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CASE NOTES

TRADE SECRETS—Patents—State Trade Secret Law May Not Grant Privileges Denied By Federal Patent Law

Kewanee Oil Co. v. Bicron Corp., 478 F.2d 1074 (6th Cir. 1973).

Plaintiff, Kewanee Oil Company, had developed certain formulae for chemical processes used in the manufacture of synthetic crystals. It was stipulated by the plaintiff in the trial court that the processes were proper subjects for patent, that they had been in commercial use for more than 1 year, and that Kewanee's reason for failing to apply for patents was its desire to keep the processes secret for more than the 17 years allowed under federal law. The defendants, former employees of Kewanee, had as part of their employment contracts with plaintiff, executed agreements not to reveal or use trade secrets which they might have discovered while employed by the company. After leaving Kewanee, defendants began commercially using processes claimed by Kewanee to be trade secrets protectable under Ohio trade secrets law.¹ The district court² found that 20 of the 40 processes in question were trade secrets, and enjoined the defendants from using them.³ Both parties appealed to the Court of Appeals for the Sixth Circuit. Held—*Reversed*. The injunctions against the defendants were cancelled. The particular processes, which had been eligible for patents and had been used commercially for more than 1 year, were protected as monopolies for their owner, Kewanee, by an Ohio statute. Such protection is specifically denied by federal law.⁴ Therefore, since the Ohio Trade Secrets Act is in conflict with the United States Constitution,⁵ and the patent laws of the

1. OHIO REV. CODE ANN. § 1333.51 (Baldwin 1971).

2. Federal jurisdiction was based on the diversity citizenship of the parties. 28 U.S.C. § 1332 (1970).

3. *Kewanee Oil Co. v. Bicron Corp.*, 478 F.2d 1074, 1076 (6th Cir. 1973).

4. *Id.* at 1086. 35 U.S.C. § 102 (1970) provides that:

A person shall be entitled to a patent unless—

(b) the invention was . . . in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. As stated in the Constitution:

The Congress shall have power

To promote the Progress of Science and the useful Arts, by securing for limited

United States,⁶ it must yield under the supremacy clause.⁷

An exact definition of the term "trade secret" is best determined by what may be included in that classification.⁸ A trade secret includes 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."⁹ Because the subjects of patents are necessarily made public,¹⁰ a particular idea or invention may not be both patented and a trade secret at the same time.¹¹ In 1887 Justice William Howard Taft, in *Cincinnati Bell Foundry Co. v. Dodds*,¹² established a two-part test to characterize trade secrets. He determined that a process could be a trade secret if it was kept secret, and if one who revealed or used it learned of the process "in confidence, and under an implied obligation not to use or disclose it."¹³ Not only is it a secret then, but also it is protected from discovery only through "bad faith disclosure."¹⁴ The requirement of bad faith disclosure is based on the common law concept of the principal-agent relationship. At common law an employee had an implied obligation not to disclose to any third party or to use for his own enrichment trade secrets of which he might become aware during the course of his employment.¹⁵

Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries:

U.S. CONST. art. I, § 8.

6. 35 U.S.C. §§ 100-293 (1970); 37 C.F.R. §§ 1.1-3.61 (1967).

7. U.S. CONST. art. VI, § 2 states:

This Constitution, and the Laws of the United States which shall be made in pursuance thereof . . . shall be the Supreme Law of the Land . . . any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

8. The Ohio Trade Secret Act defines "trade secret" as:

the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, or improvement, or any business plans, financial information, or listing . . . which has not been published or disseminated, or otherwise become a matter of general public knowledge. Such scientific or technical information . . . is presumed to be secret when the owner thereof takes measures designed to prevent it, in the ordinary course of business, from being available to persons other than those selected by the owner to have access thereto for limited purposes.

OHIO REV. CODE ANN. § 1333.51(3) (Baldwin 1971).

9. RESTATEMENT OF TORTS § 757, comment *b* at 5 (1939). See also 55 AM. JUR. 2d *Monopolies, Restraints of Trade, & Unfair Trade Practices* § 705 (1971).

10. Detailed plans or blueprints of the inventions for which patents are to be granted are required of all applicants for patents. 35 U.S.C. § 112 (1970).

11. *Newport Indus. v. Crosby Naval Stores*, 139 F.2d 611, 612 (5th Cir. 1944).

12. 10 Ohio Dec. Rep. 154 (Super. Ct. 1887).

13. *Id.* at 156; accord, *W.R. Grace & Co. v. Hargadine*, 392 F.2d 9, 13 (6th Cir. 1968).

14. Bad faith disclosure includes revelation through breach of contract or confidential relationship. *Ferroline Corp. v. General Aniline & Film Corp.*, 207 F.2d 912, 922-23 (7th Cir.), cert. denied, 347 U.S. 953 (1953). See also *NLRB v. Knoxville Pub. Co.*, 124 F.2d 875, 883 (6th Cir. 1942), in which the term "bad faith" is generally defined as breach of good faith or wilful failure to comply with statutory or contractual obligations.

15. See generally Annot., 30 A.L.R.3d 636-37 (1970); 69 C.J.S. *Patents* §§ 242-

Courts have consistently upheld this type of implied covenant.¹⁶

The principle that trade secrets are to be protected has also been codified by state legislatures.¹⁷ In addition, Congress has recognized trade secrets and provided for their preservation in a number of statutes.¹⁸ Giving effect to this congressional intent, the Court of Appeals for the Sixth Circuit, in *United States v. Greenwald*,¹⁹ announced that trade secrets are to be protected under a general provision of federal law as well as under ones specifically referring to trade secrets.²⁰ In *Greenwald* the court included trade secrets among "goods, wares, or merchandise" protected by federal statute from illegal interstate transportation.²¹

In contrast to the common law background of trade secrets is the strictly statutory background for both the protection and disclosure of patents. The Constitution gives exclusive authority over patents to Congress.²² The inclusion of a patent and copyright clause in the Constitution was explained in the *Federalist* by James Madison: "The public good fully coincides in both cases with the claims of individuals. The States cannot separately make effectual provision for either [patents or copyrights]."²³

From the very first cases arising under the federal patent laws,²⁴ courts have interpreted the language of article I, section 8 to mean that the primary purpose of Congress in granting a patent is to promote the dedication of

270 (1951); RESTATEMENT (SECOND) OF AGENCY § 396, comment on clause (b) at 224 (1957).

16. *Du Pont Powder Co. v. Masland Prods.*, 244 U.S. 100 (1917); *Servo Corp. of America v. General Elec. Co.*, 337 F.2d 716 (4th Cir. 1964), *cert. denied*, 383 U.S. 934 (1966); *Space Aero Prods. Co. v. R.E. Darling Co., Inc.*, 208 A.2d 74 (Md. Ct. App.), *cert. denied*, 382 U.S. 843 (1965); *Peabody v. Norfolk*, 98 Mass. 452 (1868). See generally 55 AM. JUR. 2d *Monopolies, Restraints of Trade, and Unfair Trade Practices* § 707 (1971).

17. For example, the Ohio Act provides:

No person, having obtained possession of an article representing a trade secret or access thereto with the owner's consent, shall convert such article to his own use or that of another person, or thereafter without the owner's consent make or cause to be made a copy of such article, or exhibit such article to another.
OHIO REV. CODE ANN. § 1333.51(c) (Baldwin 1971).

18. Freedom of Information Act, 5 U.S.C. § 552(b)(4) (1970) prohibits federal agencies from disclosing trade secrets. See also the Economic Stabilization Act, 12 U.S.C.A. §§ 205, 1904 (Supp. 1973); the Securities & Exchange Act, 15 U.S.C. § 78(a) (1970); 21 U.S.C. § 458(a)(5) (1970); 35 U.S.C. § 122 (1970), all prohibiting the disclosure of trade secrets by federal officials or employees.

19. 479 F.2d 320 (6th Cir. 1973).

20. *Id.* at 322.

21. *Id.* at 322. According to the Federal Crimes Act, it is a federal crime to transport in interstate commerce any goods, wares, or merchandise having a value of \$5,000 or more with knowledge that they have been stolen. 18 U.S.C. § 2314 (1970).

22. U.S. CONST. art. I, § 8. The supremacy clause gives Congress an exclusive prerogative concerning its enumerated powers. U.S. CONST. art. VI, § 2.

23. THE FEDERALIST No. 43, at 279 (Modern Library College ed.) (J. Madison).

24. The original United States Patent Act was the Act of April 10, 1790, Ch. 7, § 2, 1 Stat. 109, as amended, 35 U.S.C. §§ 100-293 (1970).

knowledge and use of new ideas and inventions to the public.²⁵ To that end Congress grants a limited monopoly on the fruits of the exploitation of an invention to its inventor in exchange for his disclosure to the public of its subject matter and manner of use.²⁶ In the seminal case *Grant v. Raymond*,²⁷ Chief Justice John Marshall explained the exact nature of this public interest:

The great object and intention of the act is to secure to the public the advantages to be derived from the discoveries of individuals, and the means it employs are the compensation made to those individuals . . . by the exclusive right to make, use and sell the things discovered for a limited time.²⁸

Thus, in exchange for dedicating his idea to the public domain²⁹ the inventor is granted a property interest in his invention.³⁰ This right is to the *exclusive* use of and profit from the invention for a specific period of time.³¹ The majority of decisions agree that this right of exclusive exploitation is one granted only by statute.³²

The rights granted the patent holder are restricted to inventions and ideas which qualify under statutory standards.³³ A process is among the aggregate of those things which may qualify,³⁴ and the term "process" is explained in the statute.³⁵ In addition to the requirement of novelty and

25. *Brenner v. Manson*, 383 U.S. 519 (1966); *Scott Paper Co. v. Marcalus Mfg. Co., Inc.*, 326 U.S. 249 (1945); *Gill v. Wells*, 89 U.S. (22 Wall.) 1 (1874); *Beckman Instruments v. Chemtronics, Inc.*, 439 F.2d 1369 (5th Cir. 1970). See generally 60 AM. JUR. 2d *Patents* § 1 (1972).

26. *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 255-56 (1945); *Pennock & Sellers v. Dialogue*, 27 U.S. (2 Pet.) 1, 23 (1829); *Winston Research Corp. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134, 138 n.2 (9th Cir. 1965); *Huszar v. Cincinnati Chem. Works*, 172 F.2d 6 (6th Cir. 1949); Doefer, *The Limits on Trade Secret Law Imposed by Federal Patent and Antitrust Supremacy*, 80 HARV. L. REV. 1432 1441 (1969).

27. 31 U.S. (6 Pet.) 218 (1832).

28. *Id.* at 243. The time allowed a patent holder for monopoly under the statute is 17 years. 35 U.S.C. § 154 (1970).

29. The meaning of the term "public domain" is given in *Sawyer v. Crowell Publishing Co.*, 46 F. Supp. 471, 474 (S.D.N.Y. 1942) as information which is available to anyone.

30. *E.g.*, *Marsh v. Nichols, Shepard & Co.*, 128 U.S. 605 (1888).

31. *Crown Die & Tool Co. v. Nye Tool & Machine Works*, 261 U.S. 24, 34-36 (1923); *Bauer v. O'Donnell*, 229 U.S. 1, 10 (1913); *United States v. United Shoe Mach. Co.*, 264 F. 138, 147 (E.D. Mo. 1920).

32. *Sperry v. Florida ex rel. Florida Bar*, 373 U.S. 379, 401 (1963); *Marsh v. Nichols, Shepard & Co.*, 128 U.S. 605, 612 (1888); *Gayler v. Wilder*, 51 U.S. (10 How.) 477, 493 (1850); *Cloakwell v. United States*, 372 F.2d 508, 511 (Ct. Cl. 1967). But see *Reynolds Metals Co. v. Skinner*, 166 F.2d 66, 75 (6th Cir.), cert. denied 334 U.S. 858 (1948); 69 C.J.S. *Patents* § 2(a) (1955).

33. 35 U.S.C. §§ 101-103 (1970).

34. 35 U.S.C. § 101 (1970).

35. "The term 'process' means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material." 35 U.S.C. § 100(b) (1970).

usefulness,³⁶ the device or process sought to be patented must not have been "in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States."³⁷ The term "public use" has been interpreted by courts to include commercial use in the manufacture of products offered for sale to the public.³⁸

Protection of both patents and trade secrets is affected by the rule that neither equitable estoppel nor any contractual obligation will be enforced by courts to circumvent or defeat either statute or public policy.³⁹ Applying this rule, courts have refused to enforce contracts which have had the effect of extending the 17 year statutory limit on patent monopolies.⁴⁰ On the other hand, employment contracts containing covenants not to disclose or use trade secrets have generally been enforced as not being contrary to public policy,⁴¹ not reaching the question of conflict with the federal statutory policy of public disclosure of ideas.

Thus, a problem arises when there is the threat of conflict between the states' interest in enforcing covenants, expressed or implied in employer-employee relationships, and the United State's statutory and constitutional interest in the dedication of new ideas to the public domain. Two lines of authority have emerged in the treatment of this conflict between state and federal interests.

The traditional view, represented in *Painton & Co. v. Bourns, Inc.*,⁴² has upheld the states' authority to protect all trade secrets which have not been patented.⁴³ More specifically, *Painton* reaffirmed the rule that failure to ap-

36. 35 U.S.C. § 101 (1970).

37. 35 U.S.C. § 102(b) (1970).

38. *Chemithon Corp. v. Proctor & Gamble Co.*, 287 F. Supp. 291, 309 (E.D. Md. 1968), *aff'd*, 427 F.2d 893 (4th Cir.), *cert. denied*, 400 U.S. 925 (1970). The Supreme Court explained the requirements for classification as public use in *Egbert v. Lippmann*, 104 U.S. 333, 336 (1881):

[S]ome inventions are by their very character only capable of being used where they cannot be seen or observed by the public eye. . . . Nevertheless, if its inventor sells a machine of which his invention forms a part, and allows it to be used without restriction of any kind, the use is a public one.

See also *Shatterproof Glass Corp. v. Guardian Glass Co.*, 462 F.2d 1115 (6th Cir. 1972), *cert. denied*, 409 U.S. 1039 (1973); *Metallizing Eng'r Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 518-19 (2d Cir.), *cert. denied*, 328 U.S. 840 (1946).

39. Cf. *Norman v. B. & O. Ry.*, 294 U.S. 240, 304-305 (1935); *Pittsburgh, C.C. & St. L. Ry. v. Fink*, 250 U.S. 577, 583 (1919); *Union Dry Goods Co. v. Georgia Pub. Serv. Corp.*, 248 U.S. 372, 376 (1919); *New York Cent. & H.R.R. v. Gray*, 239 U.S. 583, 586-87 (1916); *Louisville & N.R.R. v. Mottley*, 219 U.S. 467, 482-83 (1911).

40. *E.g.*, *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 136-38 (1969); *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 256-57 (1945).

41. *Dekar Indus. v. Bissett-Berman Corp.*, 434 F.2d 1304 (9th Cir. 1970), *cert. denied*, 402 U.S. 945 (1971); *Water Servs., Inc. v. Tesco Chem., Inc.*, 410 F.2d 163 (5th Cir. 1969); *W.R. Grace & Co. v. Hargadine*, 392 F.2d 9 (6th Cir. 1968); *Curry v. Marquart*, 11 N.E.2d 868, 869 (Ohio 1937).

42. 442 F.2d 216 (2d Cir. 1971).

43. *Id.* at 225.

ply for a patent does not disqualify an inventor from the protection of his invention by state trade secret law.⁴⁴ In *Painton* the court enforced an agreement by former employees not to disclose trade secrets. Under this and similarly decided cases, nondisclosure agreements have been enforced unless they unduly restrained trade.⁴⁵

A second position on the conflict between state trade secret law and federal patent law, alternative to the *Painton* tradition, is rooted in three related trends in the case law. First, courts have repeatedly stated that concealment of the technical workings of an invention coupled with public use of the invention, even without the consent of the inventor, results in the forfeiture of all right to obtain a patent.⁴⁶ Thus, if it were to be held that all patentable inventions fall within the scope of the patent laws, it would follow, contrary to *Painton*, that no monopoly on inventions which had been in public use for more than 1 year could be protected.

In a second trend leading toward limiting the states' power to protect all trade secrets the Supreme Court has, in three recent decisions, refused to allow state law to protect unpatented inventions as trade secrets when disclosed in a manner other than through breach of contract or fiduciary duty.⁴⁷ The *Sears-Compco*⁴⁸ rule that "an unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so"⁴⁹ was announced in 1964. The rule was formulated to prevent a state unfair competition law from protecting monopolies which are prohibited in the federal patent laws. Through Justice Black, the Court reasoned that "because of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying."⁵⁰ This situation was recognized in *Painton*, but was distinguished from one in which the copying was specifically prohibited in an employment contract.⁵¹

44. *Id.* at 225.

45. Cases cited notes 14 and 38 *supra*; cf. *Imperial Chem. Indus. Ltd. v. National Distillers & Chem. Corp.*, 342 F.2d 737, 743 (2d Cir. 1965). See also 14 S. WILLISTON, *CONTRACTS* § 1646 (3d ed. 1961).

46. *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 19-20 (1939); *Andrews v. Hovey*, 123 U.S. 267, 270 (1887); *Elizabeth v. Pavement Co.*, 97 U.S. 126, 134 (1877); *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 28 (1858); *Huszar v. Cincinnati Chem. Works, Inc.*, 172 F.2d 6, 10 (6th Cir. 1949); *Lorenz v. Colgate-Palmolive-Peet Co.*, 167 F.2d 423, 429 (3d Cir. 1948).

47. *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964).

48. *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.* 376 U.S. 234 (1964). The two cases are considered together as discussing the same question and rule. *Id.* at 235.

49. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964).

50. *Id.* at 232-33.

51. *Painton & Co. v. Bourns, Inc.*, 442 F.2d 216, 223 (2d Cir. 1971).

In *Lear, Inc. v. Adkins*,⁵² however, the Court extended the *Sears-Compco* rule to a case involving the breach of a contract concerning industrial secrets. Justice Harlan, writing for the majority, stated the underlying question in the case to be "whether [the] federal patent policy bars a State from enforcing a contract regulating access to an unpatented secret idea."⁵³ The majority declined to rule on that question,⁵⁴ but did make clear that federal patent policy is controlling in the event of a conflict.⁵⁵ The majority in *Lear* decided that to require a licensee to pay royalties on an invalid patent, even pursuant to an express contract between the parties, "would undermine the strong federal policy favoring the full and free use of ideas in the public domain."⁵⁶ The federal patent policy superseded the contract, and the contract was not enforced.⁵⁷ In his partial dissent, Justice Black expressed his belief that no state may grant a monopoly on any new invention which has not been patented, and that no private agreement, even if approved by the state, can be used to defeat the national policies encouraging free competition and discouraging monopoly.⁵⁸

A third trend in trade secret disclosure litigation involves a realization by several courts that some remedies offered in state trade secret disclosure cases may be an indication of conflict with the federal law. It is appropriate in instances where an employee has wrongfully used a trade secret to enjoin him from future use of the secret.⁵⁹ In the past these injunctions were often permanent,⁶⁰ but some courts have determined that to enjoin defendants permanently from using trade secrets defeats the federal policy of making ideas, when they become part of the public domain, available to everyone.⁶¹ Following this reasoning, it has been held that a defendant who has used any trade secret in violation of an express or implied agreement may be enjoined from such use only for the period of time required for the secret to have been discovered through legitimate means.⁶² Concerning this

52. 395 U.S. 653 (1969).

53. *Id.* at 672.

54. *Id.* at 675.

55. *Id.* at 673.

56. *Id.* at 674.

57. *Id.* at 674.

58. *Id.* at 677.

59. *Space Aero Prods. Co. v. R.E. Darling Co.*, 208 A.2d 74, 89 (Md. Ct. App.), *cert. denied*, 382 U.S. 843 (1965); RESTATEMENT OF TORTS § 757(b), (e) (1939).

60. *Shellmar Prods. Co. v. Allen-Qualley Co.*, 87 F.2d 104 (7th Cir. 1936); *Harrison v. Glucose Sugar Ref. Co.*, 116 F. 304 (7th Cir. 1902); *Junker v. Plummer*, 67 N.E.2d 667 (Mass. 1946); *Peabody v. Norfolk*, 98 Mass. 452 (1868).

61. *Hampton v. Blair Mfg. Co.*, 374 F.2d 969 (8th Cir. 1967); *Winston Research Corp. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134 (9th Cir. 1965); *Conmar Prods. Corp. v. Universal Slide Fastener Co.*, 172 F.2d 150 (2d Cir. 1949); *Schulenberg v. Signatrol, Inc.*, 212 N.E.2d 865 (Ill. 1965), *cert. denied*, 383 U.S. 959 (1966); *Space Aero Prods. Corp. v. R.E. Darling Co.*, 208 A.2d 74 (Md. Ct. App.), *cert. denied*, 382 U.S. 843 (1965).

62. Cases cited note 61 *supra*.

point, the Court of Appeals for the Second Circuit expressed in *Painton* that for purposes of keeping a patentable secret for the optimum amount of time, it would not be reasonable for an inventor to choose trade secret protection over patent protection.⁶³ There is a problem, however, in circumstances where particular chemical processes, because of their nature, cannot be discovered through analysis of the finished products in which they are used. This type of trade secret may remain confidential indefinitely if its owners choose to avoid the 17-year limitation in the patent laws and rely instead on the potentially perpetual protection of a state trade secret law.⁶⁴

The particular issue in *Kewanee Oil Co. v. Bircor Corp.*,⁶⁵ one of first impression,⁶⁶ was whether covenants not to reveal secrets which have been excluded by their owners through public use from patent protection are unenforceable because they conflict with federal patent policy. In refusing to enforce such an agreement the Court of Appeals for the Sixth Circuit based its reasoning on the strong federal policy favoring the free use of all ideas in the public domain.⁶⁷ It was particularly concerned with the conflict between this policy and the states' interest in protecting and enforcing contract obligations, quoting from *Scott Paper Co. v. Marcalus Manufacturing Co.*:⁶⁸ "The interest in private good faith is not a universal touchstone which can be made the means of sacrificing a public interest secured by an appropriate exercise of the legislative power."⁶⁹ *Kewanee* treats the position of owners of inventions which have been voluntarily removed from patent eligibility as analogous to the position of owners of expired patents.⁷⁰ Thus, the court found a similarity of position between an invention which has become part of the public domain because its patent has expired, and one whose eligibility for a patent has been allowed to expire by public use for more than 1 year. *Kewanee* declared that inventors of processes which, but for 1 year of public use, would be eligible for patents may not protect a monopoly under state law which is prohibited under federal law.⁷¹

This conclusion combines the *Sears-Compco* rule of public disclosure and protection of the public domain with the rule in *Lear* that private contracts

63. *Painton & Co. v. Bourns, Inc.*, 442 F.2d 216, 224 (2d Cir. 1971).

64. For an explanation of the permanent secrecy possible for such processes, see Adelman & Jaress, *Inventions and the Law of Trade Secrets After Lear v. Adkins*, 16 WAYNE L. REV. 77, 92 (1969).

65. 478 F.2d 1074 (6th Cir. 1973).

66. *Id.* at 1081.

67. *Id.* at 1085.

68. 326 U.S. 249 (1945).

69. *Id.* at 257.

70. *Kewanee Oil Co. v. Bircor Corp.*, 478 F.2d 1074, 1084 (6th Cir. 1973). For a comprehensive discussion of the public nature of an expired patent, see *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938).

71. *Kewanee Oil Co. v. Bircor Corp.*, 478 F.2d 1074, 1087 (6th Cir. 1973).

may not be enforced in order to avoid the clear intent of the patent laws. Further, *Kewanee's* reasoning extrapolates from two rules—that expired patent monopolies, by virtue of the fact that their subjects have become part of the public domain, may not be extended and that an inventor who puts his device into public use for more than 1 year forfeits his right to patent protection. The court's conclusion is that, by using its trade secrets commercially for more than 1 year, *Kewanee* lost all right to protection from disclosure, through either federal patent law or state trade secret law. When such a voluntary forfeiture takes place, state law may not intervene to protect for an inventor what the federal law specifically seeks to deny him.⁷² Through public use for more than 1 year the device has come into the public domain, and patent statutes and case law hold that ideas which are within the public domain may not be taken out of public use.⁷³

The practical result of *Kewanee* is not to deny the right of a state to protect trade secrets. The decision does not refer to secrets which are not proper subjects for patent⁷⁴ or to those which are patentable but not put to public use.⁷⁵ *Kewanee* narrows the definition of a protectable trade secret to exclude from that class those devices or processes which fall under the jurisdiction of federal patent law. This encompasses the exclusion of both those inventions which have lost the right to patent protection due to the lapse of the 17-year limit imposed by the statute and those whose right to patent protection has expired due to the lapse of the 1-year limit on public use, also prescribed by the statute.

This is particularly necessary and desirable for those chemical processes which may remain monopolized indefinitely unless a statutory limit is placed on their period of secrecy. By refusing to allow state trade secret laws to protect such arrangements, *Kewanee* defeats the admitted purpose of the company to maintain a monopoly on a process which was already in commercial use, and thus part of the public domain as provided by the federal statute. Owners of such secrets are not denied protection by this decision. They are merely forced to provide the requisite public disclosure of their secrets in exchange for the privilege of a limited monopoly granted under the patent laws. The inventions are still protected for their owners, but the interest of the public is protected as well.

72. *Id.* at 1086. In *Sears, Roebuck & Co. v. Stiffel*, 376 U.S. 225, 231 (1964) this was stated clearly: "Just as a state cannot encroach upon the federal patent laws directly, it cannot, under some other law . . . give protection of a kind that clashes with the objectives of the federal patent laws."

73. 35 U.S.C. § 102 (1970); *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 328 (1858); *Shaw v. Cooper*, 32 U.S. (7 Pet.) 292, 318 (1833); *Beckman Instruments, Inc. v. Technical Dev. Corp.*, 433 F.2d 55, 61 (7th Cir. 1970), *cert. denied*, 401 U.S. 955 (1971); *Lorenz v. Colgate-Palmolive-Peet Co.*, 167 F.2d 423, 427-28 (3d Cir. 1948).

74. *Kewanee Oil Co. v. Bicron Corp.*, 478 F.2d 1074, 1086 (6th Cir. 1973).

75. *Id.* at 1086.