

A tire manufacturer sued its competitor in federal district court for infringing the patent on the manufacturer's best-selling tire design. The manufacturer sought compensatory damages as well as preliminary and permanent injunctions. After a pretrial hearing on the preliminary injunction, the court concluded that the manufacturer presented considerable evidence that it would suffer irreparable harm without the injunction and had a reasonable chance to succeed on the merits of its case. The court then issued the preliminary injunction.

The competitor immediately filed a notice of appeal with the clerk of the district court, arguing that the court improperly granted the preliminary injunction.

What action will the appellate court likely take with respect to the competitor's appeal?

- A. Affirm the issuance of the preliminary injunction because the district court did not abuse its discretion.
- B. Dismiss the appeal because the competitor did not file the notice of appeal with the clerk of the appellate court.
- C. Dismiss the appeal because the district court has not yet entered a final judgment.
- D. Overturn the issuance of the preliminary injunction because the district court's decision was clearly erroneous.

Explanation:

Under the [final-judgment rule](#), an appeal cannot be taken before a final judgment has been entered except in limited circumstances. One circumstance arises when a district court rules on a request for a **preliminary injunction**—as seen here **(Choice C)**. Since rulings on preliminary injunctions are **discretionary**, they are reviewed under the highly deferential **abuse-of-discretion standard**. This means the appellate court will only reverse the district court's ruling if it was **clearly arbitrary or unreasonable**.

A preliminary injunction may be granted if it is established that:

- the movant is likely to succeed on the merits
- the movant is likely to suffer irreparable harm in the absence of relief
- the balance of equities is in the movant's favor *and*
- the injunction is in the best interests of the public.

Since the district court granted the preliminary injunction after the manufacturer presented considerable evidence supporting the above-listed elements, the court did not abuse its discretion in granting the preliminary injunction. Therefore, the appellate court will likely affirm the district court's decision.

(Choice B) Most appeals are initiated by filing a notice of appeal with the clerk of the *district* court (as seen here). Only certain interlocutory appeals (eg, appeals certified by a district court) require that a notice of appeal be filed with the clerk of the *appellate* court.

(Choice D) The clearly-erroneous standard is used to review factual findings in a bench trial—not a district court's discretionary rulings in a pretrial hearing (as seen here). Under that standard, the district court's factual findings will only be reversed if no reasonable judge would have made such a finding.

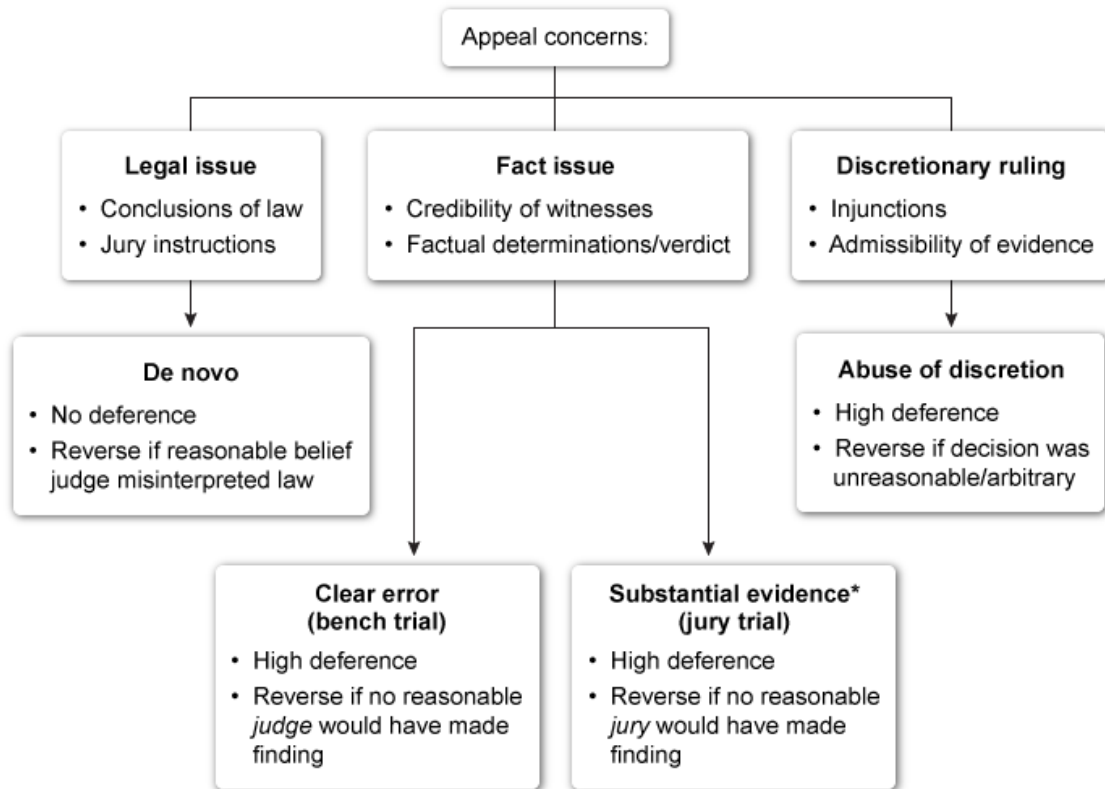
Educational objective:

An appellate court uses the abuse-of-discretion standard when reviewing a district court's discretionary rulings—eg, the grant or denial of a preliminary injunction. This is a highly deferential standard under which the appellate court will only reverse the district court's ruling if it was clearly arbitrary or unreasonable.

References

- *Ashcroft v. Am. Civil Liberties Union*, 542 U.S. 656, 664–66 (2004) (explaining that abuse-of-discretion review applies to preliminary injunctions and setting forth the traditional requirements to obtain a preliminary injunction).

Appellate standards of review



*Courts may also reverse if there is insufficient or no evidence. Due to this split of authority, this concept is unlikely to be tested.