

LEAD INDUSTRIES ASSOCIATION, INC.

202 MADISON AVENUE

NEW YORK 17, N.Y.

May 8, 1962

To the Industry Development Committee
of the Lead Industries Association, Inc.:

We are attaching minutes of a meeting of the Industry Development Committee of American Zinc Institute, Inc., held on March 7, 1962, which the Zinc Institute and I.R.P. have kindly made available to us.

While the actions taken are applicable to the Zinc Institute and not to L.I.A., we feel that the information and procedures developed may be of assistance to us in handling future problems of this nature.

Very truly yours,



Executive Vice President

RLI:mk
Enc.



Look Ahead with Lead

MEETING OF THE INDUSTRY DEVELOPMENT COMMITTEE

American Zinc Institute, Inc.

March 7, 1962

INTRODUCTION - In accordance with previous notices dated February 27th and 28th, a meeting of the Industry Development Committee, was held at the American Smelting, Mining and Refining Company, 120 Broadway, New York, New York, starting at 2:00 P.M., March 7, 1962.

Those members present were:

Jeffrey, F. R., Chairman
Rouyge, M.

Burless, F. H.
Lennon, J. J.
McGraw, C. F.
Swart, J. S. Jr.
Thompson, I.
Wolff, A. O.

National Zinc Co., Inc.
St. Joseph Lead Company
(alternate for Mr. C. E. Ince)
The Anacostia Company
American Metal Climax, Inc.
The Eagle-Picher Company
The American Smelting & Refining Company
Cerro Sales Corp.
The Consolidated Mining & Smelting Co.
of Canada, Ltd.

Present by Invitation were: .

Barber, C. F.
Lourie, D. K.
Peirce, W. M.
Winterer, P. S.
Ziegfeld, R. L.

The American Smelting & Refining Company
St. Joseph Lead Company
The New Jersey Zinc Company
Debevoise, Plimpton & McLean
Lead Industries Association, Inc.

Also present were:

Eck, S. E.
Kimberley, J. L.
Radtke, Dr. S. F.

Expanded Research Program
American Zinc Institute
Expanded Research Program

Mr. F. R. Jeffrey, President of the Institute, presided, and Mr. S. E. Eck served as secretary.

President Jeffrey opened the meeting and introduced attorneys Winterer and Barber, who were present to serve as legal counsel to the Committee in the discussion of commercialization of the Consolidated Mining & Smelting Co. of Canada, Ltd., Anodizing Process for zinc which was the prime subject of business before the Committee.

1. REVIEW OF ANODIZING PROCESS

Dr. Radtke briefly reviewed the COMINCO Anodizing Process which COMINCO had offered to assign to the American Zinc Institute for the benefit of the zinc industry. It was mentioned that the process was easy to use on zinc products or products having a continuous zinc coating, and that one particular coating was ready for commercialization, having been studied on a pilot plant scale by COMINCO. This coating provided a green color, had excellent corrosion and abrasion resistance, and served as an excellent paint base.

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The process produces coatings rapidly, has excellent throwing power, and probably requires less capital equipment and process cost than conventional plating processes.

The limitations of the coating were also discussed; these being primarily the high voltage requirements (which may be overcome by bath composition alteration), the brittleness of the coating which allows minimum deformation (similar to aluminum anodized coatings in this regard), and the necessity of having a continuous coating of zinc on galvanized products (no bare sheared edges or holidays).

Other coatings with a range of colors are being studied by COMINCO under NRP sponsorship, and preliminary results look promising.

Samples of anodized zinc die castings and a brochure entitled "Instructions for Operating the COMINCO Process for Anodizing Zinc and Zinc Alloys" which was prepared by COMINCO, were distributed to the Committee Members.

2. METHOD OF COMMERCIALIZATION

Reference was made to a letter by Dr. Radtke of January 10th, 1962 to the Industry Development Committee which proposed alternate methods of commercializing the process.

Dr. Radtke mentioned that response to this indicated that the process should be assigned to plating supply houses for commercialization rather than licensing users.

Legal counsel, advised that it was desirable that the process be made available on a nonrestrictive basis.

A memorandum to the IDC, "Commercialization of the COMINCO Electrochemical Process", March 6, 1962, prepared by Mr. E. H. Klein of The New Jersey Zinc Company was distributed and reviewed. This suggested that:

"The AZI grant directly to users royalty free licenses contingent upon compliance with the condition that the licensee send competent personnel to some independent agency, such as Battelle Memorial Institute, who would maintain an instruction center on behalf of the AZI, and that the prospective licensee would pay for this instruction a fee designed to make the operation approximately self-supporting. Technical service would also be provided by this agency on a similar self-supporting basis.

"In order to protect the reputation of the process, each licensee should contain the provision that it could be revoked on proper notice if the AZI determined that the process was not being properly carried out and if the licensee did not correct his practice within a prescribed time."

After discussion, the IDC agreed that the following *modus operandi* should be adopted:

a. The process should be licensed on a royalty-free basis to all persons who wish to practice or teach the art of the patents and who demonstrate the ability to meet performance standards established to protect the reputation of the process.

b. Technical instruction should be made available to prospective licensees but should not be required of any person who can meet the performance standards without attending an instruction course.

c. Each licensee should be subject to revocation by AZI if the licensee should fail to continue to meet the performance standards in practicing or teaching the art of the patents.

d. The performance standards should measure the quality of the coating produced by the process, and should be subject to change from time to time as the art improves.

e. Each license should require that any improvements to the process be licensed back to the licensor for the use and benefit of all licensees.

The following additional points were also explored without any definite conclusions being reached:

a. Use of a seal of quality or certification mark be provided in the license as an added impetus for insuring high quality.

b. Charging a nominal fee for licensing the process to cover administrative cost and to discourage organizations not actively interested in use of the process.

The EPP was instructed to proceed with drawing up a form of licensing agreement, through legal counsel. It was agreed that the license should be printed to reduce the administrative burden of licensing users.

3. ASSIGNMENT OF PATENTS

It was reported that patents on the process had been issued to COMINCO by Canada (1960), England (1960), and the United States (1961). These patents had not yet been assigned to the AZI pending instructions as to the assignee. All other terms of the assignment had been agreed upon, these primarily being that the AZI would actively promote the commercialization of the process, and that COMINCO be granted a royalty-free nonexclusive license to the process.

The IDC agreed that the assignee should be the American Zinc Institute, Incorporated and that the assignment should be finalized as soon as possible.

4. REVIEW OF FOREIGN PATENTS

Discussion of other countries in which patent protection should be obtained lead to the following resolutions:

On motion duly made, seconded and unanimously carried the Industry Development Committee instructed the Expanded Research Program to authorize COMINCO to apply for patents on the process in Japan, Germany, Italy, France, Belgium and Australia, subject patents to be assigned to the American Zinc Institute, Incorporated when issued, the expense for application to be borne by the ERP on COMINCO's advice of cost, the AZI to bear the cost of maintaining foreign patents when issued.

5. TRAINING

Provisions for providing technical instruction to prospective licensees were discussed. It was agreed that COMINCO was, of course, best qualified for instruction and that qualifying any other organization to provide instruction would result in delays and added cost.

Mr. Wolff agreed in principal to COMINCO providing instruction (which could be done at the Trail, B.C. pilot facility for West Coast organizations and in a COMINCO plating subsidiary in Eastern Canada for East Coast organizations), on the basis that instruction periods (not continuous instruction) be scheduled no more than two or three times yearly.

It was agreed that instruction should be self-supporting by charging licensees for the course.

Instruction in foreign countries could be handled by ERP master companies or others after suitable training by COMINCO.

It was felt that after initial instruction, provided by COMINCO, the chemical and equipment suppliers would take over instruction (hence the separate licensing arrangement to teach the practice of the process) by virtue of supplying chemicals and equipment to users of the process.

On the basis of the above discussions, the IDC authorized the ERP to discuss terms of a contract with COMINCO to provide instructions and technical service to prospective licensees of the process.

6. PUBLICITY

Mr. Kimberley outlined tentative publicity plans as follows:

- 1) general news release
- 2) technical presentation before suitable organization(s) and publication in suitable magazine(s)
- 3) wide direct mail distribution of above publication accompanied by instruction manual and possible samples.

It was agreed that publicity be withheld until present patents have been assigned to the AZI and patent application had been made in the above mentioned countries.

The technical article will be prepared by COMINCO under the present ERP contract.

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The instruction manual distributed at the meeting is to be considered confidential until publicity is authorized.

Note: Subsequent to this meeting Mr. Kimberley indicated the need to feature the development at the Design Engineering Show Booth of AZI, in Chicago April 30 - May 4, 1962.

7. RECOMMENDATION TO THE BOARD OF DIRECTORS

In conclusion, it was agreed that the following recommendation be made to the Board of Directors:

On motion duly made, seconded, and unanimously approved the IDC recommends to the AZI Board of Directors that for the purpose of promoting the commercialization of the OXCELCO Anodizing Process, that nonexclusive, non-transferable, royalty-free licenses be granted to all persons who wish to practice or teach the art of the patents and who demonstrate the ability to meet the performance standards established by the AZI Expanded Research Program, each such license to be subject to revocation if the licensee does not continue to meet the performance standards in practicing or teaching the art.

ADJOURNMENT

In the absence of further business to come before the meeting, it thereupon duly adjourned at 4:05 P.M.

James E. Eck