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FINAL RULES OVERRULED: COURT PREVENTS PTO FROM LIMITING THE NUMBER OF CLAIMS AND CONTINUANCES

Judge James Cacheris of the Eastern District of Virginia ruled on April 1, 2008 that the **United States Patent and Trademark Office (PTO)** had overstepped its rulemaking authority in implementing controversial new rules that would have changed the practice of many U.S. companies and inventors. As a result, the Court permanently enjoined the PTO from enforcing what had been dubbed "final rules."

Existing patent law places no limitations on the current number of claims that may be presented in a patent application or the number of continuations that may be filed based on a given application. As such, it is not unusual for a company to file 50-100 claims. Depending on the PTO's treatment of the application (or a competitor's actions in the marketplace), many companies will also file four or more continuations for the application. The final rules would have sharply curtailed these practices, allowing companies only two continuing applications plus a single request for continued examination for each family of applications directed to the same or highly similar inventions. They would have also limited the number of claims in a patent application to a total of five independent claims and 25 total claims in most cases.

The PTO's attempts at restructuring the application process were criticized by many within the patent bar. They believed the final rules made it much more difficult for practitioners to secure strong patent rights for their clients. The final rules were challenged by **GlaxoSmithKline** and an independent inventor, Traintafyllos Tafas, on the grounds that they were substantive rather than procedural in nature and would overrule several provisions of the Patent Act. The PTO countered that the rules were procedural in nature, and the PTO was within its rights to implement them as a means to manage its workload.

The Court ruled against the PTO on summary judgment, concluding that the changes were in fact substantive. As substantive changes, the Court believed that the final rules, if implemented, would effectively change current patent law. The PTO has announced that it plans to appeal the Court's decision. A PDF of the Court's ruling can be found **here**.

"I believe the Court made the correct ruling," says Boyle Fredrickson attorney **Timothy Newholm**. "While the PTO's efforts to reduce backlogs can be appreciated, I believe that imposing such restrictive limitations on securing patents is not the best means to that end."

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CLIENT SPOTLIGHT: NOTHING RIVALS THE COLMAN GROUP'S CHEF REVIVAL

Over the past 30 years, The Colman Group has become a world leader in innovation for food safety, counter service dispensing and washroom dispensing. The company's San Jamar brand name has earned a reputation for high-quality paper towel and tissue dispensers, commercial kitchen food safety tools, cutting boards, napkin and cup dispensers and a host of other essential commercial kitchen and bathroom goods. However, one of Colman Group's products can claim true celebrity status - their Chef Revival line of clothing. Viewed by millions of people every Tuesday night on TV's **Hell's Kitchen**, Chef Revival attire adorns all of the show's contestants while in the kitchen, including star Gordon Ramsay.

Boyle Fredrickson attorney **Adam Brookman** has worked with The Colman Group for more than eight years. Over that time period, Brookman has overseen most of the company's patent and trademark applications as the company's brands and innovative products penetrate more markets and lines of business. With dozens of patents and trademarks issued, and dozens more pending, Brookman meets with Colman officials regularly to discuss the status of their numerous applications and business ventures. Most recently, members of The Colman Group's management team were able to tour the new Boyle Fredrickson offices in downtown Milwaukee. It was an opportunity both attorney and client enjoyed.

"Colman is constantly innovating," says Brookman. "They always look for something new, something to differentiate themselves in the marketplace. From the IP side, they understand the importance of protecting their products to help secure a competitive advantage. It's been a real pleasure seeing them grow over the years."

The Colman Group is headquartered in Elkhorn, Wisconsin. For more information about the Chef Revival line of clothing, visit **http://ww2.chefrevival.com/catalog/**. Chef Revival was one of Boyle Fredrickson's 153 filed trademarks last year. For more information about trademark related issues, consult Adam Brookman or other Boyle Fredrickson attorneys.

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PATENT REFORM ACT: A MATTER OF FIRSTS

One of the most hotly contested issues in intellectual property law over the past year has been the Patent Reform Act of 2007, an amended set of proposals from a similar act put before the U.S. House of Representatives in 2005. It is derived from recommendations by the Federal Trade Commission and the National Academy of Sciences for significant changes to this country's patent legislation. The legislation proposals, should they be enacted, could dramatically alter the patent system that has governed American inventors for decades and instead harmonize the United States' system with that of other nations.

In what some consider the most controversial of the Act's legislation changes, the United States would in essence switch from a first-to-invent to a first-to-file patent system. The United States is currently the only country in the world that gives priority to patent applications that claim the earliest invention date. However, under the Patent Reform Act, the nation would move to a first-to-file patent process. In most situations, the new system mandates that the patent application first filed with the Patent Trademark Office (PTO) would be granted priority in its claims over an application claiming an earlier invention date, a radical change from the current system.

Proponents of the change argue that the new system will simplify the application process and provide relief to a PTO they see as bogged down with increasingly futile attempts at distinguishing and verifying claims of invention. They also suggest that the first-to-file system would harmonize the United States with many foreign patent systems currently practiced in other countries. They believe increasingly uniform legislation would make it easier for inventors to prepare patent applications regardless of country and also help resolve international disputes over intellectual property rights.

Critics of the Patent Reform Act claim that a first-to-file patent system would provide a substantial advantage to big companies who are heavily experienced in the patent application process. They argue that large corporations have access to greater resources that help them pay increasing application costs and enable them to file quickly and early in the development cycle. Some critics also suggest that unfinished patent claims would be rushed to the PTO and create a logjam of incomplete patent applications.

In addition to the first-to-file switch, the Patent Reform Act of 2007 also proposes other changes that will impact several other aspects of the Unites States patent legislation including:

- opposition proceedings
- pre-filing search and patentability analysis
- venue and damages

The Patent Reform Bill (HR 1908) passed the House by a close vote (220-175) in September of 2007. A related bill (S1145) may see a Senate vote yet this summer, so whether or not a resolution is on the horizon remains to be seen. Boyle Fredrickson will keep you informed of the latest developments. In the meantime, you may track the status of the Patent Reform Act of 2007 by visiting **http://www.opencongress.org/bill/110-s1145/show**.

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ECONOMY DOWN. LITIGATION UP?

According to an article penned by Amanda Ernst in **Portfolio Media**, some experts are expecting the fading U.S. economy to have a direct impact on legal activity. Ernst's article, "Trade Secret Litigation To Rise As Economy Dips," suggests that a recession will lead to upswings in non-competition agreements, non-disclosure agreements and trade secret litigation. Whether or not this comes to pass remains to be seen; however, it is clear that prudent managers should take the necessary precautions to secure their intellectual property rights.

By recording and protecting intellectual property now, a company can help avoid costly litigation and the potential loss of valuable trade secrets down the road. Many proactive businesses pursue employee confidentiality agreements and ensure that employees understand their accountability in abiding by them. Although such agreements can lead to potential litigation, this is typically a lesser evil than remaining vulnerable to intellectual property piracy.

As the nation navigates difficult economic terrain, layoffs could become a short-term solution for some businesses looking to trim salary. After a layoff, it is not unusual for out-of-work employees to seek work with their former employer's competitors. As a result, many businesses look to trade secret litigation as an important final measure in keeping competitors from accessing valuable intellectual property that, advertently or inadvertently, may accompany defecting employees. In unfortunate cases like these, even well crafted non-compete agreements may not be enough to curtail intellectual property infringement. Those seeking more information about non-compete agreements and trade secret litigation are encouraged to contact Boyle Fredrickson at 414-225-9755 or **info@boylefred.com**.

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WESTERN DISTRICT OF WISCONSIN DUBBED "ROCKET DOCKET"

The Western District of Wisconsin has garnered acclaim as one of the most efficient and plaintiff-friendly federal courts in the United States. According to **IP Law360**, the Court now ranks as one of the country's 25 most popular courts for patent litigation. Thanks in large part to the Court's processing speed in terms of case filing to final disposition, the Court is cultivating a national reputation for its capabilities. The median time to disposition for the Wisconsin Court is a mere 4.4 months, while the median time to trial is only 10.4 months. These averages are among national leaders and have helped to establish the Western District of Wisconsin as a known "rocket docket."

Another important piece of information for patent owners comes from a 2008 study conducted by **PricewaterhouseCoopers**. According to their recently published report, the Western District of Wisconsin ranks 1st for plaintiff success rates on summary judgments and 5th in terms of overall plaintiff success rate. Findings hold that plaintiffs are successful in 36.4% of summary judgments in the Wisconsin Court. The national average is almost halved at 18.9%. Of equal interest is that the Court's judgments of tried cases favor the plaintiff 66.7% of the time. The national average, however, is noticeably less at 57%.

Located in Madison, the Western District of Wisconsin remains a hotbed for IP-related litigation matters that stem from the western half of the state. Currently there are a number of innovative businesses falling under the Western District umbrella that rely on the dependable service of Boyle Fredrickson attorneys. They can be counted on for sound counsel and litigation expertise in a court system that remains truly unique in both efficiency and judgment tendencies. For more information about the Western District of Wisconsin, visit: **http://www.wiwd.uscourts.gov/**.

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BOYLE FREDRICKSON SHORTENS NAME, RELOCATES OFFICE

Boyle Fredrickson's clients value forward thinking in matters of intellectual property law. During the past 12 months the firm has been equally progressive in its endeavors away from the courtroom. In the summer of 2007, the firm shortened its official name from Boyle, Fredrickson, Newholm, Stein & Gratz to simply Boyle Fredrickson. Already Wisconsin's largest IP law firm, the revised moniker is fast becoming synonymous with excellence in intellectual property law.

Although the name was shortened, Boyle Fredrickson expanded its roster of talented legal professionals. In 2007, the firm welcomed attorneys **Christopher Kukowski**, **Erin Fay**, **J. Mark Wilkinson**, **Eric Lalor**, **Michael Brayer** and **Michael McGovern** to the staff. The new additions bring with them more than 50 years of combined experience working with patents, trademarks and copyrights, as well as valued expertise in dispute resolution and litigation. Boyle Fredrickson's stable of IP attorneys now includes **20 dedicated associates and shareholders**. In 2007, Boyle Fredrickson was responsible for filing 430 patent applications and 153 trademark applications, both firm records.

In addition to the new name and practitioners, Boyle Fredrickson has also taken up a new residence. In July of 2007, the firm relocated to a renovated, two-story structure at 840 N. Plankinton Avenue in Milwaukee, Wisconsin. The new offices occupy a turn-of-the-century brick building perched on the west bank of the Milwaukee River. The 13,000 square-foot property provides ample room for Boyle Fredrickson attorneys and their growing list of clients. In November of 2007, Boyle Fredrickson hosted an open house unveiling its impressive new headquarters. The celebratory gala was attended by more than 150 attorneys, clients, friends and members of the media.

Boyle Fredrickson attorneys thank all of their clients for the support they have shown the firm over the past several years. The group will continue to provide the high level of service clients have come to expect. For our future clients - Boyle Fredrickson welcomes you with arms wide open. At Boyle Fredrickson the message is simple: "You've got ideas. We protect them."

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"Law is order, and good law is good order."

– Aristotle