

Legal protection of utility models - only for minor inventions ?

1. What is a utility model ?

A utility model is a protected right for just about all inventions with the exception of those referring to manufacturing and operational methods. A legally valid utility model offers the owner the same rights as those provided by a examined patent, that is to say a monopoly position concerning the manufacture, offering, marketing, use, introduction and possession of the subject matter protected the utility model. Legal protection of a utility model can be obtained on application at the German Patent and Trademark Office.

2. The advantages of legally protected utility models

2.1 Rapid registration

A utility model provides a rapid and - compared with a patent - cheaper means of securing an invention worth protecting. Generally speaking, a utility model is registered around two to four months following application to the German Patent and Trademark Office.

2.2 Derivation of a utility model from a pending patent application

Should it be necessary, particularly shortly prior to a patent being granted, to take action against a party infringing a protected right, it is possible within 10 years from the date of the patent application to derive a utility model from such a patent application under review. In such a case the utility model enjoys the priority date of the older patent application.

Derivation options are as follows:

Separation of a utility model from a pending German patent application providing the contents are identical.

Separation of a utility model from a pending European patent application providing the contents are identical and Germany is named in the European patent application, even if the latter was not submitted in German. A translation of the European patent application is required for registration of the German utility model.

Separation of a utility model from an international patent application (PCT) provided the contents are identical and Germany is named in the international patent application, even if the latter was not submitted in German. Once again a translation is required for registration of the German utility model.

2.3 The same prohibitive rights as in the case of a patent

A legally valid utility model is a useful instrument for proceeding against third party infringements as far as manufacture, offering, marketing, use, introduction and possession for the purpose named are concerned. The scope of legal protection of a utility model is determined by the contents of the claims defined in it. Inasmuch as the substantive conditions for protection are fulfilled, protection of a utility model commences with its registration in the register of utility models at the German Patent and Trademark Office and ends no later than on expiry of the maximum duration of 10 years from the day of application.

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2.4 Utility model protection parallel to patent protection

Utility model protection can also be obtained parallel to patent protection. In view of the speed with which a utility model can be registered, it provides early means of taking action against third party infringements. Furthermore a wider spectrum of total protection can be aspired to inasmuch as varying combinations of distinguishing features can be included in each of the main claims.

3. Requirements prior to a utility model becoming legally valid

Prior to registration of a utility model the German Patent and Trademark Office only investigates the fulfillment of formal requirements for registration and ensures there are no reasons prohibiting protection (no methods, no plant varieties or animal species, no violation of public order or offence against public morals). In order to guarantee the legal validity of a utility model the following substantive requirements must all be fulfilled: novelty, inventiveness and industrial applicability.

3.1 Novelty

The object of a utility model must not be common knowledge on the day of application. The following regulations apply :

- 3.1.1 The subject matter of the utility model is not considered new, if it has been made known to the public by means of a written description prior to the relevant application date the utility model application.
- 3.1.2 The subject matter of the utility model is also not considered to be new, if it has been brought to public attention through use in Germany. However, an apparent prior use outside of German territory does not damage novelty status.
- 3.1.3 There is a six-month period of grace in connection with publications made by the person registering a utility model or his legal predecessor. Actions by the person registering a utility model or his legal predecessor which are detrimental to novelty status but occur within this period of grace for innovations are consequently disregarded.
- 3.1.4 Such acts of prior use which are detrimental to novelty status but occur within the period of grace for innovations do however incur the disadvantage that they are considered to be detrimental to novelty with regard to a later patent application in a country claiming convention priority of the German utility model.

3.2 Inventiveness

As in the case of a patent, the object of a utility model should not be obvious from the state-of-the-art to a so-called person skilled in the art.

3.3 Industrial applicability

The object of a utility model possesses industrial applicability as long as it is possible at least theoretically to manufacture it in an industrial facility or to use it for trade purposes.

4. Legal action against utility model infringements

4.1 Extent of protection

The extent of legal protection offered by a utility model depends on the contents of the claims. These must be objectively recognizable to the man skilled in the art in question following examination of the description and drawings which explain the distinguishing features of the utility model. Here it should be emphasized that the utility model not only protects against technically identical forms of infringement but also against such infringements which adapt the protected technical solution in an equivalent manner.

4.2 Claims against a utility model infringement

4.2.1 Injunctive relief

The owner of a utility model can demand that the act of infringement cease.

4.2.2 Right to be informed of full details

The owner of a utility model can demand full particulars about the infringement from the injuring party, in particular on the origin of and the distribution channels employed in connection with the infringing product. In this way the owner can estimate the damage incurred as a result of the infringement.

4.2.3 Right to compensation depending on level of fault

Compensation can be sought when the utility model is infringed willfully and knowingly (despite knowledge of the protection provided by the utility model registration) or negligently (without checking the existence of third parties' rights prior to use). The most common method of calculating compensation is the so-called license analogy. Other methods are calculated on the basis of lost profits or on the basis of estimated damage.

4.2.4 Prosecution in the case of a utility model infringement

An injuring party acting commercially can be punished with up to 5 years imprisonment or with a fine. It should be noted that the attempt to infringe a utility model is in itself liable to prosecution.

4.2.5 Right to demand destruction of an infringing product

The owner of a utility model can demand that the injuring party destroys the infringing object which the infringer has in his possession or owns unless the infringing nature of the product can be disposed of in some other manner and the destruction is in certain individual cases deemed to be unreasonably harsh towards the infringer or owner.

4.2.6 Border confiscation

In the case of an obvious infringement of rights, the import or export of a product infringing a utility model can - on application and against security provided by the possessor of the utility model - be prevented through confiscation by the customs authorities.

4.3 Legal measures to be taken in the case of prosecution of a utility model infringement

The following measures should be carried out in succession when opposing a utility model infringement :

4.3.1 Proof of the act of infringement

Documentary proof of at least one act of infringement should be provided. This should contain details on the injuring party as well as the venue, date and circumstances of the infringement.

4.3.2 Examination of the legal validity of the utility model

Examination of the legal validity of the relevant claims of the utility model by means of an official search or a search carried out by a patent lawyer is to be recommended.

4.3.3 Inquiry to determine entitlement

The inquiry directed at the infringer in order to determine his entitlement serves to provide voluntary clarification of any authorization that the infringer may possess and represents correspondence prior to court proceedings. It is therefore devoid of any consequence as to costs claims.

4.3.4 Warning notice

A letter of warning notice sent to an infringer refers to the existing protected right and its legal validity. It furthermore refers to the act of infringement and demands the deposition by a specified deadline of a declaration of discontinuance, a duty of disclosure and a declaration of liability for damages. This letter of warning is essential to avoid a costs' order should a writ of summons be issued and immediately accepted by the infringing party. Should the infringer not deposit the required formal declarations within the period stipulated, he is deemed to have given cause for the issue of a writ of summons.

4.3.5 Summons

If the infringing party is not prepared to sign a declaration of discontinuance in order to avoid prosecution, an infringement suit is subsequently filed in which a patent lawyer represents the possessor of the utility model on all technical and legal questions concerning the patent and an attorney at law represents him on all procedural questions as well as having the right to conduct a case in the district court.

5. Procedure for the cancellation of a utility model

The registration of a utility model can be deleted following an application for cancellation to the German Patent and Trademark Office if the above-mentioned substantive conditions of protection are not fulfilled. As in the case of patent opposition proceedings, the applicant must explain with the aid of earlier documents concerning the state of technology or with other means of proof why the registered utility model fails to have legal validity. The plea of erroneous legal validity of a utility model may be brought forward by the infringing party during infringement court proceedings and is then examined by the court. In contrast to a patent, the court is not bound by the registered version of a utility model.

Deletion of a utility model can furthermore be applied for when the subject matter of the utility model is already protected by an earlier patent or utility model registration by a third party, when it is an unlawful copy of an existing invention or if, following the deposition of the utility model application, the scope of protection of the original application has been enlarged in an inadmissible manner.

An application for cancellation of a utility model is subject to a fee and grounds for the application must be given. As with the procedure for the revocation of a patent, there is also a preprocedure prior to the revocation of a utility model. In this preprocedure the German Patent and Trademark Office informs the owner of the utility model of the application and requests him to voice his opinion on this matter within one month. Should he not do so, the utility model is automatically cancelled. Should he oppose the application for cancellation, then revocation proceedings including an exchange of opinions by both parties take place. A decision on the application is then finally made on the basis of a board hearing.

The decision of the German Patent and Trademark Office may be contested by an appeal to the Federal Patent Court.

6. Utility model protection versus patent protection - a comparison

	Utility model	Patent
Duration of protection	10 years	20 years
Protection for methods	no	yes
Period of grace	6 months	none
Is known prior use damaging to novelty status?	only, if it occurs in Germany	always
Examination of legal validity:	only during infringement procedure	during examination procedure

7. Conclusion

Protection of a utility model is not only a good idea for "minor inventions" but can also be implemented strategically in order to safeguard one's market position rapidly and effectively.

