IP Lectures
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INTELLECTUAL PROPERTY MANAGEMENT

A. Importance of IP to a Company

This is a "golden age" for IP. IP is the life blood of a company. More than ever companies are built around patented technology. "Innovate or perish" is the motto. Patent filings and issuances are skyrocketing, so much so that there is talk of a patent "revolution", "explosion", "frenzy". The courts are pro-IP as is legislation; even the Antitrust Division of the U.S. Justice Department is pro-IP. Courts read the riot act to infringers. Billion dollar damages have been awarded. Treble damages, once rare, are now the order of the day. Injunctions are not stayed during appeals.

"Everything under the sun made by man" is patentable according to our Supreme Court. As of last year, formerly unpatentable business methods and computer programs (algorithms) are now also patentable.

Royalties obtained for licensing IP have reached the billion dollar mark for companies such as IBM, TI. Hence, IP rights are most valuable corporate assets, crown jewels. In this regard, Donald Fites, Chairman and CEO of Caterpillar, made the following illustrative statement:

> Achieving Caterpillar's goal of providing quality products and services requires more than superior engineering skills. It also requires the protection provided by patents. Without this protection our competitors would soon duplicate our inventions, and the features that differentiate Caterpillar machines worldwide would no longer be unique. Our return on research and development would quickly be eroded, and our mission of producing above-average returns for our stockholders would become increasingly difficult.
>
> Caterpillar's continued growth and prosperity depend not only on our ability to protect our own inventions, but also on our ability to avoid infringing upon the patent rights of others. With courts regularly awarding damages in the millions of dollars, one case of patent infringement could have a significant impact on our ability to compete effectively in the marketplace. As Caterpillar employees, we all share the responsibility of ensuring that this doesn't happen.

B. Organization of IP Department

There is no ideal IP department structure. Corporate IP Departments, regardless of size, will always differ from one another in certain organization respects, reflecting the unique business structure, tradition and philosophy of the respective corporate entities. However, for the most part there are similarities, based on the nature of the work, the role, the function of the IP department.

First of all, as regards the reporting relationship within the company hierarchy, the IP department, in the vast majority of companies, reports to the General Counsel, parallel to the legal and tax departments or as part of the legal department.

Secondly, there is the question of centralization versus decentralization. Depending on the size and structure of a company and the number and locations of subsidiaries, divisions or other operating units with R&D operations, there may be greater or lesser (de) centralization. Modish trends and the swinging pendulum also play a role. There are pros and cons for both setups. Inasmuch as the amount of service a corporate unit gets from a headquarter department is proportional to the geographic distance, decentralization is preferable. On the other hand, decentralization can lead to isolation of patent attorneys/agents in outlying locations as well as loss of control, communication problems and greater need for resources. Of course, there can be partial decentralization or so-called liaison persons can be employed in outlying R&D units.

Thirdly, anent departmental hierarchy a typical arrangement will comprise a number of patent attorneys/agents reporting to a division counsel or senior attorney, who in turn reports to the chief patent counsel, who invariable is a corporate vice president nowadays in light of the transcending importance of IP to the corporation which puts the IP department center-stage. Thus, an IP department may have sections aligned with operating units, where each attorney/agent handles the entire spectrum of IP work from processing invention disclosures and preparing, filing and prosecuting U.S. and foreign patent applications to getting involved in appeals, interferences, litigation and licensing of cases on his/her docket. In earlier times there was often a functional division of labor, i.e. specialized and separate sections for foreign prosecution, interferences, litigation, licensing. It is more motivational, however, for the members of the IP department to be responsible for all IP matters pertaining to their assigned business unit. The trademark function, however, is usually a separate unit.

IP departments will be guided by operational manuals incorporating corporate IP strategies, policies and procedures and are equipped to perform necessary training of junior people and give orientation lectures to R&D staffs to create and maintain patent consciousness and keep them abreast of changes in patent law and practice.

As it is not possible for an IP department to be expert in all technical fields and all practice areas, e.g. opinion work and litigation, or cope with fluctuating workloads (headcount limitations), external support may have to be enlisted, i.e. work may have to be farmed out to outside law firms. For quality control purposes, assignments handled by in-house attorneys/agents may be reviewed by outside attorneys. Farming out may also provide salutary exposure of in-house people to private practitioners.

Participation in the activities of IP associations is also important for professional development.

C. <u>Role of IP Department and Its Main Work</u>

1. Role within Corporation — Purpose or Mission
   a) Patent Support for R& D activities
      - Securing exclusive positions for new or improved products and processes via
        - issuance of patents
        - maintenance of trade secrets
      - Avoidance of exposure to infringement charges by others via due diligence
        - right-to-use searches and analyses

- patent validity searches and studies

b) Patent support for marketing activities
   - Prosecution of infringement by others of patents and defense against infringement suits via
     - litigation assistance
     - settlement negotiations and agreements
   - Negotiation and drafting of patent and know-how licenses
     - securing win/win deals in taking or granting licenses

c) Trademark support for marketing activities
   - Procuring and policing distinctive trademark registrations

d) Copyright support for our publications

2. Major Activities
   a) Evaluation of inventive ideas re
      - novelty and patentability (patent and literature searches, analyses of prior art)
      - patent protection versus trade secret maintenance

   b) Preparation and filing of patent applications on domestic inventions
   c) Prosecution of patent applications of domestic (and foreign origin) including
      - analysis of "Official Actions"
      - preparation of "Amendments" (Responses)
      - Examiner "Interviews"

   d) Appeals and Interferences
      - in case of "Final Rejection", appeal to Board of Appeals and then Court of Appeals for Federal Circuit (CAFC)
      - in case of conflicting applications, handle interference proceedings to determine first inventor

   e) Infringement and Validity Studies (Due Diligence)
      - infringement or right-to-use searches
      - file history studies
      - validity determination of competitor patents

   f) Assistance in Patent Licensing and Litigation and Foreign Patent Filing and Prosecution
   g) Other Activities:
      - outside disclosures
      - secrecy agreements
      - clearance of technical publications
      - patent orientation programs

   h) Filing and prosecution of trademark applications, including
      - availability searches
      - oppositions

   i) Copyrights
      - registration of copyrighted materials

3. Major Objectives
   a) Prioritize and streamline patent and trademark procurement practice by e.g., (1) filing fewer patent applications, especially on marginal inventions and inventions which can be maintained as trade secrets, (2) abandoning more pending cases where interest is sagging and/or the going gets tough, (3) streamlining internal procedures to simplify and improve operations, etc.
   b) Prepare, finalize or update, as the case may be, various corporate and departmental policies, procedures, forms and manuals such as Corporate Patent Policy, Trade

into cooperative research and development agreements (CRDAs) with third parties and (2) negotiate licensing agreements.

If R&D is carried out in universities, research institutes and (small) business corporations and funded by the government, in whole or in part, these entities can elect to retain title under the Bayh-Dole Act of 1980. However, they are subject to the government's so-called "march-in rights."

March-in rights may be exercised if (1) the agency determines that commercialization of the invention is not being effectively pursued; (2) the license is necessary to satisfy health or safety needs; (3) the patent holder has not met the public use requirements specified by federal regulations; or (4) the patent holder has failed to agree that products incorporating the patented invention will be manufactured substantially within the United States.

F. Corporate Counsel's Role in Litigation

1. Inasmuch as getting a patent and getting an enforceable patent are two different things, corporate counsel must optimize obtaining patents which will be found valid, enforceable and infringed when involved in patent infringement litigation. The following steps, among others, are important to take:
   - Investigate or verify the inventorship.
   - Probe for commercial use and "on sale" activities.
   - Bring pertinent prior art to the attention of the PTO.
   - Correlate claims coverage with post-filing technical and commercial developments regarding the invention.
   - Minimize the use of affidavits or declarations and beware of prosecution history estoppel.
   - Also to be kept in mind are the best mode and enablement requirements, export control regulations, etc.

2. It is important for corporate counsel to be directly engaged in the following litigation matters:
   (a) Making the initial evaluation of the factors giving rise to the litigation.
      - If on the patentee's side, identifying and analyzing the infringements forming the basis for the litigation;
      - If against the patent, identifying and analyzing the defenses which make litigation looking better than other possible courses of action.
   (b) Choosing trial counsel for the litigation and setting up the financial arrangements under which trial counsel will be operating.
   (c) Working with trial counsel to produce a thorough, going-in evaluation of the strengths and weaknesses of the case before the final decision is made on whether to litigation.
   (d) Presenting the trial counsel's evaluation of the cases to corporate management so that it is considered in conjunction with the commercial aspects of the matter in deciding whether litigation will be really cost effective.
   (e) As the litigation proceeds into and through the discovery phase,
      - acting as liaison between trial counsel and the corporation to provide witnesses, documents, and relevant information;
      - acting as a member of the litigation team in discovery planning and other strategy decisions, and in the discovery process itself;
      - monitoring trial counsel to maintain effective cost control of the discovery.

(f) Providing interim reports to corporate management as the case proceeds, particularly as to newly discovered facts which may impact the outcome and thereby make settlement more or less attractive before trial is reached.
(g) Attending the trial and helping trial counsel at trial, particularly in relationships with corporate witnesses, and with any pre-trial or post trial briefs.
(h) In conjunction with trial counsel, analyzing the outcome of the trial, i.e., the judge's decision or jury verdict and its relation to the actual evidence presented, to decide on post trial actions such as motions, and whether to appeal or settle.
(i) Participating in the appellate process particularly by reviewing and making inputs to the appellate brief(s).
(j) Usually handling a lot of other miscellaneous tasks throughout the litigation whenever an interface between trial counsel and the corporation is involved.

3. As patent infringement litigation can be horrendously expensive, it is particularly essential for corporate counsel to minimize costs. In-house counsel must exercise control over the handling of the litigation by trial counsel by getting personally involved in
   - adopting written guidelines for outside counsel
   - working out a budget
   - giving outside counsel incentives for efficiency
   - attempting to settle dispute early on
   - exploring alternatives to full-blown litigation
   - assuring that outside counsel
     - narrows the case
     - limits discovery
     - eliminates delays, unnecessary travel, excessive staffing
     - uses client's personnel, etc.

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COMPETITIVE ACTIVITY

I shall not, directly or indirectly (whether as owner, partner, consultant, employee or otherwise), at any time during the period of two years following termination for any reason of my final employment with Monsanto Company or any Subsidiary, engage in or contribute my knowledge to any work or activity that involves a product, process, apparatus, service or development which is then competitive with or similar to a product, process, apparatus, service or development on which I worked or with respect to which I had access to Confidential Information while at Monsanto Company or any Subsidiary at any time during the period of five years immediately prior to such termination ("Competitive Work"). However, I shall be permitted to engage in such proposed work or activity, and Monsanto shall furnish me a written consent to that effect signed by an officer, if I shall have furnished to Monsanto clear and convincing written evidence, including assurances from me and my new employer, that the fulfillment of my duties in such proposed work or activity would not likely cause me to disclose, base judgments upon, or use any Confidential Information. Following the expiration of said two year period, I shall continue to be obligated under the "Confidential Information" section of this Agreement not to use or to disclose Confidential Information so long as it shall remain proprietary or protectible as confidential or trade secret information.

During my employment by Monsanto and for a period of two years thereafter, I shall not, directly or indirectly, induce or attempt to induce a salaried employee of Monsanto Company or any of its Subsidiaries to accept employment or affiliation involving Competitive Work with another firm or corporation of which I am an employee, owner, partner or consultant.

IDEAS, INVENTIONS OR DISCOVERIES

I shall promptly disclose to Monsanto all ideas, inventions or discoveries, whether or not patentable, which I may conceive or make, alone or with others, during my employment, whether or not during working hours, and which directly or indirectly

(a) relate to matters within the scope of my duties or field of responsibility during my employment by Monsanto Company or its Subsidiaries; or

(b) are based on my knowledge of the actual or anticipated business or interests of Monsanto Company or its Subsidiaries; or

(c) are aided by the use of time, materials, facilities or information of Monsanto Company or its Subsidiaries.

I hereby assign to Monsanto Company or one of its Subsidiaries (whichever was my employer at the time the invention was conceived or made), without further compensation, all of my right, title and interest in all such ideas, inventions or discoveries in all countries of the world.

Without further compensation but at Monsanto's expense, I shall give all testimony and execute all patent applications, rights of priority, assignments and other documents and in general do all lawful things requested of me by Monsanto to enable Monsanto to obtain, maintain, and enforce protection of such ideas, inventions and discoveries for and in the name of Monsanto Company or one of its Subsidiaries (as the case may be), or its nominee, in all countries of the world. However, should I render any of these services following termination of my employment, I shall be compensated at a rate per hour equal to the basic salary I received from Monsanto at the time of termination and shall be reimbursed for reasonable out-of-pocket expenses incurred in rendering the services.

I recognize that ideas, inventions or discoveries of the type described above conceived or made by me, alone or with others, within one year after termination of my employment are likely to have been conceived in significant part while employed by Monsanto. Accordingly, I agree that such ideas, inventions or discoveries shall be presumed to have been conceived during my Monsanto employment unless and until I have established the contrary by clear and convincing evidence.

MISCELLANEOUS

This Agreement shall be construed under the laws of the State of [redacted] and shall be binding upon and enforceable against my heirs and legal representatives and the assignees of any idea, invention or discovery conceived or made by me.

To the extent this Agreement is legally enforceable, it shall supersede all previous agreements covering this subject matter between me and Monsanto Company or its Subsidiaries, but shall not relieve me or such other party from any obligations incurred under any such previous agreement while in force.

If any provision of this Agreement is held invalid in any respect, it shall not affect the validity of any other provision of this Agreement. If any provision of this Agreement is held to be unreasonable as to time, scope or otherwise, it shall be construed by limiting and reducing it so as to be enforceable under then applicable law.

If I am transferred from the company which was my employer at the time I signed this Agreement to the employment of another company that is a Subsidiary of Monsanto Company or is Monsanto Company itself, and I have not entered into a superseding agreement with my new employer covering the subject matter of this Agreement, then this Agreement shall continue in effect and my new employer shall be termed "Monsanto" for all purposes hereunder and shall have the right to enforce this Agreement as my employer. In the event of any subsequent transfer, my new employer shall succeed to all rights under this Agreement so long as such employer shall be Monsanto Company or one of its Subsidiaries and so long as this Agreement has not been superseded.

Monsanto and I shall each have the right to terminate my employment by giving at least thirty days' prior written notice to the other party; provided, however, that no advance notice of termination shall be required if the business unit to which I am assigned is sold and I accept a comparable position with the purchaser of such business unit. Monsanto, at its option, may elect to pay me my salary for the notice period instead of continuing my active employment during that period.

This Agreement is signed in duplicate, as of the _____ day of _____ 19___.

MONSANTO COMPANY

BY _____

TITLE _____

OR

_____
Name of Subsidiary

BY _____

TITLE _____

_____
Signature of Employee

_____
Typed Name of Employee

_____
Employment Location

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PROTECTION OF TRADE SECRETS

1. History of Trade Secrets

- Dates at least back to Roman law — relief afforded against a person who induced another's employee (slave) to divulge secrets relating to the master's commercial affairs.
- Modern law evolved in England in early 19th century — in response to the growing accumulation of technology and know-how and the increased mobility of employees.
- Recognized in U.S. by middle of 19th century — *Peabody v. Norfolk* (1868) (secret manufacturing process is property, protectable against misappropriation; secrecy obligation for employee outlasts term of employment; trade secret can be disclosed confidentially to others who need to practice it and recipient can be enjoined from using misappropriated trade secret).
- By end of the 19th century the principal features of contemporary law were well-established and in 1939 the Restatement of Torts attempted to "codify" it.

2. Definitions of a Trade Secret

a. Restatement of Torts
A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers.
(Restatement of Torts, § 757, Comment b (1939))

b. UTSA
A trade secret is any information, including a formula, pattern, compilation, device, method, technique, or process, that:
(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
(Uniform Trade Secrets Act § 1(4), 14 U.L.A. 372, 1985 & Supp. 1989)

c. Restatement of Unfair Competition
A trade secret is any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others.
(Restatement (third) of Unfair Competition, § 39, 1995)

employee is hired to invent/create IP (*Solomon's v. US*, US Supreme Court, 1890), is an executive having a fiduciary duty to the employer or there is an employment agreement requiring assignment of rights to inventions and know-how to the employer from the employee. Even if none of this is true, an employer may acquire a "shop right", a limited implied royalty-free non-exclusive license.

This holds also for employment by the government, e.g. in the Federal Laboratory System (*US v. Dubilier*, US Supreme Court, 1930). Where the government funds R&D in the private sector, this is done under contract pursuant to government policies, whereby the government becomes the owner of the IP produced. In both cases, the government licenses the federally-owned IP very freely, even on an exclusive basis.

A relevant provision in employment agreements covering trade secrets side by side with patents, may read as follows:

> I hereby assign to ABC Company, without further compensation, all of my rights, title and interest in all ... ideas, inventions or discoveries (whether or not patentable) in all countries of the world.

5. Management of Trade Secrets

- Memorialize the trade secret policy in writing.
- Inform employees of trade secrets.
- Have employees sign employment agreements with confidentiality obligations.
- Restrict public accessibility.
- Restrict access to trade secrets (on need-to-know basis).
- Lock gates and cabinets.
- Label trade secret documents.
- Screen speeches and publications.
- Conduct exit interviews.
- Use contracts in dealing with third parties.

6. Misappropriation of Trade Secrets

- Acquisition by improper means.
- Acquisition by accident or mistake.
- Use or disclosure of a trade secret, which is acquired improperly or in violation of a duty to maintain confidentiality.

"Improper means" includes "theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means."

Independent discovery, reverse engineering, or discovery from observing what has been allowed to enter the public domain, do not support a claim for misappropriation.

7. Trade Secret Litigation

As trade secret law is state law, litigation is in state courts, except in diversity cases (parties are residents of different states; over $50,000 is at stake) and cases also involving a federal issue, e.g. patent infringement.

After questions of jurisdiction and venue are dealt with, this is what happens in a typical trade secret misappropriation case:

- Pleadings (Complaint, Answer, Counterclaims) are filed and served on other party.
- Discovery (via interrogatories, requests for documents and admissions, depositions of witnesses) takes place.
- Pretrial motions are filed, such as, in particular, a motion for summary judgment.
- A trial is held before a judge or jury, where the plaintiff has the burden of proof and must establish the basic elements of a trade secret and its misappropriation. In defense, defendant attempts to deny the charges and/or use affirmative defenses, e.g. unclean hands.
- To protect the trade secrets from disclosure, the court will issue protective orders and hold trial sessions *in camera* (in the judge's chamber).
- Appeals can follow the trial; the dispute can be settled or arbitrated or mediated.

Remedies for misappropriation include one or more of the following:

- Injunctions — specially important in trade secret cases.
  Interlocutory injunctions (temporary restraining orders and preliminary injunctions) and permanent injunctions. As to the length of time that an injunction should last, many courts will issue a "reverse engineering injunction" which lasts for the estimated time it would take a hypothetical competitor to take a public disclosure and work backward to discover the trade secret.
- Damages — compensatory damages, defendant's profits, royalties, punitive damages, attorney's fees.
- Searches and Seizures — where they are the only way to obtain evidence of misappropriation.

8. Economic Espionage Act

Although trade secret misappropriation cases are, as a general rule, civil cases brought in state courts, several states make trade secret misappropriation a crime via explicit criminalization (e.g. Pennsylvania) or via larceny and theft of "property" (e.g. Massachusetts, Minnesota, New Jersey, Ohio, Texas).

More importantly, as of 1996 we have the Economic Espionage Act (EEA).

The EEA is the first federal criminal statute to impose serious penalties for the misappropriation of trade secrets. The EEA does not preempt existing state or federal trade secret law; however, as a criminal statute, the EEA does not afford a private right of action. Under current Justice Department policy, only the Attorney General, the Deputy Attorney

General or the Assistant Attorney general for the Criminal Division can authorize prosecution under the EEA.

The EEA generally prohibits the intentional misappropriation of trade secrets to benefit anyone other than the owner.

The penalty under the EEA is half a million dollars and/or 15 years imprisonment for individuals and for organizations it is $5 million but if the trade secret misappropriation benefited foreign entities, it is $10 million.

9. The Patent/Trade Secret Interface

Trade Secrets protect unpatentable know-how (knowledge and skill) but also patentable inventions as perfectly viable alternatives to patents (*Kewanee Oil v. Bicron*, U.S. Supreme Court, 1974 — "the extension of trade secret protection to clearly patentable inventions does not conflict with the patent policy of disclosure.")

Also trade secrets and patents are complementary rather than mutually exclusive or in conflict, to wit:

(1) In the critical R&D stage before filing and during patent pendency they "dovetail" (U.S. Supreme Court in *Bonito Boats, 1989*).
(2) Associated know-how can be kept secret after complying with the enablement and best-mode requirements in drafting the patent application.
(3) Also all R&D data developed after filing including better modes can be maintained as trade secrets.
(4) As regards complex technology — complementary patenting and secreting is the best of both worlds (e.g. GE's industrial diamond process technology).

Thus, the question is not whether to patent or to padlock but rather what to patent and what keep a trade secret and whether is is best to patent as well as to padlock, i.e. integrate patents and trade secrets for optimal protection of innovation.

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FROM THE EDITOR

The Patent/Trade Secret Interface

As in past issues, this column continues airing debatable, provocative and unsettled issues in IP law and practice. After clearing up in the last issue that a patent is not a monopoly, as is commonly believed, but property, let me dispel equally deep-seated misconceptions about the relationship between patents and trade secrets and level a lance in defense of trade secrets, the stepchild, the orphan in the IP family or the black sheep in the IP barnyard. Trade secrets are maligned as flying in the face of the patent system, the essence of which is disclosure of inventions to the public. Keeping inventions secret is, therefore, supposed to be reprehensible. One noted IP professor went even so far as to say "Trade secrets are the cesspool of the patent system."

Nothing could be further from the truth. Patents are but the tips of icebergs in a sea of trade secrets. Over 90% of all new technology is covered by trade secrets and over 80% of all license and technology transfer agreements cover proprietary know-how, i.e. trade secrets, or constitute hybrid agreements relating to patents and trade secrets. As a practical matter, licenses under patents without access to associated know-how are often not enough to use patented technology. Bob Sherwood calls trade secrets the "workhorse of technology transfer." The quiet role they play in IP protection is thus deceiving. Trade secrets are the first-line defense: they come before patents, go with patents and follow patents. Patents and trade secrets are not mutually exclusive but actually highly complementary and mutually reinforcing; in fact, they dovetail. In this context, it should be kept in mind that our Supreme Court has recognized trade secrets as perfectly viable alternatives to patents (*Kewanee Oil v. Bicron* (1974) "the extension of trade secret protection to clearly patentable inventions does not conflict with the patent policy of disclosure") and further strengthened the bases for trade secret reliance in subsequent decisions (*Aronson v. Quick Point Pencil* (1979) and *Bonito Boats v. Thunder Craft Boats* (1989)). Interestingly, in his concurring opinion in the *Kewanee Oil* decision, Justice Marshall was "persuaded" that "Congress, in enacting the patent laws, intended merely to offer inventors a limited monopoly (*sic*) in exchange for disclosure of their inventions (rather than) to exert pressure on inventors to enter into this exchange by withdrawing any alternative possibility of legal protection for their inventions." Thus, it is clear that patents and trade secrets can not only coexist, but are in harmony rather than in conflict with each other.

In the past and even today if trade secret maintenance was contemplated at all, e.g. for manufacturing process technology, which can be secreted unlike gadgets or machinery, which upon sale can be reverse-engineered, the question always was phrased in the alternative. E.g. titles of articles discussing the matter read "Trade Secret vs. Patent Protection", "To patent or not to patent?" "Trade Secret or Patent?" etc. I submit that it is not necessary and, in fact, shortsighted to choose one over the other. To me the question is not so much whether to patent or to padlock but rather what to patent and what to keep a trade secret and whether it is best to patent as well as to padlock, i.e. integrate patents and trade secrets for optimal protection of innovation.

Let me explain. It is true that patents and trade secrets are polar extremes on the issue of disclosure. Information that is disclosed in a patent is no longer a trade secret. As pointed out above, however, patents and trade secrets are indeed complementary; especially under the following circumstances: First, in the critical R&D stage and before any applications are filed and also before patents issue, trade secret law particularly "dovetails" with patent law (*see Bonito Boats*). Secondly, provided that an invention has been enabled and the best mode described, as is requisite in a patent application, all associated know-how not disclosed can and should be retained as a trade secret. That the "written description" and "best mode" requirements apply only to the *claimed* invention should be kept in mind in this context. Third, all R&D data, including data pertaining to better modes, developed after filing, whether or not inventive, can and should also be maintained as trade secrets.

Fourth, and especially with respect to complex technologies consisting of many patentable inventions and volumes of associated know-how, complementary patenting and secreting is tantamount to having the best of both worlds. In this regard GE's industrial diamond manufacturing process technology, which is partially patented and partially under trade secret protection, comes to mind as an excellent illustration of the synergistic integration of patents and trade secrets to secure exclusivity.

Was GE's policy to rely on trade secrets in this manner, or, for that matter, Coca-Cola's decision to keep their formula secret rather than patent it, which could have been done, damnable? I think not.

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