

New Patent Rules Struck Down Ruling is Good News for Small Tech Companies & Universities, MMM Lawyers Say

Atlanta (April 2008) – A recent federal court ruling that officially struck down rules the U.S. Patent and Trademark Office issued last year is good news for technology entrepreneurs, biotech companies and universities, say Intellectual Property attorneys at Morris, Manning & Martin, LLP. But, they add, the fight isn't over.

The proposed new Patent Office rules were purportedly intended to reduce the backlog of patent applications. The rules would have arbitrarily limited continuation filings and restricted the number of claims permitted in individual patent filings. Last October, U.S. District Court Judge James Cacheris temporarily delayed the Patent Office rules from going into effect by issuing a preliminary injunction. On April 1, the U.S. District Court made the injunction permanent.

“The fact that Judge Cacheris blocked these harsh and cumbersome rules is good news for entrepreneurs,” said John R. Harris, senior partner with Morris, Manning & Martin’s Intellectual Property group, who represents many entrepreneurs. “The ruling also calls into question some of the other rulemaking the Patent Office is currently engaged in.”

But the issue is far from settled. The Patent Office is expected to appeal the ruling to a Federal Court of Appeals. The Patent Office has also been lobbying Congress recently to pass patent reform legislation that would specifically authorize such rules. In addition, the Patent Office is expected to pursue less draconian rules that might survive Federal Court scrutiny but which would still limit patent filings or make it much more expensive for companies to obtain patents.

“Congress could grant the Patent Office the explicit authority to impose the rules that were struck down by the Federal Court,” explained MMM Intellectual Property partner Jack Todd. “The judge struck the current rules down because they were well beyond the Office’s current authority. If Congress explicitly authorizes the Patent Office to promulgate such rules, the Federal Courts would no longer have a basis for striking them down.”

The proposed rules are among several federal actions and cases over the last year that have the unintended results of making it harder and more expensive for entrepreneurs, small technology businesses, biotech companies and universities to obtain the patents they need to protect their businesses and inventions. Patent reform legislation now

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pending in Congress is reportedly stalled until after the November 2008 elections. The reform legislation, which has been the subject of heavy lobbying, also threatens to harm small businesses and entrepreneurs.

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