

What is a confidentiality agreement and why do you need one?

In the UK, confidentiality agreements are often referred to as non-disclosure agreements (or NDAs), and they can offer critical protection for your businesses and as individuals.

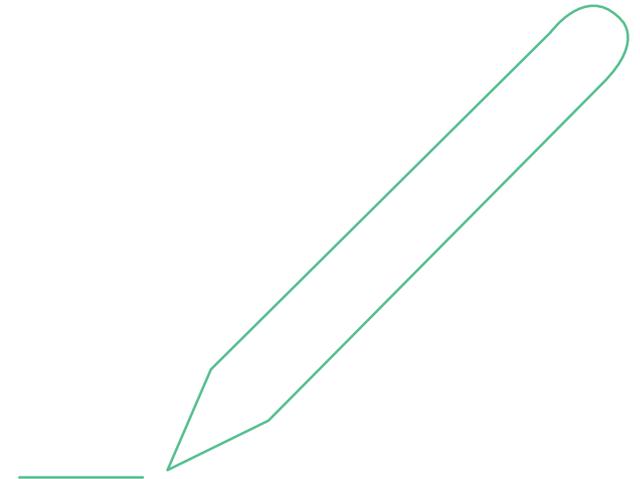
need to safeguard trade secrets, sensitive information and confidential data when working with third parties, or even with employees who may be privy to confidential information.

An NDA or confidentiality agreement is a written agreement that records and stipulates the conditions under which confidential ideas or information may be disclosed.

It is generally recommended that an NDA is prepared for any circumstance in which you plan to discuss matters you would prefer to be kept confidential, be it intellectual property or a client's private information. A written NDA must be drafted and formally agreed to before discussing your ideas or information, and it must be written in clear and specific terms so that it can be easily enforceable by a judge in the event of a breach.

You may also wish to include a non-circumvention clause in your NDA. This clause is useful in situations where one party is acting as a broker between two other parties.

Having a non-circumvention clause means that the other two parties cannot circumvent the introducing party to conduct business, thereby depriving the latter of his due rights and benefits as the broker. It can also provide that the introducing party's contacts must remain confidential, so there is no risk of being circumvented, effectively protecting your business interests. An NDA should provide for remedies such as



monetary compensation in the event that the agreement is breached.

However, no amount of money will be able to restore the worth of the confidential information that has been illegally disclosed, and the damages may be far from sufficient to compensate for the potentially far-reaching implications of the breach.

A lawyer must always be consulted to ensure the right course of action is taken to give you the best chance of winning your case and getting due compensation.

As with any contract, the only way to ensure the effectiveness of an NDA is by having an experienced lawyer draw up the agreement for you, clearly identifying the information that is considered confidential and the limits to its disclosure.

For more information, or for expert advice on business or personal legal issues, call us on 020 3475 6751 or via email at info@carterbond.co.uk

This content is not intended to be used as a substitute for specific legal advice or opinions. No recipients of content from this site should act or refrain from acting on the basis of content of the site without seeking appropriate legal advice or other professional counselling.