



**Virginia District Court Bars November 1 Start Date For New Patent Rules**

The Eastern District of Virginia granted a preliminary injunction in a consolidated lawsuit filed against the United States Patent and Trademark Office (“PTO”) today. The injunction blocks the rules, issued by the PTO on August 21, 2007, (72 Fed. Reg. 46716 (Aug. 21, 2007) (to be codified at 37 C.F.R. pt. 1) (“the Final Rules”)), from going into effect. The Final Rules were set to go into effect tomorrow, November 1, 2007. The injunction maintains the status quo until the court renders a final decision on the merits.

The Final Rules have been extensively discussed and debated among patent practitioners and owners throughout the nation. If implemented, the Final Rules are likely to have a profound impact on patent prosecution for years to come. In brief, the Final Rules largely would have imposed new limits on filing and maintaining “continuation” applications and co-pending related applications. The rules would have also restricted the number of claims that are allowed in any application. The PTO’s stated rationale for these new rules is that they will improve the quality of issued patents and increase efficiency in the patent examination process.

Opponents to the new rules, and the plaintiffs before the Virginia Court in particular, argue that the PTO acted outside its rule-making authority in promulgating the rules, and that the rules amount to an unconstitutional taking under the Fifth Amendment, as they fail to “promote the progress of science and the useful arts.” The PTO has responded by denying that its actions were not within its statutory authority, and emphasizing (among several other arguments) that the new rules are not retroactive.



Should the PTO file an appeal, Appellate Rule 8(a) permits a motion to stay an injunction pending the appeal, which ordinarily must first be brought before the District Court. Fed. R. App. P. 8(a)(1). A district court has the discretion to suspend or modify an injunction pending an appeal under certain circumstances. Fed. R. Civ. P. 62(c). However, where moving in the district court is impracticable or where the district court denies such a motion, an application to stay an injunction pending an appeal may be made directly to the court of appeals. Fed. R. App. P. 8(a)(2). That application is normally considered by a panel of the appellate court, but where there is “an exceptional case in which time requirements make that procedure impracticable, the motion may be made to and considered by a single judge.” *Id.*

Time will tell what may or may not happen, and the best guess we have right now is that the PTO is not planning to move for emergency relief, nor is it planning an immediate motion before the district court to stay the injunction. Eastern District Senior Judge Cacheris is expected to issue an opinion later this afternoon, which will set forth the basis for his ruling. It is not known whether the PTO will seek emergency relief from the injunction through an appeal, or announce further guidance for practitioners on its website. Until such time, as the order enjoining implementation of the new patent rules is stayed or vacated, the *status quo* remains in effect, and applicants before the PTO may proceed as usual.