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## **ROLE OF TRADE SECRET IN FOOD MANUFACTURING INDUSTRIES**

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### **Abstract**

*Trade secrets are essential intellectual property rights that protect businesses from competitors and maintain their unique tastes, textures, and quality. In the food industry, keeping trade secrets private helps businesses maintain their economic worth and success. Restaurants, chefs, and food brands can use trade secrets to safeguard recipes, such as non-disclosure and non-compete agreements, to maintain their monopoly and profit from inventions. Technology has become a trend in protecting trade secrets, with companies using blockchain technology to store and track data about their goods, access histories, and supply chains. Trade secrets can have an economic impact by creating obstacles to market access, resulting in less competition, higher costs, less innovation and prevention from theft. However, trade secret law does not cover all categories of knowledge related to health, and it is unlikely that the release of aggregated data will hurt competition. Trade secrecy has exceptions for public interest which helps to ensure that information can be disseminated to improve public health.*

**Keywords:** Trade Secret, Food production, Competition, Economy, Public health.

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## Introduction

Trade secrets are the crown jewels of every firm. A trade secret is a sort of intellectual property right that guard businesses closely. It may be licensed to keep hidden from other and can be sold on its discretion. A trade secret, in a broader sense, is any knowledge undisclosed to its rivals that offers its owner an advantage over its competitors. If taking the instance of food, in this competitive world, the food sector heavily relies on trade secrets. They can consist of formulas for ingredients, production procedures, and recipes that give businesses a competitive edge. In the food industry, keeping trade secrets private helps businesses maintain their distinctive tastes, textures, and quality that sets them apart from rivals. Additionally, it enables them to profit from their inventions and keep customers. To maintain the economic worth and success of food enterprises, trade secrets must be protected.

## Trade Secret in Food Production Industries

Trade secrets can be used to safeguard recipes. Restaurants, chefs, or food brands may want to ask the people who receive the recipe to sign non-disclosure and non-compete agreements and tell them that the recipe is a trade secret. In this context, franchise agreements will contain specific clauses. Chefs and restaurants should decide up front who will own any trade secrets in recipes. If the recipe is properly kept secret and not shared with outside parties, this type of protection can be incredibly effective and endure forever. To keep the throne of monopoly, there must be the trade secrets of the companies.

Industries like food and beverage, their sector is continually changing. Thus, there will be adjustments made to how businesses safeguard their trade secret or intellectual property (IP). The increased use of technology to protect trade secrets across many industries, including the food and beverage sector, has become a trend in recent years, such as *Coca Cola, invented in 1886 by Dr. John S. Pemberton*. Food Companies are beginning to employ blockchain technology, for instance, to safely store and track data about their goods, access histories, and supply chains. This lowers the danger of trade secret theft or illegal access.

Meanwhile, trade secret helps to gain more profit to the companies because of their main trade ingredients. Taking the context of India, its laws does not explain and define the trade secrets. However, India still implies the practices of trade secrets. Food industries sometimes may hide the secret ingredients to prevent rip-off companies. Therefore, maximizing the profit is the only key role aim of the companies. Thus, their main objective is to supersede the market by giving the quality edibles and food.

## **Impact of trade secret in food industries**

Trade secrets can have an economic impact by creating obstacles to market access. It might be difficult for a new rival to enter and compete effectively when a food industry has a distinctive trade secret. This can result in less competition, higher costs, and less innovation in the competitive market. For example, if a food manufacture possesses a secret formula for a product that cannot be easily reverse-engineered, the manufacture can retain a monopoly on that product as long as the trade secret stays a secret, driving up consumer costs. This may hinder technical development by discouraging company collaboration. Interestingly, in the previous five years, the US, Japan, and the EU have updated their trade secret regulations too, for example, increase safeguards and add civil and criminal sanctions for trade secret theft. When you consider that trade secret theft contributes for around 3% of global GDP, it's easy to see why modifications are being made.

However, recognizing that extensive investigations have found that trade secret law, properly interpreted, does not cover many categories of knowledge related to health and that close examination frequently exposes trade secret claims to be improper. When information is revealed can also have an impact on whether it hurts competition. For instance, it would be unlikely to result in a competitive disadvantage to release research and development costs after the relevant food product was released to market. Additionally, it is doubtful that the release of aggregated data will hurt business. A state can establish or enlarge defences against excessively broad trade secret rights in the three areas that need special consideration. First, nations should take precautions to prevent trade secrets from becoming entrenched as human rights or constitutional rights and resist efforts to codify stricter trade secrets law in international law, especially without sufficient and explicit safeguards. Second, states ought to minimize trade secret laws and let them to be disregarded in cases when there are clear benefits to the public's health. Third, nations ought to enact strong protections for informers.

Trade secrecy exceptions for public interest can aid in ensuring that information can be disseminated to improve public health. These exceptions can be codified in at least four different ways: first, states can adopt "balancing tests" that allow the release of trade secrets when the public interest outweighs private harm; second, states can adopt information exclusions from the scope of trade secret protections; third, states can adopt post-hoc techniques like intellectual property laws; and fourth, states can use post-hoc techniques like intellectual property "rights". The public interest may be served by progressive disclosure rules for specific health and safety information. It is possible to carefully balance business interests and public health issues by carefully adjusting the breadth and timing of these disclosure obligations.

## Conclusion

Trade secret is important to promote the business in the food industries. It maximizes the profit to the great extent and increases the monopoly in the market. In this competitive world, it could be necessary for the food industries to keep this secret to prevent their other competitors, as they might copy their ingredients to take a position in the market. However, the trade secret may make a harmful impact in the society regarded as public health. Consumers may face problem to identify the main items in the food as seeking the sufficient information are the basic rights. It may take a huge problem for the state to prevent these methods. States might employ to shield themselves from overly broad trade secret regimes. States can protect the pressing public need for collaboration and transparency by guarding against the entrenchment of trade secret law as creating “rights” protected under international and domestic law, by protecting the public interest in confidential commercial information by allowing or mandating data sharing, and by strengthening whistleblower protections. Governments can expand access to medications and promote the right to health by doing so.

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