULE (2013) (summarizing the purpose, elements, protected information, and safeguards of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")).

⁸⁰ *Am. Preferred Prescription*, 186 B.R. at 356.

⁸¹ *Total Care Physicians, P.A.*, 798 A.2d at 1053.

⁸² 6 Del. C. § 2001(4) (2002).

⁸³ 14 U.L.A. 541 (1980).

⁸⁴ *Total Care Physicians, P.A.*, 798 A.2d at 1054 (holding that the patient information was valuable and unavailable to the public domain).

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.* (The court does not specify how the plaintiff expended his effort to obtain the patient

Total Care decision also failed to articulate exactly how “unavailable” the information must be in order to meet the threshold for privacy, or how future courts should determine what constitutes “commercially valuable” information.⁸⁸

The *Total Care* court’s vague explanation may be problematic for future cases due to its lack of specificity regarding the methods by which the commercial value of patient information is appraised.⁸⁹ Under the Delaware court’s analysis, essentially any practice could argue that virtually any of its patient information is commercially valuable, and, as such, is therefore entitled to trade secret protection.⁹⁰ Like *American Preferred Prescription*, this reasoning could lead to an unmanageable explosion in the number of misappropriation lawsuits filed in American courts.⁹¹ Moreover, it has the potential to thwart industry competition by diminishing the incentive for successful and innovative practices to make signature improvements if they cannot make them without protection from misappropriation.

The Superior Court of Connecticut embraced a more stringent analysis in *Priority Care, Inc. v. Gentiva Health Services*.⁹² Instead of examining how the plaintiff maintained the patient information, the court directed its attention to the manner in which the plaintiff obtained the information.⁹³ The Connecticut court based its finding on the confidentiality and availability of the patient information.⁹⁴ Unlike *American Preferred*, where the court studied the sensitive nature of the information,⁹⁵ the *Priority Care* court equated the degree of confidentiality with the availability of the patient information.⁹⁶ The Connecticut court held that the patient list was not confidential because, even though the employer did not expose his patient list to third parties, he obtained it through third parties who were free to share it with others in the same industry.⁹⁷ Relevant to this analysis is the fact that

information, or the amount of money the plaintiff spent in compiling his patient list when evaluating whether the plaintiff’s patient list permits trade secret protection. Furthermore, the court does not discuss whether the patient information was made available to anyone else in the plaintiff’s medical practice or if there were any restrictions, rules, or limitations set as to who can access the patient information or when the patient information can be accessed).

⁸⁸ *Id.* (The court fails to set forth any rules or guidelines to aid future courts in evaluating whether certain patient information deserves trade secret protection.).

⁸⁹ *Id.* (The court does not break down how it reached its conclusion that the plaintiff’s patient information retains commercial value that would benefit competitors.).

⁹⁰ *Id.*

⁹¹ *Id.*; 186 B.R. at 356.

⁹² No. CV044002756, 2005 Conn. Super. LEXIS 23, at *17 (holding “there is no trade secret... if the customers’ names can be readily ascertained through ordinary business channels.” The court in this case refers to patients as customers.).

⁹³ *Id.*

⁹⁴ *Id.* (holding that the plaintiff could not “establish that the names, addresses or treatment needs of its patients constitute either confidential information or a trade secret”).

⁹⁵ *Am. Preferred Prescription*, 186 B.R. at 357 (The court in both of these cases focused on the confidentiality of the patient information; however, they differ. In *American Preferred Prescription*, the court focused on the sensitive, confidential nature of AIDS/HIV disease; whereas in *Priority Care, Inc.*, the court referred to confidentiality differently by synonymizing it with the public availability of the information.).

⁹⁶ *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *17 (The plaintiff’s patient list consisted of the names, addresses, and treatment needs of his patients.).

⁹⁷ *Id.* at 18 (holding that the information the plaintiff “considers to be trade secrets was actually information provided by third parties who were free to share such information with other home health service providers,” including the defendants).

the UTSA's definition of "trade secret" does not identify *how* protected information must have been obtained in order to qualify for trade secret protection.⁹⁸ Like *Dworkin*,⁹⁹ the *Priority Care* court clarified its interpretation of the UTSA's definition, holding that it did not apply to information obtained through third parties. Due to this clarification, the patient list at issue was not secret enough to warrant protection.¹⁰⁰ The Superior Court of Connecticut held that because the patient list was available to others outside of the employer's company, it was not secret enough to warrant trade secret protection.¹⁰¹

The *Priority Care* court's holding could create a myriad of issues in the field of medical practice, such as adding new complications for transactions like hospital mergers.¹⁰² When hospitals merge, they both share and expand the breadth of their consumer health market.¹⁰³ In doing so, rather than acquiring patient information directly from the patients themselves, the hospitals retrieve patient information from each other.¹⁰⁴ Under the *Priority Care* court's analysis, this practice could violate the "secrecy" standard, and prevent individual physicians from enjoying trade secret protection for their particular patient lists.¹⁰⁵

Finally, in *US Bioservices Corp. v. Lugo*, the Kansas District Court focused on the maintenance and economic value of a plaintiff-employers' patient list.¹⁰⁶ The court applied a traditional analysis, finding that the employers' patient list warranted trade secret protection.¹⁰⁷ The court relied on the Kansas Trade Secrets Act,¹⁰⁸ which Kansas adopted from the Uniform Trade Secrets Act.¹⁰⁹ The *Bioservices* court determined, without explanation, that the particular compilation of

⁹⁸ 14 U.L.A. 541.

⁹⁹ *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 951 (expanding the UTSA's definition of "other persons" to include co-workers).

¹⁰⁰ *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *17 (holding because the plaintiff obtained the patient information through third parties, the information was thus available to others outside of the plaintiff's company and did not deserve trade secret protection).

¹⁰¹ *Id.*

¹⁰² See generally Gregory Curfman, *Everywhere, Hospitals Are Merging — But Why Should You Care?* HARVARD HEALTH BLOG (Apr. 2015), <https://www.health.harvard.edu/blog/everywhere-hospitals-are-merging-but-why-should-you-care-201504017844> (discussing the pros and cons of hospital mergers).

¹⁰³ *Id.* (stating "when individual hospitals merge into larger systems, they gain a larger share of the consumer health market," and discussing the financial downfalls that hospital mergers might pose, like requiring hospitals to ask health insurance companies to pay more for medical care and procedures).

¹⁰⁴ *Id.* (stating that hospital mergers "may offer expanded access to health care services").

¹⁰⁵ *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *17.

¹⁰⁶ 595 F. Supp. 2d at 1195.

¹⁰⁷ *Id.* (Rather than examining how the patient information was obtained, the court analyzed how it was maintained.).

¹⁰⁸ K.S.A. § 60-3321(4) (1988) (stating a trade secret consists of "information 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.'" While the Kansas Trade Secrets Act enumerates a number of other factors that may be relevant in determining whether information enjoys trade secret protection, the court only focuses on the economic value of the patient information and the plaintiff's maintenance of the patient list.).

¹⁰⁹ 14 U.L.A. 541.

the patient information made the patient list unique in nature and valuable to competitors.¹¹⁰ Moreover, the Kansas District Court ambiguously mentioned that the employers took “reasonable efforts to maintain the secrecy” of the patient information by only allowing access to employees during the course of their employment.¹¹¹ The court, relying on this vaguely-articulated standard, ultimately held that the plaintiffs’ patient list qualified as a trade secret.¹¹²

The *Bioservices* court discusses how the defendants’ access to the patient lists was limited to only the time during which they were the plaintiffs’ employees.¹¹³ Unlike *Dworkin*, where the Court of Special Appeals of Maryland held that the appellant’s patient list failed to meet the secrecy standard due to its availability to others employed at the employer’s practice,¹¹⁴ the *Bioservices* court held that the employers’ patient lists met the secrecy standard despite their employees having access to them.¹¹⁵ Although the patient lists in these cases were similarly exposed, the courts came to opposite conclusions.¹¹⁶ These conflicting decisions will likely be a source of future confusion for courts faced with determining whether a patient list, shared throughout a healthcare facility, warrants trade secret protection.

The case law suggests that there is no uniform or clearly-defined test for determining whether a patient list should qualify for trade secret protection. The UTSA’s enumerated factors lack specificity,¹¹⁷ and the courts have failed to articulate how to decide whether the UTSA’s standard have been met, leaving no clear answer as to what renders a patient list a trade secret. These ambiguities can pose a number of challenges in the realm of commercial healthcare, ranging from the pervasive uncertainty regarding the scope of protected information, to the actual impacts on the individual wellbeing of patients. This Comment suggests several solutions to these potential problems with the hope that these solutions could help alleviate the considerable ambiguity surrounding when patient lists warrant trade secret protection.

¹¹⁰ *Id.* (The court does not describe what made the plaintiffs’ patient list unique in nature. The court also fails to provide any factors that could aid in determining what makes a patient list unique in nature. The court simply synonymizes customer lists with patient lists, and briefly states that there is a difference between patient lists that contain information concerning patients, and patient lists that only contain the patients’ identities.).

¹¹¹ *Id.*

¹¹² *Id.* (concluding that because the plaintiffs’ patient lists contained secret, specifically-described patient reports, and not merely the patients’ identities, they are of economic value to competitors and permit trade secret protection).

¹¹³ *Id.* at 1192 (The court fails to discuss the methods the plaintiffs practiced in maintaining the secrecy of the patient lists. Although the court held that the patient lists were maintained in secrecy, the court was contradictory when it failed to discuss the precautions the plaintiffs took in maintaining the secrecy of the patient lists. Instead, the court discussed the exposure of the plaintiffs’ patient lists throughout the healthcare facility and amongst their co-workers.).

¹¹⁴ *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948 (For a refresher on the background of this case, refer to pages 7-8 or 12-14.).

¹¹⁵ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195.

¹¹⁶ *Id.*; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948 (The court applies a restrictive analysis in *Dworkin*, but a liberal one in *Bioservices*.).

¹¹⁷ 14 U.L.A. 541.

IV. PROPOSAL

Both the UTSA¹¹⁸ and the existing jurisprudence¹¹⁹ concerning these issues leave a number of important questions unanswered. For example, the law does not make clear what type or combination of patient information is more likely to warrant trade secret protection.¹²⁰ For example, courts and physicians are left questioning whether unidentified x-rays are commercially valuable enough to merit trade secret protection.¹²¹ Additionally, the law does not explain the amount of requisite effort that should be expended in obtaining the information,¹²² who the patient information may be obtained from,¹²³ how valuable the patient information must be to physicians,¹²⁴ and the scope of controls and regulations physicians must implement in order to ensure the secrecy of the patient lists.¹²⁵ Prior case law also fails to articulate to whom or to how many people the patient lists can have been made available while still remaining eligible for protection.¹²⁶

The UTSA's vague standards and the courts' varying and ambiguous holdings leave physicians with considerable uncertainty over the protection of their patient lists. Due to the lack of a clear and uniform method for determining whether a patient list should enjoy trade secret protection, there remains no way for physicians to know the proper measures to take in gathering and maintaining patient information. In an attempt to help remedy some of these uncertainties, this comment offers two solutions that could be used in developing a more coherent

¹¹⁸ *Id.*

¹¹⁹ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195; *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16; *Total Care Physicians, P.A.*, 798 A.2d at 1054; *Am. Preferred Prescription*, 186 B.R. at 356; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948; *Allan Dampf, P. C.*, 127 A.D.2d at 720 (After analyzing, comparing, and contrasting the holdings in these cases, the question regarding what it takes for a patient list to qualify for trade secret protection still remains unanswered. These cases suggest that it is left up to the jurisdiction of the court hearing the case to determine whether a patient list has satisfied enough elements to qualify as a trade secret. However, each of the cases above created its own set of elements, essentially branching out of the requirements set out in the UTSA and expanding the list of requisites that a patient list must have in order to enjoy trade secret protection.).

¹²⁰ *Am. Preferred Prescription*, 186 B.R. at 356 (The court's holding extends trade secret protection to nearly all patient lists that contain some sort of reference to a patient's medical histories.).

¹²¹ *Total Care Physicians, P.A.*, 798 A.2d at 1054 (The court lacks specificity in its evaluation of commercially valuable information.).

¹²² *Allan Dampf, P. C.*, 127 A.D.2d at 720 (The court failed to set forth any guidelines to evaluate sufficient value and effort expended in obtaining patient information.).

¹²³ *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16 (Instead of examining how the patient list was maintained, the court evaluated how the patient information was obtained. The court's holding suggested that patient information that is obtained through third parties is not confidential enough to warrant a patient list trade secret protection.).

¹²⁴ *Total Care Physicians, P.A.*, 798 A.2d at 1054.

¹²⁵ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195 (The court's holding suggests that patient lists that are made available to employees still meet the secrecy standard to permit trade secret protection.).

¹²⁶ *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 951 (The court's holding suggests that patient lists cannot be made available to the employees or co-workers, which is opposite from the holding that the *Bioservices* court reached.).

approach to future cases where the eligibility of patient lists for trade secret protection is at issue.

First, the National Conference of Commissioners on Uniform State Laws should add specificity to the language of the UTSA.¹²⁷ The UTSA should set-forth explicit guidelines for states to adopt in order to aid courts in determining whether a patient list qualifies for trade secret protection. The UTSA currently defines a trade secret as information that “derives independent economic value . . . from not being generally known to, and not being readily ascertainable by . . . persons who can obtain economic value from its disclosure or use.”¹²⁸ The UTSA further states that the information must be “the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”¹²⁹

While the UTSA briefly touches on the maintenance and value of the information, it lacks guidelines that establish how the information must be obtained.¹³⁰ More specifically, the UTSA neither states whether the information may be acquired from third parties, nor discloses the amount of effort that must be expended in gathering the information.¹³¹ The drafting committee should add language into the UTSA that specifically addresses these ambiguities. Therefore, with the proposed additions, the UTSA should define trade secret protected information as “information that (i) derives independent economic value . . . from not being generally known to, and not being readily ascertainable by . . . persons who can obtain economic value from its disclosure or use, (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, (iii) is obtained from reliable sources,¹³² and (iiii) is gathered through a reasonable expenditure of effort.”¹³³

The proposed additional language is direct, and gives courts discretion in determining how to satisfy the aforementioned “reasonable” and “reliable” standards. Furthermore, the addition of elements three and four serve as a guide not only for courts, but also for physicians and healthcare facilities to know how to obtain and maintain valuable information.

This additional language, however, does not resolve all of the discrepancies caused by the present state of the law. There are multiple questions that remain unanswered, including what *type* of patient information that a patient list must contain in order to qualify as “valuable” to competitors,¹³⁴ the regulations physicians

¹²⁷ 14 U.L.A. 541 (The UTSA was drafted by the National Conference of Commissioners on Uniform State Laws).

¹²⁸ *Id.* (The UTSA explicitly states that a ‘trade secret’ is “information, 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[.]”).

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16.

¹³³ *Allan Dampf, P. C.*, 127 A.D.2d at 72.

¹³⁴ *Total Care Physicians, P.A.*, 798 A.2d at 1054 (for example, a patient list containing only the x-rays and diagnoses of patients may not be valuable to competitors without the names or contact information of the patients).

must implement throughout healthcare facilities in order to maintain the secrecy of patient lists,¹³⁵ and to whom or to how many people a patient list may be made available and still maintain eligibility for trade secret protection.¹³⁶ It is important to answer these questions so that physicians know how to protect their patient lists, particularly due to the sensitive nature of the information¹³⁷ and the patient's expectations of confidentiality.¹³⁸

Admittedly, the proposed additional language, even if implemented into the UTSA,¹³⁹ may not remedy all the uncertainties that remain in this area of law. The National Conference of Commissioners on Uniform State Laws should create additional legislation specifically addressing the trade secret protection of patient lists. The new legislation should attempt to speak to the ambiguities created by the courts, as well as those created by the existing language of the UTSA. To do this, the legislation must address the following elements: (1) the combination of information required to make the patient list commercially valuable;¹⁴⁰ (2) the requisite degree of effort that must be expended in obtaining the information;¹⁴¹ (3) whether the patient list can be obtained from third parties, and if so, who those third parties may be;¹⁴² (4) the regulations physicians must implement in order to maintain the secrecy of the patient lists;¹⁴³ (5) and to whom the patient lists may be made available, inside and outside of the healthcare facility, in order to remain eligible for protection.¹⁴⁴ Furthermore, the new legislation must remedy the remaining ambiguities by setting forth the definitions of existing terms and phrases.¹⁴⁵ For example, the legislation must define the terms "reasonable," "reliable," "trade secret," and "patient list."

V. CONCLUSION

The body of existing case law that examines these complex issues makes clear that there is currently no uniform approach to determining whether a patient list

¹³⁵ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195 (for example, a physician or healthcare facility that does not require employees to enter a password in order to access patient lists within a computer, may or may not meet the secrecy standard if a court finds that a password is required in order to meet the "reasonableness" standard of the UTSA).

¹³⁶ *Id.*; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 951 (The *Bioservices* court and the *Dworkin* court reached opposite holdings regarding the sharing of patient lists throughout a healthcare facility, leaving the question open as to how to meet the secrecy standard.).

¹³⁷ See generally OFFICE FOR CIVIL RIGHTS, SUMMARY OF THE HIPAA SECURITY RULE (2013) (suggesting that essentially all patient information is sensitive in nature under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")).

¹³⁸ *Am. Preferred Prescription*, 186 B.R. at 356 (holding that an employee's patient list containing the names of HIV-positive clients was a trade secret because of the confidentiality that individuals afflicted with HIV might expect).

¹³⁹ 14 U.L.A. 541.

¹⁴⁰ *Total Care Physicians, P.A.*, 798 A.2d at 1054.

¹⁴¹ *Allan Dampf, P. C.*, 127 A.D.2d at 720.

¹⁴² *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16.

¹⁴³ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195.

¹⁴⁴ *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 951 (placing limitations on employee access).

¹⁴⁵ 14 U.L.A. 541 (The UTSA contains a list of definitions for a number of terms and phrases used in the Act. These terms and phrases include, "improper means," "misappropriation," "person," and "trade secret[.]").

qualifies for trade secret protection.¹⁴⁶ The diverse language used by the courts in their analyses,¹⁴⁷ and the elements prescribed in the UTSA,¹⁴⁸ provides future courts with little help when considering these issues. These ambiguities leave both courts and physicians alike with numerous unanswered questions concerning the creation, maintenance, and evaluation of patient lists.

While these questions remain unanswered, the UTSA¹⁴⁹ and the established case law¹⁵⁰ teach us that conduct is as important as content. In other words, patient information alone is not enough to grant a patient list trade secret protection.¹⁵¹ The measures that a physician takes to create a patient list and to maintain its secrecy are just as important as the information contained within the patient list itself.¹⁵² While this notion may be generally helpful, it does not address the persisting uncertainties with which both courts and physicians continue to struggle.

This Comment proposes two legislative solutions to resolve the UTSA's ambiguous language,¹⁵³ and the often contradicting opinions and approaches employed by the courts that have considered these issues in past cases.¹⁵⁴ First, the National Conference of Commissioners on Uniform State Laws should adopt language in the UTSA¹⁵⁵ addressing two additional elements: (1) the appropriate sources from which patient information is to be obtained,¹⁵⁶ and (2) the degree of effort that must be expended in gathering the patient information.¹⁵⁷

Second, legislation specific to the trade secret protection of patient lists should be drafted and integrated. Like the amendments to the URSA, this legislation should address the amount of effort that should be expended in obtaining patient information, from whom the patient information can be obtained to remain "reliable", how valuable the patient information must be to physicians, the regulations physicians must implement in order to maintain the secrecy of the patient lists, and

¹⁴⁶ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195; *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16; *Total Care Physicians, P.A.*, 798 A.2d at 1054; *Am. Preferred Prescription*, 186 B.R. at 356; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948; *Allan Dampf, P. C.*, 127 A.D.2d at 720.

¹⁴⁷ *Id.*

¹⁴⁸ 14 U.L.A. 541.

¹⁴⁹ *Id.*

¹⁵⁰ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195; *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16; *Total Care Physicians, P.A.*, 798 A.2d at 1054; *Am. Preferred Prescription*, 186 B.R. at 356; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948; *Allan Dampf, P. C.*, 127 A.D.2d at 720.

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ 14 U.L.A. 541.

¹⁵⁴ *US Bioservices Corp.*, 595 F. Supp. 2d at 1195; *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16; *Total Care Physicians, P.A.*, 798 A.2d at 1054; *Am. Preferred Prescription*, 186 B.R. at 356; *Allan M. Dworkin, D.D.S., PA.*, 551 A.2d at 948; *Allan Dampf, P. C.*, 127 A.D.2d at 720 (Each court takes a different approach in evaluating whether a patient list enjoys trade secret protection. These varying approaches leave physicians questioning whether they have taken the appropriate measures to protect their patient lists, and leaves courts questioning how to properly evaluate whether a patient list enjoys trade secret protection.)

¹⁵⁵ 14 U.L.A. 541.

¹⁵⁶ *Priority Care, Inc.*, No. CV044002756, 2005 Conn. Super. LEXIS 23, at *16 (holding that patient information obtained through third parties does not meet the secrecy standard of the UTSA).

¹⁵⁷ *Allan Dampf, P. C.*, 127 A.D.2d at 72 (failing to define the requirements for "sufficient effort").

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to whom or how many people the patient lists may be made available while continuing to remain eligible for trade secret protection.