

[www.mcall.com/news/local/mc-dow-corning-silicon-trade-secrets-20110317,0,3740187.story](http://www.mcall.com/news/local/mc-dow-corning-silicon-trade-secrets-20110317,0,3740187.story)

# mcall.com

## Forks solar energy start-up sued

### Industry leader Dow Corning and RSI Silicon exchange charges of trade secret theft.

By Peter Hall, OF THE MORNING CALL

11:01 PM EDT, March 17, 2011

A start-up comeback in Forks Township that hopes to slash the cost of solar energy faces an extra leap among hurdles emerging technology businesses often face — accusations of corporate espionage in a federal lawsuit filed by a global leader in the field.

Unlike many small companies, RSI Silicon Products, which has 18 employees at its plant in the Forks Industrial Park

advertisement

The advertisement for PROINSO features a collage of images. At the top left, the word "PROINSO" is written in white on a green background with a globe icon. To its right, a red banner reads "IMMEDIATE AVAILABILITY!". Below this, a circular graphic says "SECURE YOUR PROJECT". The central image shows a person in a green and white checkered shirt and a hard hat working on a solar panel. Below the person, there is a red SMA inverter labeled "11000 TL" and a blue Trinasolar solar panel labeled "230 Wp Poly". A plus sign is between the inverter and the panel. The website "www.proinso.net" is at the bottom right. A green banner at the very bottom reads "BOOK YOUR MODULES AND INVERTERS NOW".

on Glover Road, is fighting back.

Michigan-based Dow Corning Corp., a multinational company with \$6 billion in annual sales and 9,000 employees, sued in November, claiming RSI attempted to obtain secret information about Dow Corning's process for purifying silicon, the raw material used to make electricity-producing solar cells.

RSI returned fire March 7 with allegations that Dow Corning tried to steal RSI's secrets under the guise of striking a partnership with the Forks company.

RSI also claims Dow Corning's lawsuit is an attempt mire the fledgling company in litigation to prevent it from competing for a share of a silicon market poised to grow as the world increasingly turns to alternative energy sources.

"We really feel that we have something extremely unique here," said RSI President Steven Amendola, who declined to talk about the specifics of the litigation, "and that's part of what that fight is over with Dow Corning."

Andrew Felo, an expert in corporate ethics at Penn State University, said companies on the cutting edge of technology fiercely guard secrets about their products and are willing to go to court to protect their business advantage.

"If it's a game changer, it's worth so much," Felo said. "If you're the one who developed it, you want to protect it. If you're a competitor, you want to find a similar way to do it without violating the patent."

RSI's decision to fight back is interesting, Felo said, because small start-up companies often lack the resources to do so.

"A lot of the time, they'll be scared away or try to settle it," he said. "The larger companies often have an advantage in that they have deeper pockets. They can run out the clock."

Amendola, a chemist who lives in Forks, formed RSI in 2005 and says he has developed a process for purifying silicon that could cut the material's cost by more than two-thirds and consequently drive down the price of solar panels.

That would be an important step toward achieving what solar power advocates call grid parity, a point where the cost of installing solar panels to power a home or business is equal to the cost of buying electricity generated in coal, natural gas or nuclear power plants, Amendola said.

Dow Corning is a equally owned joint venture of Dow Chemical and glass manufacturer Corning Inc. In the last five years the company has invested \$5 billion in research and development in silicon products and silicone-based plastics, company spokesman Jarrod Erpelding said.

The company is also the majority shareholder in Hemlock Semiconductor Group, a leading global producer of silicon for the computer and solar industries, Erpelding said.

Dow Corning's suit alleges RSI officers contacted a company that already had a deal with Dow Corning and had access to Dow Corning's trade secrets. RSI claimed it was seeking research and development assistance with its own silicon purification process, Dow Corning's suit says.

The suit says the only reason RSI would contact the other company, identified only by the fictitious name "XYZ Co." in court documents, is to steal Dow Corning's trade secrets.

"Based on the type of work that XYZ does from a technical standpoint, it

just wasn't logical that RSI would have any need to do business with XYZ," said Jason Schwartz, an attorney with Gibson Dunn Krutcher in Washington, D.C., that represents Dow Corning.

In its counter lawsuit, RSI says it never obtained trade secrets from XYZ Co., but when Dow Corning learned that RSI had contacted XYZ, the larger company proposed a partnership.

When Dow Corning representatives visited RSI's plant, they refused to discuss the partnership, but insisted that RSI share the company's process and demanded a tour of the facility, the counter suit says.

Lawyers for RSI did not return phone calls.

Amendola, who earned a graduate degree in chemistry at Ohio State University, said he envisions a different approach to supplying silicon for the solar industry.

Most silicon currently produced is intended for the computer industry and is actually purer than necessary to make solar cells. Amendola's process, which is the subject of a patent application, produces silicone that is less pure, but also less expensive.

In addition, plants to refine silicone using Amendola's process can be built in less time than those using the traditional process. That means producers would be able to respond to increases in the demand for solar grade silicon faster, further reducing the cost of raw material for solar panels, Amendola said.

The company's business plan and Amendola's process won honors in 2007 from the Massachusetts Institute of Technology Ignite Clean Energy Competition. That honor helped the company obtain initial funding from a clean energy venture capitalist, Amendola said.

RSI's plant in Forks has the capacity to produce 1,000 tons of solar-grade silicone each year and the company is searching for a site for furnaces to produce larger quantities. Amendola said the company has been looking at the former U.S. Steel Fairless Works in Falls Township, Bucks County.

Dow Corning's lawsuit is the second time the companies have faced off in court. In March 2010, Dow Corning sued RSI in U.S. District Court for Michigan's Eastern District, but the case was dismissed when RSI argued the company did not have sufficient connections to Michigan for the case to be heard there.

Dow Corning claims RSI's contact with the unidentified third party was a violation of Michigan's and Pennsylvania's trade secret laws. RSI alleges in its countersuit that Dow Corning engaged in unfair competition under Pennsylvania law by entering into a partnership agreement with no intent to follow through and by filing baseless lawsuits.

[peter.hall@mcall.com](mailto:peter.hall@mcall.com)

610-820-6581

Copyright © 2011, [The Morning Call](#)