Proprietary Piracy

WHEN A MAN feels that working for wages is holding him back he can, in a free country, strike out on his own. A new invention or an improved design is often the springboard to success in industry.

This is healthy. It has helped industry grow, diversify and advance technically. But even in a free country there is a limit to the right to strike out on one's own. The line is drawn at piracy.

The brains a man brings to a company, and the general education he acquires while there, he can take with him. But it is not right—morally or legally—for employees to leave an employer along with clearly proprietary information and then move into direct competition with him. This is as wrong as baldly selling someone's trade secrets to his competitors.

Most engineers abide by their written and unwritten agreements to respect proprietary rights. But lately there have been an increasing number of reports to the contrary. Some companies who have been stung blame quick-buck venture capital operators who make a practice of luring engineers into an unethical spinoff.

Consider, for example, a company that makes a line of proprietary products based on a component which it developed. A group of engineers might leave and sell customers of their former employer an almost identical product.

These employees might take with them not only general know-how gained in years of employment, but even design data and information on who the customers are. They might conceivably also hire a number of other people working for their old employer, at least momentarily knocking for a loop his ability to produce the product.

The best approach to this problem is good old-fashioned professional ethics. But if a man hasn't the good sense to found a new business on honest initiative, then his former employer most certainly has the right to land on him with both feet by all ethical means.