



The broadness of the definition and the rights that are being given up in this agreement has a lot of problems.



## K-NOTES

# Establishing Trust with a Celebrity NDA



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## NDA as the Foundation for Trust

### The Limitations of a Celebrity NDA: The Case of Charlie Sheen

Sheen's NDA says that anyone close to the actor cannot reveal any of his personal information to any entity. Whatever might come up in the normal course of a friendship or romantic relationship is protected. Further, it strips the individual from rights like copyright and courtroom litigation and lays a heavy fine for breach of contract.



Use NDAs to stand in as the trust. But remember it's twofold. One is, carefully drafted NDAs that are not too broad. The other thing is off the deep end of not being law and involves you to ask – when do I trust a person?

## Key Takeaways

### ➔ Background of this NDA

This is an NDA from Charlie Sheen that's very specific to people who knew him in a personal sense and not necessarily in a business sense. The purpose of this agreement is to maintain confidentiality between the people he is spending time with and associating with.

### ➔ To Disclose or to Not Disclose?

This NDA states that when it comes to permitted disclosures in response to subpoenas, you should not divulge anything willingly. When drafting NDAs, there are usually extra steps to follow. Notifying the party, drafting a protective order, and paying the attorney fees.

### ➔ Transferring Copyrights

What's noteworthy about this is that it states that if you write anything or talk to anyone, especially if you write a book, you automatically transfer the copyright to Charlie Sheen. Consider this situation: You're dating Charlie Sheen. He gets you a Rolex watch. You write a book and just mention it once. Now, Charlie Sheen owns the copyright to your book, which doesn't really fly.

### ➔ The Big Picture of this NDA

People typically want ironclad NDAs since they are discussing XYZ and are unsure about sharing a great idea with another person. If that's the case, it's better to not disclose the idea. A document will not make a person trustworthy if you do not trust them.

