Utility Models in Germany and Europe and their Strategic Use in Litigation

Dr. Matthias Stolmár

EURÓPAI IP KÉRDÉSEK: ÚJRATÖLTVE
MIE konferencia 2014. május 8-9. Herceghalom
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Introduction & Background

Utility Models – Petty Patents – Short-Term Patents

Main Characteristics

• Unexamined intellectual property right
• Easy and quick registration
• Short life span
• Restricted protectable subject-matter
## Utility Models – Where in Europe?

<table>
<thead>
<tr>
<th>Utility model in</th>
<th>No utility model in</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT BG BE CZ DE</td>
<td>CH CY GB IS LI</td>
</tr>
<tr>
<td>DK EE ES FI FR</td>
<td>LT LU MC RO SE</td>
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<tr>
<td>GR HU IE IT NL</td>
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<tr>
<td>PL PT SL SK TR</td>
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<tr>
<td>Also: RU</td>
<td>Also: NO</td>
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</tbody>
</table>
Selected countries Filing Numbers 2010

- Germany: 22300 Patents, 19800 Utility Models
- Spain: 3200 Patents, 4200 Utility Models
- Austria: 992 Patents, 40 Utility Models
Filings of Patents and UM’s in China
China

• Similar system to Germany with regard to UM
• litigation/nullity bifurcated system
• DE companies reluctant to file UM in CN since doubts on litigation („Tea Tray Case“ at Guandong Higher Peoples Court)
• Strong preference for patents since costs are fairly the same
Pros and Cons

Advantages
• Quick and simple (3 weeks to 3m for registration in DE)
• Often lower ”patentability requirements”
• Lower costs (official fees, Attorneys fees ?)
• Grace period (6 m in DE)

Drawbacks
• Shorter life span
• Restricted protectable subject-matter
• Litigation uncertainties
Different Types of Utility Models

Utility Models - Group 1

- Three-dimensional form requirement
- Lower standard of inventive step
- Life span generally 10 years
Utility Models – Group 1

Italy
Portugal Spain

Hungary
Bulgaria Greece
Turkey
Utility Models - Group 2
*(Short-Term Patents)*

- Protect same subject-matter as patents
- Same requirements for inventive step
- Shorter life span than patents
Utility Models - Group 2

Ireland
Netherlands
Belgium
France
Estonia
Utility Models - Group 3

• No three-dimensional form requirement
• Lower requirements for inventive step
• Life span 10 years
Utility Models - Group 3

Denmark
Germany
Austria

Finland
Czech Republic
Slovakia
Slovenia
Historical Excurse Germany

Since 1.6.1891 (for foreign applicants only since 1936 without reciprocity) Models, 3-D- Requirement

Machines can be protected since 1936 (gegenständliche Einheit)

„Modellfähigkeit/Raumformerfordernis“ („Space-Form-(or 3D) Requirement“) „gegenständliche Einheit“ („Unity of (subject)-matter“) until 1990

Change of UM Act 15.8.1986 (GebrMÄndG)

Anti-Piracy Act (PrPG) 7. March 1990
Historical Excursus Germany

Anti-Piracy Act (PrPG) 7. March 1990

No longer „Raumformerfordernis“, exclusion of processes from protection, since 2005 also biotechnological inventions (BioTRIUmS G)

Claim to Destruction of infringing goods and information claim, border seizure

Protection of Microorganisms, chemical compounds, pharmaceutical formulations, CII, evtl: use, product-by process
Landmarks

Claims directed to the use of a compound for medicinal treatment are not claims directed to methods, which are excluded from the Utility Models Act. Thus, utility models can be granted for such claims directed to the use of a compound for medicinal treatment. (GRUR 2006, 153, BGH-Arzneimittelgebrauchsmuster).
Landmarks

In the decision “Demonstrationsschrank” the Federal Supreme Court decided, that the criteria for inventive step are the same for patents and utility models. The criterion of inventive step is not a quantitative but rather a qualitative criterion. The assessment of inventive step is the result of a valuation and not an issue of fact. (GRUR 2006, 842, BGH-Demonstrationsschrank, confirmed in : BGH, 20.12.2011 – X ZB 6/10 „Installiereinrichtung II“).
Litigating Utility Models

Legal Actions

• Quick registration - Quick enforcement

• Same protective scope as patent (no interdiction of double patenting/protection)

• Same legal proceedings as for patent

• Validity either assessed by Civil Court (BGH 05.06.1997 – X ZR 139/95 „Leiterplattennutzen) mostly in form of a „counter-claim“
or in parallel cancellation proceedings before the GPTO
The grant of an *interim (preliminary) injunction* based solely on an utility model is only possible, if a positive decision maintaining the utility model in cancellations proceedings has been issued. A Utility Model represents a non-examined protective right, which is granted only on the basis of the application filed by the applicant. This has the effect, that maintenance of the Utility Model in cancellations proceedings is more important than in case of patents. (Higher Regional Court, 29.04.2010, I-2 U 126/09, 2 U 126/09, Harnkatheterset)
The grant of an interim injunction based on a utility model only comes into consideration if an infringement of the utility model as well as the validity of the utility model are so likely, that a wrong decision in the first instance, which has to be corrected in the second instance, cannot be expected.

(Regional Court, 12.09.2013, 4b 0 43/13 U, Transdermales System)
Branched-Off Utility Models

- Branching-off possible with pending patent application or opposed patent (DE national, PCT Application, EP Application) “complementary protection”, no interdiction of double protection
- **NOT** applicable if patent is in invalidation (court) proceedings
- Quick registration -Quick enforcement
- Same scope as patent
- Same legal proceedings as for patents
- Branching off as many UM as desired with different claim sets
Branched-Off Utility Models

Parallel Protection: Patent and Utility Model (not possible in FR, China) (ca. 1500-2000 cases/year)

Diagram:
- Patent
- Utility model
- Grant
- Opposition
- Revocation
- Registration
- (Branch off)
- (Cancellation Proceedings?)
Branched-Off Utility Models-PRO

Shape the claims according to the infringing product at any time

Add features comprised within the specification and found with the infringing product to avoid discussions on clarity, scope, equivalency etc. in litigation

Make use of different EPO/DE Case law in litigation (Selection Inventions, Numerical Ranges)

Grace Period
Particulars in Germany

• I Validity:
  Grace Period, oral vs. Written disclosure

• II Litigation:
  Diverging Case Law EP vs. DE, Selection Inventions, Numerical Ranges
Scenario I: The University Professor

**The Invention:**

DNA chip with more than 300,000 spots/cm², each spot having a different DNA sequence

Professor files a PCT Patent Application
Scenario I: The University Professor

• Unfortunately,

• He disclosed his invention in a lecture, 7 months before the priority date -> oral disclosure

• he published his invention in a scientific journal 5 months before the priority date -> written disclosure

• Patent invalid!
Scenario I: The University Professor

Curable? Yes, at least partially...

• Applicant can branch-off a German UM

• Neither the lecture nor the publication are prior art!
Scenario I: The University Professor

The state of the art comprises any knowledge made available to the public by means of a written description or by use within the territory to which this law applies ... Description or use within the six months preceding the date relevant for the priority of the application shall not be taken into consideration if it is based on the conception of the applicant and his predecessor in title.

[Section 3 German Utility Model Act]
Scenario I: The University Professor

Summary:

Not Prior Art for UM are

- Oral disclosures
- Public prior uses outside Germany
- Earlier, but post-published patent applications
- Publications of the applicant within grace period
Scenario II: Exploit Differences in Case Law between EP and DE

EP Patent relating to a:

Sew with an inclination angle of the blade angle is in the range 8-11°
Scenario II: Differences in Case Law

Competitor:
• markets sews with blades having optimum angle at 9.5°
• files opposition based on prior art sew blades having an optimum angle at 8.5°

➢ Patent needs to be restricted!
➢ No basis for restricting range
➢ No alternative option for restoring novelty, while still covering competitor’s product
Scenario II: Differences in Case Law

Federal Supreme Court in „Inkrustierungsinshibitoren“:

1. A complete numerical range, such as a molecular weight range, essentially contains a similar complete disclosure of all subranges conceivable.

2. Exceptions to this principle only come into consideration under special circumstances that have to be set forth and, if necessary, proven by the applicant of a patent.

3. These principles apply in divergence to the case law of the European Patent Office (e.g. T666/69; OJ EPO 495, 602 - Detergent) also for a European patent valid in Germany.
Scenario II: Differences in Case Law

- the range of 8 to 11° discloses under German jurisdiction e.g. the range of 9 to 11°.

- Proprietor of EP patent may branch-off a utility model with a “streamlined” claim 1 wherein the range is restricted to „9 to 11°“, even though this subrange is not specifically disclosed in the patent!

- Established novelty and restricted claim covers infringing product
Summary

• Shorter life span, but early enforcement
• Generally lower “patentability“ requirements
• "Branching off" as a specific tool to "streamline" enforceable claims
• More cost-effective than Patents
• More flexible than patents
The information and opinions contained in this document are not intended to be a comprehensive study, nor to provide legal advice, and should not be relied on or treated as a substitute for specific advice concerning individual situations.