ADVANCED TRADE SECRET LAW AND PRACTICE

Fall 2000

Second Class Problem

(70% of Grade)

(Due Date:12/20/00)

A Ciba-Geigy Corporation commercial manufacturing process for the preparation of certain chloro-s-triazines, in particular, atrazine, a widely-used corn herbicide, involves the stepwise replacement of two chlorine atoms of cyanuric chloride with alkylamino groups in an alkaline medium consisting of water and a liquid organic compound which is a solvent for cyanuric chloride and forms a two-phase system with water, and which is removed by distillation from the reaction mixture resulting from the second replacement step. This process will be referred to hereinafter as the Basic Atrazine Process.

This Basic Atrazine Process had been in commercial use in Ciba-Geigy's manufacturing plant at St. Gabriel, Louisiana long before 1980. Many U.S. patents on this process and on various improvements of this process had been obtained by Ciba-Geigy. But many other improvements were maintained as trade secrets.

In August 1980, yet another process improvement to this Basic Atrazine Process was implemented in the same plant. It involved a product-workup procedure, namely, the separation of the organic and aqueous phases prior to distillation and re-addition of water to the organic phase by means of steam. This process improvement will be named hereinafter the Three-phase Separation Process.

This Three-phase Separation Process was not patented but deliberately maintained as a trade secret.

On September 23, 1980, U.S. Patent No. 4,224,444 ('444 patent) issued to Rumianca claiming an improvement to the Basic Atrazine Process.

The novel feature of the process claimed in the Rumianca patent is the separation of the aqueous phase from the reaction mixture after completion of the second stage and admixing the residual solution of the chloro-s-triazine in the solvent used prior to or during the distillation of the solvent with water, in order to obtain a suspension of the chloro-s-triazine in water after removal of the solvent.

Hence, the '444 patent claims read literally on the Three-phase Separation Process.

This patent was based on an October 1, 1979 U.S. filing and an earlier Italian Convention priority application, filed September 29, 1978.

While the invention date of the '444 patent is the Convention filing date, which was September 29, 1978, the Three-phase Separation Process was installed in the St. Gabriel plant in the beginning of August 1980 but it had been under development for several years, having been conceived at least as early as June 1976. There is sufficient documentation to show conception and reduction to practice in the U.S. before September 29, 1978. Also, this Three-phase Separation Process project was under active continuous scale-up development till plant implementation in August 1980.

Ciba-Geigy management understandably is highly concerned about this Rumianca patent and ask you, their IP counsel back then, what impact this patent has on their highly successful commercial Atrazine production. In particular, they want you to advise them firstly what the respective rights between Ciba-Geigy, the first inventor/trade secret owner, and Rumianca, the second inventor/patentee are, leaving aside for now the issue of whether the Rumianca patent is invalid over prior art or for other reasons. Please prepare an appropriate Legal Opinion.

Nota bene:
Please turn this problem in to the Registrar with your Examination Number and before 4PM of the Due Date.

KFJ/Ruh/12.6.00

ADVANCED TRADE SECRET LAW & PRACTICE

FALL '00

CLASS PROBLEM

30% of Grade

Due date: October 23, 2000

You are an attorney in private practice, specializing in intellectual property law. One day a Ms. Jane Genius visits you and after some pleasantries tells you the following story and asks you the following questions:

> "I've invented a new exercise machine and want to obtain a 'patent pending' status as quickly and inexpensively as possible. My colleagues advise me that since patents have a limited life, I should keep it as a trade secret forever. Can my invention be protected by a trade secret? How long can a trade secret be in effect and is it really valuable?"

What legal advice would you give to your new client, Jane Genius?

KFJ/Ruh/10.11.00

P.S. Please get an Examination Number from the Registrar and please turn this Problem into the Registrar by 4:00PM on the Due Date with only your Number on it for identification.