



CongressToronto
Adopted resolution
September 17, 2014

Resolution
Standing Committee – Patents
Prior User Rights

AIPPI

Noting that:

- 1) The use of prior user rights remains an area of patent law where divergent practices exist among various countries and regions.
- 2) This subject has been touched upon in the prior work of AIPPI such as in
 - Q75, Prior disclosure and prior use of the invention by the inventor (Buenos Aires Congress of 1980, Moscow ExCo of 1982),
 - Q89D, Prior Use (Amsterdam ExCo of 1989),
 - Q170, Substantive Patent Law Treaty (Lucerne ExCo of 2003) and
 - Q233, Grace period for patents (Helsinki ExCo of 2013).
- 3) Q89D: At the Amsterdam ExCo of 1989 it was resolved that the Patent Law Treaty then under discussion should contain a mandatory prior use right as set forth in the following provision:

Privilege of prior use

(1) (a) Subject to subparagraph (b), the owner of a patent shall not enjoy, under that patent, rights against activities within the scope of the patent, not authorized by him, of a person (the prior user) who, at the date of the filing of the application, or where priority is claimed, at the priority date of the application on which the patent is granted, and with a view to industrial or commercial exploitation,

(i) was actually engaged in such activities, or

(ii) was engaged in serious preparations, involving, from the viewpoint of the prior user, significant investment, for such activities,

in the territory and any other place or space to which the sovereignty of the Contracting State extends and in or for which State the patent is granted.

It is understood that the expression "industrial or commercial exploitation" comprises every form of exploitation for useful or economic purposes.

(b) Where the prior user engaged in activities or preparations therefore, obtained knowledge of the invention protected by the patent from or in consequence of acts performed by the owner of the patent or his predecessor in title, subparagraph (a) shall not apply in respect of the said activities.

(2) Paragraph (1) shall not apply to a successor in title of the prior user unless that successor in title is the owner of the enterprise or business, or that part of the enterprise or business, in which the prior user engaged in the activities or preparations referred to in paragraph (1) (a).

4) Q233: The Helsinki ExCo in September 2013 adopted a resolution in favour of the grace period as follows:

1) Internationally, a grace period should be established in order to exclude from the prior art against the inventor or his successor in title, any disclosure to the public by means of a written or oral description, by use, or in any other way, made:

a) by the inventor or his successor in title, irrespective of whether such disclosure is intentional or not;

b) by a third party who derived the content of the disclosure from the inventor or his successor in title, irrespective of whether such disclosure results from an abuse in relation to or was made against the will of the inventor or his successor in title.

2) The grace period shall not exclude from the prior art:

a) disclosures from a third party which are not derived from the inventor or his successor in title, even if said disclosures occur after a non-prejudicial disclosure;

- b) disclosures resulting from the proper publication by an Intellectual Property Office of an application for or the grant of an intellectual property right filed by the applicant or his successor in title.
 - 3) The duration of the grace period shall be twelve months preceding the filing date of the patent application or if priority is claimed, the earliest relevant priority date.
 - 4) The applicant or his successor in title shall benefit from the grace period without being required to deposit a declaration of such disclosure.
 - 5) The grace period shall have no effect on the date of publication of the patent application.
 - 6) When a disclosure is cited the burden shall be on the party claiming benefit of the grace period to prove that the disclosure shall be excluded from the prior art.
- 5) The Helsinki resolution on the grace period specifically noted the need for an extension of the work to the related issue of prior user rights:
- “In order to focus the question on the “grace period for patents” itself, this study did not consider the related issue of prior user rights. AIPPI could valuably extend the work on the related issue of prior user rights, under the recommended internationally harmonized grace period.”
- 6) During the second meeting of the “Tegernsee Group,” attended by heads of offices and representatives from Denmark, France, Germany, Japan, the UK, the USA and the EPO in April, 2011, prior user rights was one of four topics identified as being key to harmonization (along with the grace period, 18-month publication, and the treatment of conflicting applications).

Considering that:

- 1) Nearly all legal systems contain statutory provisions, case law and/or legal doctrines that provide prior user rights as an exception to the exclusive right of a patent holder.
- 2) The conditions for obtaining prior user rights and their scope diverge from one jurisdiction to another.

- 3) Harmonization of prior user rights would enhance legal certainty and clarity.
- 4) Prior user rights are rarely invoked, but are nevertheless considered an important part of a balanced patent law system.
- 5) The three main justifications for prior user rights are balance, economic aspects, and freedom of choice. Freedom of choice in this context means the freedom between obtaining patent protection publishing the development or simply using it without disclosing it to the public. Economic aspects refer to the goal of providing incentive for innovation and dissemination of information without unduly restricting investment. Balance means the balance between the effects of the first-to-file system principle and a lawfully continued activity that had been carried out in good faith.
- 6) Because the current resolution does not fully address the extent or magnitude of prior user rights and whether there should be specific limits based on the extent or magnitude of such rights, this issue merits further study. The territorial scope of prior user rights of regional patents without unitary effect also merits further study.

Resolves that:

- 1) A prior user right should be recognized when a party has used an embodiment falling within the scope of a patent before the filing date or, if earlier, the applicable priority date of the patent. A prior user right should also be recognized, at a minimum, when serious and effective preparations for the use of an embodiment within the scope of protection of a patent have been made.
- 2) The prior user right should be recognized as an exception to the exclusive rights of the patent holder afforded by the patent.
- 3) The prior user right should lapse upon the abandonment of the use and/or abandonment of the preparation of the use by the prior user.
- 4) A prior user right should in principle be limited to the country where the prior use took place. Thus, the use of the invention in one country should not give rise to a prior user right in another country. In case of a regional patent with unitary effect, the prior user right should apply, as an exception to the patentee's rights, on all the territories covered by the patent.

- 5) A prior user right should only arise if the prior user has acted in good faith.
- 6) A prior user right should be limited to embodiments within the scope of the patent which were used prior to the filing date or, if applicable, the applicable priority date of the patent or to substantially similar embodiments; prior user rights should not by definition extend to the entire scope of the patent.
- 7) A prior user right should be transferable, but only if it is transferred together with substantially all of the related enterprise or business.
- 8) The prior user right should not be licensable to another legal entity.
- 9) Prior user rights should be available in any field of technology and for any type of entity.