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Explore our latest gallery of EditorsPicks.Browse Editors' Favorites Our Non-disclosure (NDA) template lets you get started with a Non-disclosure agreement. This template is free to download and use. A NDA can also be known by other names such as a confidentiality, non-use or trade secret agreement.Essentially, a non-disclosure (NDA) agreement is a legally binding contract between parties that requires them to keep certain information confidential.If you're looking for the template, download the PDF file.Contents! Why use a NDA?2. Clauses for your NDA3. Download NDA Template Why use a NDA?NDA agreements are commonly used in employer-employee hiring situations, between parties who are considering entering into a licensing discussion or agreement with each other, distribution negotiations and between startups and companies who wish to gauge the potential possibility of future commercial joint ventures. Mutual NDA vs one-way NDAAn NDA agreement can be for the benefit for both parties involved or solely only for one party.A mutual NDA is created to protect the confidentiality of both parties disclosures but if only one party is intending to make disclosures, then normally only a one-way NDA will be drawn up.The party that's making disclosures is normally known as the disclosing party (Disclosing Party) while the party that is bound to keep those disclosures confidential is normally referred to as the receiving party (Receiving Party).Here's an example of a clause that lists the Disclosing and Receiving Parties in a Confidential Disclosure Agreement by the National Institute of Allergy and Infectious Diseases:Clause for your NDAClause #1: Purpose of the NDAThis is useful to provide a clause stating the purpose of your NDA agreement as it helps to provide clarity for the direction of the agreement.Here's a Statement of Limited Purpose from Microsoft in its Confidentiality Agreement for Licensing Discussions to clarify what disclosures the agreement is meant to apply to:Clause #2: Definition of Confidential InformationCourts also frequently consider whether the definition of what's considered confidential in the NDA agreement is reasonable and not too broad.Confidentiality can extend to things such as documents, designs, sketches, analyses, source codes, marketing plans, manufacturing processes and technical procedures.The Disclosing Party is given the freedom to specify what information will be considered confidential but it should also be able to justify why the information needs to be protected by confidentiality.Here's an example of a clause defining what would be considered confidential for the parties in Accuride Courts Confidentiality and Non-Disclosure Agreement:Clause #3: Reasonable scopelots also important to examine the scope of your NDA agreement and ensure that it is reasonable. Some countries and states are particularly against agreements that come across as unreasonably restrictive, onerous or anti-competition.For example, clauses that prevent a Receiving Party from using his or her industry knowledge and experience and therefore, not being able to earn an income in the same industry in the future might be considered unreasonably restrictive.For example, in Lasherip, Inc. v. Watson, the Virginia court held that the NDA agreement was unenforceable because the requirement of confidentiality applied too broadly and the terms of the agreement were to also apply indefinitely.Clause #4: Duration of the NDAEven if the scope of the NDA agreement was reasonable, the agreement may still be struck down if the duration for which confidentiality is meant to apply for is too long.A perpetual agreement continues to endure as long as the information is considered confidential whilst a NDA agreement with a limited time duration expires once the time duration is reached.Courts in different jurisdictions view the acceptability of perpetual NDA agreements and clauses differently but in general, courts are more accepting of perpetual agreements and clauses if the information to be protected is a trade secret.Courts are more likely to frown on perpetual agreements or clauses to cover information that merely ordinary confidential information.For example, in Augusta Medical Complex, Inc. v. Blue Cross of Kansas, Inc., the Kansas court showed clear disfavor against contracts with indefinite time durations.This is because not all types of confidential information continue to retain value after an extended period of time.For example, customer lists may no longer be accurate, marketing strategies may become outdated and pricing models may cease to be effective after a certain period of time.In contrast, courts have ruled that trade secrets have inherent value based on it being kept a secret and therefore, should be protected indefinitely.In order for a certain type of information to qualify as a trade secret, it has to possess commercial value, confer some sort of economic benefit to its owner and reasonable effort must have been made to keep it a secret.Businesses like Coca-Cola and KFC have managed to keep their trade secrets for 100 years and they invest a considerable amount to protect their trade secrets, treating them with respect and special attention. California is generally known as a state that's against anti-competition clauses, but even Californian courts respect the importance of trade secrets.In Pacesetter Inc. v. Nervicon Co. Ltd, St. Jude Medical alleged that its trade secrets were stolen by an employee engineer and was awarded the amount of \$2.3 billion which was later trimmed to \$947 million. Therefore, as a general rule, if you're merely trying to protect ordinary confidential information, it would be wiser to place a reasonable time duration for secrecy unless there is very good reason that your confidential information needs to be kept secret forever.You can use NDA agreements to protect trade secrets but make sure that the duration requirement for confidentiality for such information never expires.In other words, make the NDA agreement to apply perpetually.If you make the mistake of including a time limitation in your NDA for a trade secret, this would mean that the Receiving Party is no longer obliged to keep your trade secret confidential after the time duration for secrecy has expired.An example is the case of Silicon Image, Inc. v. Analog Semiconductor, Inc. where Silicon Image made the mistake of providing a time limitation in its NDA agreement which applied to trade secrets.If you intend to use the agreement that will be covering both ordinary confidential information and trade secrets, then it is important to make a distinction between those two types of confidential information.If your agreement will be covered by a jurisdiction that accepts NDAs with perpetual time durations, then you can draft your agreement with no expiry date.However, you're going to be covered by a jurisdiction where perpetual NDA agreement are generally not accepted, then you may be better off having two distinct clauses to cover the two separate disclosure time periods.Here are some examples of clauses from Coca Cola's Agreement on Confidentiality, Non-Competition and Non Solicitation where Coca-Cola limited the disclosure period for ordinary confidential information to 2 years after termination of employment but required indefinite confidentiality for its trade secrets.To clarify what information would be considered ordinary confidential information and what would be trade secrets, you should define these two types of information in your NDA agreement.Using the same Coca Cola's agreement on Confidentiality, Non-Competition and Non Solicitation example, here's an example:In addition to the definitions, you should ensure that you mark your disclosures appropriately as CONFIDENTIAL or TRADE SECRET to prevent confusion.Clause #5: Exceptions to requirement for confidentialityThere are some commonly accepted exceptions for the requirement of confidentiality.To ensure that your NDA agreement avoids the risk of being invalidated, you should make sure that you include these exceptions into your NDA.Exception #1: Information that was provided by a third party prior to your disclosureThis covers the kind of information that the Receiving Party receives from an independent third party, prior to you making any disclosure of that same piece of information.For example, the Receiving Party receives the information through their own supplier. If that is the case, it would be unreasonable for you to demand that the Receiving Party keep that information confidential when the information was provided by an independent party.Exception #2: Information already known by Receiving Party or in public domainConfidential information that was already known by the Receiving Party or enters the public domain can no longer be considered confidential and you cannot require confidentiality of the Receiving Party if that exposure occurred through no breach or fault on the Receiving Party's side.For example, if your information gets published by a careless employee, you cannot enforce the NDA agreement covering the same leaked information unless another employee in the same vein, if you found out that your employee signed with earlier Receiving Parties covering the same piece of information, you should also specify what the Receiving Party is to do with the copies of confidential information that are in their possession when your NDA agreement ends.For example, you could require that the other party returns all originals and copies of the information back to you or destroy them within a certain period of time and retain no other records or copies.An example of such a clause can be found in Thoughtbots Mutual Non-Disclosure Agreement:Clause #8: Legal remediesNormally, a NDA agreement provided for both monetary compensation as well as injunctive and equitable relief to stop any further breaches from occurring. Often times, its hard to prove the true cost of a breach of confidentiality and this is even harder if no actual sales have begun. Aggrieved parties often find it useful to do damage control and prevent further disclosures by the Receiving Party.Download NDA TemplateIf you're looking for the template, download the PDF file.This free Non-disclosure Agreement Template includes the following sections:IntroductionDefinitionsConfidential InformationObligations and exceptions to obligationsGoverning LawTerminationCredits: Icon contract document by creative outlet from the Noun Project. By Richard Stim, Attorney University of San Francisco School of Law Updated by Amanda Hayes, Attorney University of North Carolina School of Law Updated 7/08/2024 A confidentiality agreementalso called a "nondisclosure agreement" or "NDA" is a legally binding contract where a person or business promises to treat specific information as a trade secret and promises not to disclose the secret to others without proper authorization. NDAs are sometimes used in other civil cases, such as where one party wants to keep secret their settlement of a lawsuit. (For an explanation of the basics of confidentiality agreements and NDAs, read our article on protecting trade secrets with NDAs.)An example of a basic confidentiality agreement is provided below. It can serve as a starting point for your own NDA. For an NDA that's customized to your business and situation, you can use our Nondisclosure (Confidentiality) Agreement form.Below the sample NDA that follows are explanations of the sample's provisions, information on creating your own NDA, and guidance on when you might want to talk to a lawyer.Nondisclosure Agreement (NDA)1. The PartiesThis Nondisclosure Agreement (the "Agreement") is entered into by and between _____, with its principal offices at _____, and _____, with its principal offices at _____, collectively referred to as the "parties" for the purpose of preventing the unauthorized disclosure of Confidential Information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure by one or each (the "Disclosing Party") to the other (the "Receiving Party") of certain proprietary and confidential information (the "Confidential Information").2. Definition of Confidential InformationFor purposes of this Agreement, "Confidential Information" shall include any information, material, data, or know-how, including trade secrets and proprietary information, that is not generally known to the public and that is disclosed to be or appears to be a reasonable person to be proprietary or confidential. If Confidential Information is in written form, Disclosing Party shall label or stamp the materials with the word "Confidential" or some similar warning. If Confidential Information is transmitted orally, Disclosing Party shall promptly provide notice in writing indicating that such oral communication constituted Confidential Information.3. Exclusions from Confidential InformationReceiving Party's obligations under this Agreement do not extend to information that is: (a) publicly known at the time of disclosure or subsequently becomes publicly known through no fault of Receiving Party; (b) discovered or created by Receiving Party before disclosure by Disclosing Party; (c) learned by Receiving Party through legitimate means other than from Disclosing Party or Disclosing Party's representatives; or (d) is disclosed by Receiving Party with Disclosing Party's prior written approval; or (e) is disclosed as required or ordered by a court, administrative agency, or other governmental body.4. Obligations of Receiving PartyReceiving Party shall hold and maintain the Confidential Information in strictest confidence for the sole and exclusive benefit of Disclosing Party. Receiving Party shall carefully restrict access to Confidential Information to employees, contractors, and third parties as is reasonably required and shall require those persons to sign nondisclosure restrictions at least as protective as those in this Agreement. Receiving Party shall not, without prior written approval of Disclosing Party, use for Receiving Party's own benefit, publish, copy, or otherwise disclose to others, or permit the use by others for their benefit or to the detriment of Disclosing Party, any Confidential Information. Upon written request by Disclosing Party, Receiving Party shall immediately return to Disclosing Party any and all records, notes, and other written, printed, or tangible materials in its possession pertaining to Confidential Information.5. U.S. Defend Trade Secrets ActNotwithstanding the foregoing, the U.S. Defend Trade Secrets Act of 2016 (DTSA) provides that an individual shall be immune from civil and criminal liability for disclosing a trade secret if the disclosure is made (i) in confidence to a government official, directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or document filed in a lawsuit or proceeding if the filing is made under seal. The DTSA further provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation may disclose the trade secret to their attorney or to the court if the individual discloses the trade secret (a) in a court filing under seal and (b) does not disclose the trade secret except pursuant to a court order.6. Rights in Confidential InformationDisclosing Party shall hold and maintain all rights, title, and interest in and to any Confidential Information. This Agreement and the disclosure of any Confidential Information by Disclosing Party to Receiving Party shall not be construed as granting Receiving Party any rights, title, or interest in the Confidential Information, including any rights in copyright, trademark, patent, or any other intellectual property right.7. TermThe nondisclosure provisions of this Agreement shall survive the termination of this Agreement and Receiving Party's duty to hold Confidential Information in confidence shall remain in effect until the Confidential Information no longer qualifies as a trade secret or confidential or until Disclosing Party sends Receiving Party written notice releasing Receiving Party from this Agreement and all obligations.8. Nondisclosure (Confidentiality) Agreement FormBelow the sample NDA that follows are explanations of the sample's provisions, information on creating your own NDA, and guidance on when you might want to talk to a lawyer.9. Entire AgreementThis is the entire Agreement between the parties. It replaces and supercedes any and all oral agreements between the parties, as well as any prior writings.10. AmendmentsThis Agreement may not be amended except in a written agreement signed by both parties.11. WaiverThe failure by either party to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.12. Governing LawThis Agreement will be governed by and construed in accordance with the laws of the state of _____.13. SeverabilityIf any court determines that any provision of this Agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect.14. SignaturesThis Agreement and each party's obligations shall be binding on the representatives, assigns, and successors of such party. Each party has signed this Agreement with its authorized representative.Disclosing PartyBy: _____ Printed Name: _____ Title: _____ Dated: _____ Receiving PartyBy: _____ Printed Name: _____ Title: _____ Dated: _____ Completing the Confidentiality AgreementIn the sample agreement, the "Disclosing Party" is the person or company disclosing secrets. The "Receiving Party" is the person or company who receives the confidential information and is obligated to keep it secret.You'll need to fill in information specific to your circumstances in the spaces provided, such as the parties' names and addresses.Choosing Which State ControlsYou and the other side might need to have a conversation about which state's laws should control this agreement. The state you choose will be the one whose laws apply to the agreement. For instance, if the definition of "Confidential Information" in your agreement is ambiguous and there's a dispute over it, then you'll look to the controlling state's definition of confidential information to resolve the disagreement.If both you and the other party are located in the same state, then you should probably choose your shared state.If you're located in different states, then both sides should agree on which state controls. If there's any dispute about the agreement and one party sues, the lawsuit will take place in the state that controls the agreement. If each side is on opposite ends of the country, then one side might have to travel considerably for court.Unilateral vs. Bilateral AgreementThe sample agreement is a "two-way" (or "bilateral" or "mutual") agreementthat is, both parties are disclosing secrets. If only one side is disclosing secrets to the other, you should modify the agreement to make it a one-way (or "unilateral") nondisclosure agreement.To alter the agreement to make it unilateral, substitute the following paragraph for the first paragraph in the agreement under "The Parties."This Nondisclosure Agreement (the "Agreement") is entered into by and between _____, with its principal offices at _____ ("Disclosing Party"), and _____, with its principal offices at _____ ("Receiving Party"), for the purpose of preventing unauthorized disclosure of Confidential Information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of certain proprietary and confidential information ("Confidential Information").For Further NDA GuidanceIf you've looked over the sample confidentiality agreement and have a good understanding of all the terms and provisions, then you might not need a lawyer for your NDA.But if your relationship with the other party is complex or you want someone with experience to walk you through the agreement, then you should talk to a business attorney. A lawyer can either review your own drafted agreement or one that's been provided to you, or they can create an NDA for you. They can also negotiate with the other side and advise you on how the terms can be written to best benefit you.If you're looking to educate yourself further about contracts, check out Contracts: The Essential Business Desk Reference, by Richard Stim (Nolo). Table of ContentsA non-disclosure agreement (NDA) is a legal contract that helps keep sensitive information private. It defines what must stay confidential, who is responsible for protecting it, and how long the agreement lasts. If someone breaks the agreement, the NDA outlines what legal action the other party can take. NDAs can be legally binding if they follow state laws and have the proper signatures.An NDA, also called a confidentiality agreement, can protect either one or both of the parties involved. The two common types of NDAs include:Mutual NDA: In this agreement, both parties agree to keep information private. They protect each others information, and either party can take action against the other if there's a breach of contract.Unilateral NDA: In a unilateral NDA, only one party is restricted from sharing specific details. The individual responsible for maintaining privacy does not receive any protection in return.No matter your situation, our NDA template makes it easy to create an agreement that fits your needs. Customize your agreement for business deals, employee contracts, partnerships, and more. Unlike a non-compete agreement, which restricts someone from working for a competitor, an NDA only protects confidential information. If your goal is to limit competition, a non-compete may be more appropriate, but its more limited in some states. Types of Non-Disclosure AgreementsNon-disclosure agreements (NDAs) protect confidential information in many situations.You can use them for business deals, employment contracts, real estate transactions, and financial agreements. Some NDAs are general, while others are designed for specific industries like technology, healthcare, or intellectual property.To make it easy, we've grouped the most common NDA types below. Explore the options and choose the template that best fits your needs.Standard NDAsThese general non-disclosure agreements cover common confidentiality needs for individuals and businesses. You can customize our NDA templates to fit your specific situation. Most Popular Contractor & Employee NDAsCompanies use these NDA templates to protect sensitive business information shared with employees, contractors, and interns. An employee NDA can cover important company information, such as:customer information and purchase historyintellectual property and copyrightsmarketing and service strategiesbusiness and financial operations Financial & Business NDAsThese agreement templates are designed for business sales, partnerships, financial transactions, and company plans. Implementing these agreements ensures your partners or employees can't provide sensitive details to outside parties. You can use them for a business or financial NDA to protect the following information:business strategies and technological informationInvestment or financial actions Real Estate NDAsWhen sharing party details with buyers, sellers, tenants, the NDA templates help protect confidential discussions. Common details included in a real estate NDA include:property revenue and tax informationenvironmental reportsappraisal valuesbuyer income and credit information Industry-Specific NDAsCertain industries, such as film, design, or technology, require specialized NDAs. These agreements protect trade secrets, intellectual property, or project details. Competitive and innovative companies often use an industry-specific NDA to ensure discretion for the following information:creative projectsproduct designs and pending patentssoftware developmentsproduct and web designs State-Specific NDA LawsNon-disclosure agreements must follow state laws to be legally enforceable. While the core terms remain the same, each state sets its own rules on trade secrets, enforcement, and limitations.Find out how NDAs works apply in your state and create a contract that meets local legal standards. State/State LawsState of AlabamaTitle 8, Chapter 27Two yearsAL Code 8-27-5 AlaskaAS 45.50.10 45.50.945Three yearsAS 45.50.925 ArizonaTitle 44, Chapter 4Three yearsAZ Rev. Stat. 44-406 ArkansasArk. Code 39-8-1 4-75-607Three yearsArk. Code 39-8-1 39-8-130Three yearsSC Code 39-8-1 39-8-130Three yearsSSC Code 39-8-1 39-8-130Three yearsSD Codified Laws 37-29-1 37-29-11Three yearsSD Codified Laws 37-29-6 TennesseeTenn. Code 47-25-1701 47-25-1709Three yearsTN Code 47-25-1707 TexasTex. Civ. Prac. & Rem. Code 134A.001 134A.008Three yearsTX Civ Prac & Rem Code 16.010 UtahUtah Code 13-24-1 13-24-9Three yearsUtah Code 13-24-7 VermontVt. Stat. tit. 49:601 4609:95 yearsVt. Stat. tit. 12 523 VirginiaVa. Code 59-1-336 59-1-343Three yearsVa. Code 59-1-340 WashingtonWash. Rev. Code 19.108.010 19.108.930Three yearsWash. Rev. Code 19.108.060 West VirginiaW. Va. Code 47-221 47-22-10Three yearsW. Va. Code 47-22-6 WisconsinWis. Stat. 893.51 WyomingWyo. Stat. 40-22-101 40-22-110Four yearsWyo. Stat. 40-22-106 What to Include in an NDAAs strong NDA must include key elements to be enforceable and protect sensitive information. If you use our NDA template, all the essential clauses are built in. However, if you're writing your own NDA, make sure to include the following:Parties involved: Clearly name the disclosing and receiving parties to avoid loopholes. If multiple entities are involved, list them explicitly.Definition of confidential information: Be specific. Instead of vague terms like all information, list written, verbal, electronic, or visual data covered under the NDA.Obligations of the receiving party: State what the recipient can and cannot do with the confidential information. For example, they can review the data for a partnership but cannot use it for personal gain.Duration of the agreement: Courts favor NDAs with clear time limits. A trade secret NDA may last 510 years, while a product development NDA may expire in 13 years.Remedies for breach: Outline what happens if someone violates the NDA. Common remedies include mediation, arbitration, or legal action.Exclusions: NDAs do not apply to public knowledge, independently developed information, or data the recipient already had permission to share.How to Create a Non-Disclosure AgreementIt's essential to get your NDA just right. When written thoughtfully, it can ensure private details are only disclosed to those you intend to share them with.1. Choose the Right Type of NDAStart by choosing the right NDA for your situation. If you're in a specialized industry, you can ensure that you choose the right agreement format.You can also consider who's sharing information, as this detail can dictate your NDA type. A mutual NDA is useful when both parties share confidential information, such as during a partnership. Alternatively, a unilateral NDA is for when only one party discloses sensitive information. AspectMutual NDAUnilateral NDA Binding EffectBinding on both partiesBinding on recipient only Flow of InformationInfo goes both waysInfo only goes one way Legal RecourseBoth parties have it against each otherDisclosing party has legal recourse2. Define the Scope of Confidential InformationConfidential information must be clearly defined, but you don't need to detail every document and piece of work. For example, you might be able to describe confidential information as all documents labeled Confidential. When you use our template, you can choose which types of information you want to remain private. You can define it as All information shared with the receiving party or Only specific information. If you choose Only specific information, you can further narrow it down by business category. An NDA can only protect certain types of information. It won't apply to: Facts that are already public Details that the other party knew before signing Information shared by someone else legally Anything the recipient figured out on their own Trying to include these in your NDA can weaken your agreement and make it harder to enforce.3. Specify ExclusionsSpecifically widely accepted exceptions to ensure your NDA isn't too restrictive. For example, suppose the receiving party worked with you on a previous project. Any knowledge they gained from the previous project would be excluded from the current NDA.You can also specify any non-standard exclusions that you want to include. For example, an employee may gain general knowledge when working for you. You may clarify that they can use this knowledge elsewhere if it's not tied to specific proprietary details.4. Finalize Terms & Obtain SignaturesEveryone must agree on all terms and sign the final NDA before it is a legal contract. Its a good idea to have a legal professional review your final NDA before you sign it.Before signing, you may choose to incorporate additional clauses. For example, you may decide to include a non-compete clause. This kind of clause bans the recipient from working with competitors. You must write the clause to keep it reasonable and fair to all parties. For example, your non-compete clause must not be indefinite. It must also only apply to specific areas where your business has interests.Sample Non-Disclosure AgreementBelow is a sample non-disclosure agreement you can review to see how NDA forms are typically structured. When you're ready to create your own, try our Non-Disclosure Agreement template builder for free. You can customize the NDA form to fit your needs and download the final agreement in PDF or Word format. How Long Do Non-Disclosure Agreements Last?The length of a non-disclosure agreement depends on the terms set in the contract. Some NDAs last for a specific time periodsuch as two to five yearswhile others remain in effect indefinitely, especially when protecting trade secrets.Most NDAs last as long as the confidential information needs protection. However, courts may not enforce overly long NDAs if they seem unreasonable or too restrictive. To avoid confusion, always clearly state the duration in your NDA.Are NDAs Enforceable?Yes. NDAs are enforceable and legally binding as long as they meet legal requirements. Use the following steps to help make your NDA enforceable:Clearly define confidential informationSet a reasonable time limit for confidentialityEnsure both parties benefit from the agreementFollow state laws and public policyCourts may challenge NDAs if they're too broad, last too long, or try to restrict reporting discrimination. To avoid these issues, our non-disclosure agreement template includes pre-written clauses that follow legal best practices and give both parties fair protection.If someone violates an NDA, you may be able to take legal action. A common first step is to send a violation of NDA cease and desist letter to demand that the other party stop disclosing the information.Limitations for Enforcing NDAsWashington's Silenced No More Act limits the use of NDAs in employment settings. California also has its own Silenced No More Act in place. These acts prohibit employers from enforcing non-disclosure agreements that prevent employees from discussing illegal workplace conduct, including harassment, discrimination, and retaliation.Many other states, including Arizona, Colorado, and New York, have state-specific NDA laws prohibiting the enforcement of an NDA for sexual misconduct and unjust discrimination against employees. Check your state guidelines for a better understanding of the requirements and limitations.Business Plan Allows entrepreneurs and other professionals to share their business plan with investors and other businesses without fear of their idea being stolen and utilized.Download: PDF Word (.docx)Employee Used by a company for preventing newly-hired employees or contractors from disclosing the companys secrets.Download: PDF Word (.docx)Film (Movie) Secures a production companys script, plot, cast, or related information against unauthorized leaks to the public.Download: PDF Word (.docx)HIPAA (Non-Employee) A HIPPA-compliant form for preventing non-employees from sharing learned information from a healthcare facility.Download: PDF Word (.docx)Mutual (Bilateral) A contract employed when companies or individuals exchange confidential information with each other, ensuring mutual protection.Download: PDF Word (.docx)Patent Utilized by inventors and companies to safeguard information related to new inventions, designs, ideas, processes, or other trade secrets.Download: PDF Word (.docx)Unilateral (1-way) The standard NDA type, in which one party shares information that the receiving party is required to keep confidential.Download: PDF Word (.docx)Sample NDADownload: PDF WordThis Non-Disclosure Agreement (the Agreement) is entered into as of [DATE], by and between [PARTY A] (the Disclosing Party) and [PARTY B] (the Receiving Party).WHEREAS, the Disclosing Party wishes to disclose certain confidential information (the Confidential Information) to the Receiving Party;WHEREAS, the Receiving Party wishes to receive the Confidential Information from the Disclosing Party;NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the parties agree as follows:1. Definition of Confidential Information. The term Confidential Information shall include all information disclosed by the Disclosing Party to the Receiving Party, in any form or media, including, but not limited to, technical information, trade secrets, know-how, processes, formulas, designs, drawings, engineering information, marketing information, financial information, business plans, and customer information.2. Non-Disclosure. The Receiving Party agrees that it shall not, either directly or indirectly, use, disclose or make available to any third party any Confidential Information without the express written consent of the Disclosing Party. The Receiving Party shall use its best efforts to protect the Confidential Information from unauthorized use or disclosure.3. Exceptions. The obligations of the Receiving Party under this Agreement shall not apply with respect to any Confidential Information which: (i) is or becomes publicly available without breach of this Agreement; (ii) is rightfully received from a third party without restriction on disclosure; (iii) is independently developed by the Receiving Party without the use of Confidential Information; or (iv) is approved for release in writing by the Disclosing Party.4. Return of Confidential Information. Upon the request of the Disclosing Party, the Receiving Party shall promptly return to the Disclosing Party all Confidential Information and related materials.5. Term. The obligations of the Receiving Party under this Agreement shall survive the termination of this Agreement or the disclosure of Confidential Information.6. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of [STATE].IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above. _____ Party A Signature _____ Party B SignatureUnilateral vs. Bilateral NDAsUnilateral AgreementIn this arrangement, only one party (the Disclosing Party) shares confidential information, while the other party (the Receiving Party) receives it. This is the most common type of agreement and is often used when companies hire new employees, share business plans, or protect patients information in healthcare settings, among other scenarios.Bilateral (Mutual) AgreementIn this case, both parties exchange confidential information with each other. Though less common than Unilateral Agreements, Bilateral Agreements are frequently employed in business contexts, such as during mergers or to establish trust between two companies engaged in a collaborative endeavor.A trade secret refers to a form of intellectual property owned by an individual or a company. It encompasses methods, devices, techniques, formulas, patterns, compilations, or other assets that provide the creator or discoverer with a competitive advantage in the market.Examples of trade secrets include:A clients customer listThe unique formula of WD-40A startups strategic business planBlueprints for a product under developmentYouTubes proprietary algorithm for video recommendationsWhen to Sign an NDA?Freelancers offer valuable expertise for startups and established companies, allowing for flexible project work without hiring permanent staff. However, the competitive freelance market may lead to less loyalty to a single employer.To safeguard sensitive information, employers should require freelancers to sign an employment-specific Non-Disclosure Agreement. This legal document protects proprietary information and intellectual property while securely utilizing freelancers unique skills.2. Mergers, Sales, and AcquisitionsWhen a company considers a sale or merger, it must disclose confidential information such as organizational structure, finances, assets, and client relationships. This data helps the acquiring company make informed decisions. An NDA offers contractual protection, limiting unauthorized use of disclosed information.However, before sharing sensitive data, companies should carefully evaluate prospective partners and exercise caution, as pursuing legal action in case of an NDA breach may require significant time and financial investment.3. Potential InvestorsUsing NDAs with potential investors can be difficult, as most are reluctant to sign them due to the high volume of business proposals they encounter. In the tech sector, however, NDAs are more common because proprietary information leaks can have severe consequences. As a result, tech entrepreneurs often require NDAs before pitching ideas.In short, requesting an NDA from investors is reasonable, especially for highly innovative or sensitive information, but be prepared that many investors may refuse to sign.4. Hiring New EmployeesNDAs are commonly used when hiring new employees with access to confidential information, especially in competitive startup environments. When theres a risk of employees obtaining trade secrets, having them sign an NDA is wise. It provides legal recourse in case of a breach and clarifies what information they can and cannot share with third parties.What to IncludeNames & Addresses of the PartiesThis section establishes who the entities exchanging information are. Any third (3rd) parties should be included here as well. This can include coworkers, organizations, freelancers, or any other person or group who may be authorized to learn the information.Definition of Confidential InformationStriking a balance between overly broad and excessively specific definitions of confidential information is crucial. The Disclosing Party often prefers expansive terms to prevent potential unauthorized sharing, while the Receiving Party seeks precise and clearly defined information to understand sharing limitations.Non-Confidential InformationThis clause outlines information exempt from confidentiality restrictions, such as knowledge acquired prior to the agreement, publicly available information, data shared by an unbound third party, or insights developed independently without using confidential information.Receiving Partys ObligationsThis section specifies the Receiving Partys confidentiality requirements, the methods for maintaining secrecy, and any actions they must take during or at the termination of the agreement.Term (Duration) of the AgreementThe duration of the agreement may range from one year to indefinite, depending on factors like the industry, information type, parties involved, and the cost of preserving trade secrets.Severability ClauseA general statement indicating that if any provision of the agreement is unenforceable or inapplicable, it does not affect the validity of the remaining agreement.RelationshipsThis clause clarifies that the parties are not partners, part of a joint venture, or employees of one another.IntegrationThis section affirms that the agreement supersedes all prior agreements between the parties and can only be amended with the unanimous consent of all parties involved.WaiverThe waiver clause protects a partys right to enforce the agreement even if they failed to do so previously. For instance, if the Receiving Party breaches the agreement and the Disclosing Party does not enforce it initially, the waiver clause allows them to take action in case of a future breach.Governing LawThis clause specifies the state laws that regulate and enforce the contract.Signatures of the PartiesThis section of the agreement establishes the parties obligation to comply with the stipulated terms and conditions. It is mandatory for all participating parties to sign the contract. To enhance legal enforceability, it is highly advised that the agreement be signed in the presence of a notary public.Frequently Asked Questions (FAQ)The following are the answers to questions commonly asked regarding NDAs.Is it possible to get around an NDA?Yes, it is possible to circumvent an NDA, provided there is a justifiable, defensible reason. The following scenarios might offer a legal basis for exiting an NDA:1. Lack of ConsiderationIn contract law, consideration refers to the benefits each party receives for fulfilling their contractual obligations. Both parties must receive something in exchange for signing the agreement. If no consideration was provided, this could be a valid reason to exit the NDA.2. Breach of ContractIf one party breaches a bilateral (two-way) NDA by sharing information with an outside party, it may be reasonable to assume that the other party can also share the learned information without consequences.3. Overly Restrictive NDAAn NDA should not unduly restrict the receiving partys ability to seek new employment opportunities. Contracts containing excessively broad and ambiguous terms are often not upheld by court. An NDAs primary purpose is to limit information sharing, not function as a non-compete agreement.4. Termination ClauseThe NDA may contain a termination clause specifying the contracts end date or the conditions under which the parties can terminate the agreement. Once the NDA expires, the receiving party is no longer obligated to keep the information confidential.What Happens if an NDA is Broken?When an NDA is breached, consequences can range from mild to severe, depending on factors like the breaches severity and the parties intentions. In some cases, the other party may agree to dissolve the contract. Lawsuits, arrests, or copyright infringement claims can arise in more severe cases.What if the Learned Trade Secrets are Illegal?NDAs cannot cover up illegal activities. For instance, if John signs an NDA to work for a toy manufacturer and later discovers the toys contain illegal, cancer-causing ingredients, he can still disclose this information without breaching the contract.John can safely disclose the information to a government official or attorney, in a sealed lawsuit, or when arguing against retaliation by the fraudulent company. He must still make efforts to protect the companys trade secrets while revealing the aforementioned illegal activities.The Defend Trade Secrets Act (DTSA) protects whistleblowers bound by NDAs in such situations.

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