

STRATEGIC USE OF UTILITY MODELS IN EUROPEAN COUNTRIES

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Like a granted patent, a utility model is an exclusive right granted for an invention, which allows the right holder to prevent others from commercially using the protected invention. In its basic definition a utility model is very similar to a patent, except that the requirements for acquiring a utility model are less stringent than for patents. In practice, protection for utility models is often sought for innovations of a rather incremental character, which may not meet the patentability criteria.

However, utility models can also be used in other situations and from a more strategic point of view in order to enhance a company's IP portfolio. Such situations include:

- When a competitor infringes a filed European patent application (EPA);
- When the inventor and/or applicant made the invention available to the public before an IP right was filed; or
- As an alternative or addition to a divisional EPA.

In case of an infringement

As long as a patent is not granted and the application is still being examined by the European Patent Office (EPO), the proprietor of the patent application can claim neither an injunction nor damages. The applicant can claim only 'compensation reasonable in the circumstances' against an infringer. This is inappropriate in many cases.

However, in some countries, such as Germany, Denmark and Finland, it is possible to branch off a national utility model from a pending EPA and then claim an injunction and damages against an infringer after the utility model is published. Under certain circumstances, it is possible to request a preliminary injunction against an infringer if the search result of the patent application is available.

This means that if a company becomes aware of a potential infringement, a utility model can be obtained in these countries based on a pending EPA, so the right holder can obtain an enforceable right very quickly.

It is advisable that the corresponding EPA remains pending, as a later-granted patent can be used in countries where utility models cannot be filed. Furthermore, the prosecution history for the EPA may be taken into account before the utility model is filed, thereby ensuring that the applicant obtains a utility model, which meets the requirement for novelty and inventive step, and in order to facilitate discussion with the infringer and possible court actions.

Taking into account that the requirements for inventive step or non-obviousness are much lower than for patents, the right holder can normally file a utility model with a corresponding scope of protection

to the pending EPA. The applicant may also file a utility model with a more limited scope of protection, as long as the technology provided by the potential infringer remains within the scope of protection.

A registered utility model with a relatively limited scope of protection will be virtually impossible for the infringer to invalidate/cancel, and the potential infringer is therefore normally left with the options of terminating the infringing action, obtaining a licence agreement for the utility model or purchasing the relevant rights.

In case of publication of the invention

In some countries, such as Germany, Hungary and Austria, a disclosure or use made up to six months before the application date will not be taken into consideration if it is based on the elaboration of the applicant or its predecessor in title. This means that inventions which the company decided initially not to protect, or accidentally disclosed to the public, can still be protected by IP rights in these countries.

Even though the number of countries providing a grace period is limited, obtaining rights in a few jurisdictions can in some cases be sufficient for a company to establish a lead in the market.

As an alternative to a divisional application

On April 1, 2010, the EPO introduced time limits for the filing of divisional applications. If an aspect of the invention turns out to be of particular interest after expiry of these time limits, it is impossible to file a divisional application at the EPO. However, it is still possible to branch off a utility model based on the pending EPA in some countries, and the applicant can obtain protection for these parts of the application in these countries.

IP rights should always be used strategically. However, many companies have a tendency to overlook the importance of ensuring that their IP portfolio is constantly up to date, and thereby face the danger of either being outflanked in the market or having outdated IP rights which provide inadequate protection.

Utility model protection may not be appropriate in all circumstances. In most European countries the protection available is limited to products, with process claims excluded from protection. Utility models are often ignored, but under the right circumstances they can enhance a company's IP portfolio. ■

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