



EXCO MEETING CAPE TOWN 13 & 18 APRIL 2015

WORKING DOCUMENT	
TITLE:	Utility model (UM) – a distinct right as part of an IP system
DRAWN UP BY:	Klaus Roitto, CET 7 Group; Uwe R. Borchert, Reporter CET 7 Group
TABLED TO:	All ExCo attendees
PURPOSE:	For approval
SNIPPET:	Utility models are supported by FICPI. Utility models should provide a balance for the owner and third parties; in the enforcement procedure there should be safeguards to prevent abuses



Utility model (UM) – a distinct right as part of an IP system

Based on studies and consultation within FICPI, FICPI believes that a utility model (UM) system in addition to a patent system is beneficial to an effective IP system by providing a tool by which a meaningful and enforceable right can be quickly achieved for inventions. It is sufficient to adapt the UM system or to introduce a UM system having similar minimum frame conditions providing a certain “minimum” level of harmonization, like

1. The utility model should, as a distinct part of the IP system, be an intellectual property right parallel to the patent, to gain an alternative protection of an invention and, thus, an additional tool for the user. Thereby, the inventor has an additional possibility of selecting a protection for his invention under different point of views, such as costs, legal certainty, and quick grant. In other words: in addition to the traditional patent system with special requirements with respect to granting, including e.g. an obligatory substantive examination procedure there should exist, in an effective IP system for inventions a parallel, additional registration system, which, on the one hand, enables quick registration and protection and, on the other hand, avoids abuses when it comes to enforcement.
2. The possibility of a fast registration of the utility model to gain a quickly granted and enforceable right for an invention is one important condition to make a utility model system successful.
3. The prerequisites for obtaining a utility model for an invention should be similar and balanced to the prerequisites for a patent.
 - 3.1 There should be no more possibilities in the utility model system with respect to types of inventions which could be protected over the parallel patent system.
 - 3.2 The utility model has to pass thresholds with respect to the prerequisites, such as novelty and inventiveness, to be valid. Moreover, the obtainable rights of a valid utility model such as enforcement possibilities, claim interpretation (scope of claim and protected equivalents), duration, etc. should be dependent on these thresholds so that the obtainable rights and the thresholds are balanced.
 - 3.3 The maximum duration for a utility model should be substantially shorter than for patents.



4. The examination should be limited to lower the costs and to speed up the registration time and to shorten the procedure to have utility models granted.
 - 4.1 Only a mandatory formal examination before registration should be necessary.
 - 4.2 There should be no obligation for substantial examination.
5. Especially small and medium sized companies and individual inventors are very dependent on user friendly official fees for their IP rights. Insofar, it is one further important condition that the utility model system has lower official fees over a parallel patent system to obtain an intellectual property right at lower costs.
6. In order to offer the user all possibilities in flexibly protecting the invention, the utility model system should offer the applicant all possibilities of a patent, such as claiming priority, entering a national phase from a PCT application directly or indirectly and should enable the derivation from a patent application to a utility model application.
7. The utility model system should include safeguards, to prevent abuses and unfair competition in connection with the enforcement of the utility model right. Thus, at least the following frame conditions are necessary in a balanced utility model system:
 - 7.1 A mandatory search on prior art, e.g. WIPO search report with a written opinion to judge the validity of the registration, before enforcing the utility model.
 - 7.2 A possibility to nullify a utility model and a limitation procedure for the utility model. The limitation procedure could be part of the procedure of nullifying the utility model.
 - 7.3 It should be possible that prior art can be filed with the patent office at any time, in the form of e.g. an observation which then will be part of the file of the utility model; this prior art has to be considered if it comes to an action of nullity or a limitation procedure.
 - 7.4 No interlocutory injunctions based on a utility model should be possible under certain circumstances, such as when the utility model has not materially been examined or the likelihood of the validity of the registration has been similarly proved.
 - 7.5 In the enforcement procedure based on a utility model and in invalidity procedure against a utility model there should be a fair balance of rights between the utility model owner, on the one hand, and the third party, on the other hand, and safeguards to prevent abuses, e.g. loser of the dispute pays the costs. Utility models and patents may be allowed to supplement each other.

Conclusions

A utility model system encourages inventors to protect technical developments with low costs and with quick registration. FICPI is of the view that utility models, as a distinct right as part of an IP system, with appropriate safeguards are beneficial and also strategically important by completing the possibilities for protection of inventions. Utility models are of particular interest and importance to small and medium-sized companies.

[End of document]