Vermont’s Governor Shumlin Signs Nation’s First Patent Protection Law Against Bad Faith Claims

Burlington, VT (May 22, 2013)— Gov. Peter Shumlin this morning signed into law a bill that seeks to protect Vermont companies from abusive and bad faith assertions of patent infringement, further encouraging the growth of knowledge-based businesses in Vermont. The governor signed the patent trolling prevention bill in front of an enthusiastic group of business leaders during the opening ceremonies of the Vermont Chamber Business & Industry EXPO.

“This bill will help to protect our good Vermont businesses from unscrupulous patent trolls who take advantage of them through bad faith claims of patent infringement," Shumlin said. “It will help us grow jobs.”

“Patent trolls” make frivolous patent infringement claims, forcing companies to engage in protracted litigation, or pay settlement fees -- funds that would otherwise be allocated to research and development, job growth, capital improvements or other investments that could be used to grow businesses and stimulate the Vermont economy. Vermont is the first state in the nation to make the practice of patent trolling a violation of state law.

"This new law will allow Vermont companies to fight back against patent trolls who send extortionate demand letters or initiate extortionate patent litigation," said Peter Kunin, an attorney in the intellectual property practice
at Downs Rachlin Martin PLLC, a Vermont law firm with a significant practice in intellectual property law and patent litigation. Kunin and colleague Eric Poehlmann worked with an ad-hoc group of business and government leaders to define the legal framework behind the bill.

Vermont is home to a range of technology and consumer products companies that are innovating in technology, developing and exporting hardware, software and e-commerce solutions to businesses around the world. The State of Vermont has developed a track record for encouraging these knowledge-based and e-commerce businesses to locate to the Green Mountain state. In addition to the anti-patent troll legislation, the state has:

- Adopted a research and development tax credit;
- Established a technology loan program at the Vermont Economic Development Authority for high-tech firms;
- Offered STEM (science, technology, engineering and math) hiring incentives for recent college graduates; and
- Encouraged workforce development in the technology field through new incentives in higher education.

“With the passage of this groundbreaking legislation we continue to make Vermont a great place to start and grow a business,” said Betsy Bishop, president of the Vermont Chamber of Commerce.

About Gov. Peter Shumlin

Gov. Peter Shumlin has served as Vermont's Governor since 2011 and in that time has earned a reputation for getting tough things done. Since his inauguration, he has worked to create jobs for those who need them and raise incomes for those who have jobs, control skyrocketing health care costs, expand broadband and cell service to every corner of the state, reduce recidivism, invest in quality educational opportunities, and rebuild the state’s roads and bridges. Taken together, these and other key initiatives represent an ambitious agenda to create a brighter economic future for Vermonter. Prior to being elected governor, he served in the House of Representatives for three years and the State Senate for 16 years, serving as President Pro Tem the majority of that time. He is also a small business owner.

About Downs Rachlin Martin PLLC
Downs Rachlin Martin PLLC is Vermont's largest business law firm and one of the larger firms in northern New England with a sophisticated practice in more than 16 primary practice areas. With more than 60 years of service to clients in the northeastern United States and around the world, DRM provides the focused attention of skilled, experienced attorneys and the collaborative strength of interdisciplinary practice groups.

About the Vermont Chamber of Commerce

In business since 1912, the Vermont Chamber of Commerce is a private, not-for-profit business organization with approximately 1,500 members employing more than 45,000 people and representing all sectors of the state's economy. Its mission is to create an economic climate conducive to business growth and preservation of the Vermont quality of life.

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