



## CAFC Breathes Life Back Into Sweeping USPTO Rules Changes

In a panel decision issued March 20, 2009, the Court of Appeals for the Federal Circuit vacated much of a District Court's April 1, 2008 injunction of sweeping changes by the USPTO to Title 37 of the CFR, which governs the prosecution of patent applications before the Office. *Tafas v. Doll*, Appeal No. 2008-1352 (Fed. Cir., Mar 20, 2009).

At issue were rules 78 and 114 (37 C.F.R. §§ 1.78, 1.114), which would have restricted an applicant to one RCE and two continuing applications within a family of applications, absent a showing that the claim, argument or evidence necessitating more than one RCE or two continuations could not have been submitted in prosecution of the earlier applications. Also in dispute were rules 75 and 265 (37 C.F.R. §§ 1.75, 1.265), requiring an Applicant to prepare and file an extensive Examination Support Document (ESD) in order to pre-

sent more than five independent claims or twenty-five total claims, whether in one application or collectively in a loosely defined family of related applications. A complete description of the rules package was presented in the August 2007 Extra Supplement to this newsletter, accessible under the Publications → Patent Articles link from the menu bar of the OSTROLENK FABER website, [www.OSTROLENK.com](http://www.OSTROLENK.com). We reported the District Court's ruling in the April/May 2008 issue of this Newsletter, accessible from the Publications → Newsletter link, also on the OSTROLENK FABER website menu bar.

The United States District Court for the Eastern District of Virginia granted summary judgment to the Plaintiffs *Tafas* and *GlaxoSmithKline*, holding that the proposed rules 75, 78, 114 and 265 were beyond the statutory rulemaking authority granted to the United States Patent and Trademark Office (USPTO), and were thus invalid.

The Federal Circuit first addressed the USPTO's contention that its determination of the scope of its authority, *i.e.*, that it legitimately had the authority to issue the rules in question, was entitled to *Chevron* deference. The Court disagreed, holding that as a matter of Federal Circuit law, the agency's determination regarding the scope of its authority was not entitled to deference.

As to the rules themselves, the panel affirmed the District Court insofar as it found that Rule 78, placing additional limits on an Applicant's right to a continuation, was inconsistent with statute, 35 U.S.C. § 120, and therefore is invalid.



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However, the Court vacated the District Court's grant of summary judgment that Rules 75, 114, and 265 were beyond the scope of the USPTO's rulemaking authority. The Court disagreed with the decision below that the rules were substantive, and thus outside the USPTO's authority, primarily by distinguishing the authority which the District Court relied upon in setting the dividing line between procedural and substantive rulemaking. Notably, the appeals Court would not consider the restrictive way in which the USPTO said it would mete out exceptions to the RCE rule, citing that those statements, however restrictive they may seem, were not binding on the agency. Nor was the Court swayed by the potentially onerous nature of the ESD requirement, or the ramifications of any statements required as part of the ESD would have viewed through the perspective of the inequitable conduct doctrine.

Finally, the Federal Circuit remanded the case for further proceedings, indicating that its opinion did not "decide any of the following issues: whether any of the Final Rules, either on its face or as applied in any specific circumstances, are arbitrary and capricious; whether any of the Final Rules conflict with the Patent Act in ways not specifically addressed in this opinion; whether all USPTO rulemaking is subject to notice and comment rulemaking under 5 U.S.C. §553; whether any of the Final Rules are impermissibly vague; and whether the Final Rules are impermissibly retroactive" (slip opinion, page 31, lines 8-14).

The panel decision was authored by Judge Prost, with a concurrence by Judge Bryson. The concurrence took issue with the procedural/substantive distinction being a demarcation of the agency's authority. However, the concurrence found no reason to differ in the outcome.

Judge Rader dissented-in-part, as he would have found all rules at issue invalid. Judge Rader endorsed the District Court's reliance on *Chrysler v. Brown* to distinguish between substantive and non-substantive rulemaking. He concluded that the burden placed on the Applicants to comply with the new rule scheme made the rules substantive, and thus beyond the scope of the USPTO's statutory rulemaking authority.

Many patent practitioners believe that the panel decision leaves open a variety of avenues for the District Court to come to the same conclusion on the different grounds, some noted in the panel decision itself as quoted above. As of this writing, there remains the opportunity for the Federal Circuit to rehear the case *en banc, sua sponte* or on petition. Additionally, Plaintiffs may request *certiorari* to the Supreme Court for review. Count on continuing updates from OSTROLENK FABER.

by Michael I. Markowitz, Of Counsel  
& David J. Torrente, Associate

## OSTROLENK FABER Secures Trial Victory for Sears and Kmart on Appeal

OSTROLENK FABER partner Max Moskowitz successfully defended his trial victory for clients Sears Holdings Corp. and the Kmart Corp. in a patent infringement suit brought by Glamourmom, LLC before the Court of Appeals for the Federal Circuit (Appeal No. 2008-1375, decided Feb 18, 2009). After a District Court jury verdict in favor of Sears and Kmart invalidating the patent in suit on three separate grounds asserted by OSTROLENK FABER at trial, Glamourmom appealed to the Federal Circuit.

The Federal Circuit panel affirmed the District Judge's decision to sustain the invalidity verdict. Because the patent was invalid and should not

## JUST DO IT! — Creating and Protecting Your Slogan

In an increasingly crowded marketplace, manufacturers, retailers and service providers are constantly striving to create a brand identity which will set their product or service apart from their competitors. Slogans are often overlooked as potentially valuable trademarks, yet a succinct and memorable phrase can do as much to elevate brand recognition and sell a product or service and as any name or logo

Not every slogan will reach the pinnacle achieved by such memorable phrases as Nike's *Just Do It*, Clairol's *Hair Color So Natural Only Her Hairdresser Knows For Sure*, Wendy's *Where's the Beef?*, the American Dairy Association's *Got Milk?*, or Morton Salt's *When It Rains, It Pours*. Nonetheless, even a less compelling slogan can serve as a recognizable trademark in the same manner as product names and logos.

### Creating a Trademark Slogan

A trademark slogan is a combination of words used to identify and distinguish the seller's goods or services from those of others. A slogan must be perceived — in the same manner as a word or design trademark — as a source indicator for specific goods or services. The following questions will help you determine whether a slogan can function as a protectable trademark:

- 1) Is the slogan used in a trademark sense and not merely to describe the goods or services?
- 2) Is the slogan an expression that would be commonly used to describe the goods or services?
- 3) Does the slogan possess some degree of ingenuity in phraseology?
- 4) Does the slogan say something at least a little different from what might be expected about the goods or services or say an expected thing in an unexpected way?
- 5) Does the slogan possess more than a single meaning, such as a double-entendre, which imparts to it a degree of ingenuity?

6) Does the slogan create a separate impression from the product or service mark itself?

According to the U.S. Patent and Trademark Office, a slogan "may be ingenious, clever, catchy, trite, dull, nonsensical and the like but to be registrable, a slogan need not be a work of art." For example, trademark registrations have been issued for relatively pedestrian phrases such as *The Real Difference is the Price* for gasoline stations; *Tools for Thought* for word processors; *Your Financial Security is Our Business* for insurance and estate planning services; *Behind Every Great Brand is a Great Idea* for business marketing consultation services; *Protecting and Healing the World* for surgical products; *More Than Just a Magazine* for real estate advertising services; and *Sourced by Nature...Protected by Science* for dietary supplements.

### Not Every Slogan Can be a Trademark

Slogans that cannot be protected as trademarks include:

—**Laudatory phrases.** For example, registration was denied to *The Best Beer in America*, *America's Favorite Popcorn*, *Best and Biggest Cigar*, *America's Freshest Ice Cream*, and *Lotsa Suds*.

—**Descriptive or purely informational phrases.** For example, registration was denied to *Why Pay More?*, *We Treat You Right*, *The Nation's Local Electronic Classifieds*, *Brand Names for Less*; *No Measuring. No Mess!* and *Proudly Made in the U.S.A.*

—**Phrases used in everyday parlance.** For example, registration was denied to *Drive Safely*, *Think Green*, and *Watch That Child*.

—**Long phrases.** The longer the slogan, the less likely it will function as a trademark. For example, registration was denied to *The Baby Bootie Sock That Will Not Kick Off*.

## OSTROLENK FABER Secures Trial Victory for Sears and Kmart on Appeal

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have been granted, Sears and Kmart were not liable for any infringement.

The suit was commenced more than two years ago in the U.S. District Court for the District of New Jersey (Civil Action No. 3:05-cv-04829), based on Glamourmom's claims of willful patent infringement of its U.S. Patent No. 6,855,029 covering a women's nursing garment, against Sears, Kmart, Macy's, J.C. Penney, Target, Kohls, Lane Bryant, Liz Lange, and several other members of the U.S. retail garment industry. Although certain accused parties settled prior to trial for undisclosed sums, Sears and Kmart sought trial on the merits.

Following a three week trial, the jury deliberated for less than one day before invalidating the '029 patent on three separate and independent bases. The jury also found that Glamourmom committed inequitable conduct before the U.S. Patent & Trademark Office in obtaining its patent, making the patent unenforceable. The District Court sustained the jury's verdict on all counts, denying Glamourmom's motions to set aside the verdict and grant it judgment as a matter of law. The District Court further awarded costs of the suit, including full reimbursement of attorney fees, to Sears and Kmart.

## OSTROLENK FABER Partners Again Tapped to Serve on PLI Faculty

Robert C. Faber, OSTROLENK FABER partner and author of the recently re-titled *Faber on the Mechanics of Patent Claim Drafting* (nee, Landis), has once again been selected to the faculty of PLI's Patent Law Institute (3rd Annual).

Held live March 2-3, 2009 at PLI's New York Center and broadcast on the internet, the proceedings are currently available for download from PLI as audio (MP3) or streaming video, and also for purchase as Audio CD or Video DVD, all from PLI's website (<http://www.pli.edu>). CLE credit is available.

Upcoming, Mr. Faber will be joined by OSTROLENK FABER partner Douglas A. Miro in speaking to PLI's Fundamentals of Patent Prosecution 2009: A Boot Camp for Claim Drafting & Amendment Writing, scheduled for June 17-19, 2009, also in PLI's New York Center.

OSTROLENK FABER is pleased to have Mr. Faber and Mr. Miro selected to these positions, and remains committed to promoting continuing education among the patent bar.

## JUST DO IT! — Creating and Protecting Your Slogan

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### How a Descriptive Phrase Becomes a Trademark

Some descriptive phrases, if prominently used for a sufficient period of time, may acquire "secondary meaning" and be entitled to trademark protection and registration. The *Extra Strength Pain Reliever* slogan for Excedrin pain medicine was regarded as descriptive, but over time it achieved a sufficient degree of identification with the product to merit trademark protection. Another descriptive slogan that attained trademark status through long and prominent use is Miller Beer's *The Champagne of Bottle Beer*.

### Conclusion

Clearly, there is a fine line between an unregistrable descriptive phrase and a protectable trademark slogan. As is the case with word and design trademarks, the primary determinative factor is whether the overall commercial impression of the slogan is one that the public will perceive as a source indicator for your goods or services.

By Stephen J. Quigley, Of Counsel