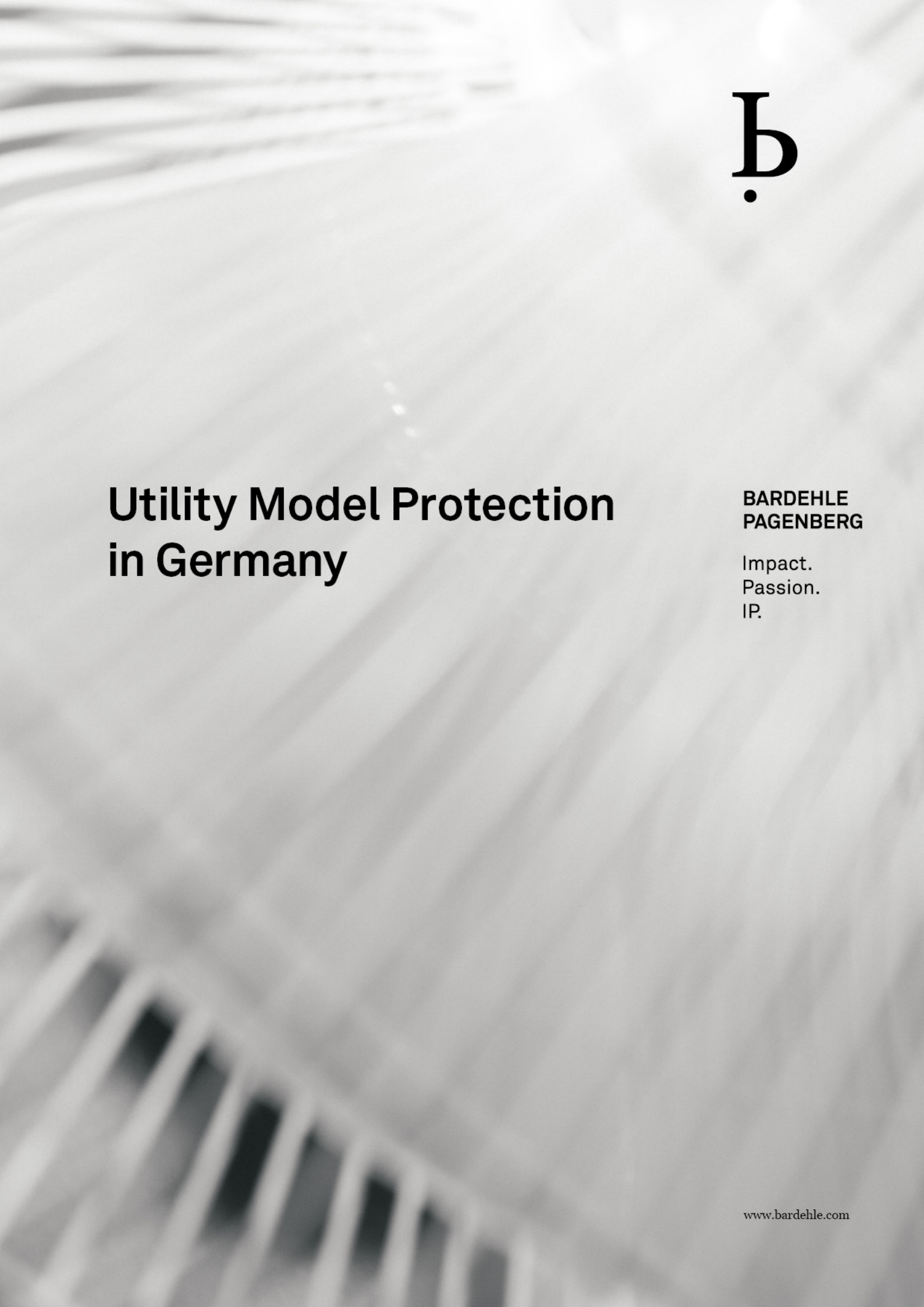

Utility Model Protection in Germany

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IP Brochure

In Germany, in addition to patent protection, technical inventions can also be protected by a utility model which provides low-cost protection for such inventions with the exception of methods. Contrary to other countries in which intellectual property rights similar to a utility model are closely linked to patents and in general only differ from a patent in terms of a shorter duration and a registration without substantive examination of protection requirements, a German utility model is a separate intellectual property right which is entirely independent of a patent. Incorporating the utility model's special features in a strategic portfolio of intellectual property rights can have advantages for the rights holder.

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1. What is a utility model?

A German utility model is a technical intellectual property right which is entirely independent of patent rights. Like a patent it protects technical inventions within the Federal Republic of Germany, but with the exception of methods. Unlike a patent, however, a utility model is an unexamined intellectual property right which, after the formal requirements have been fulfilled and no obvious defects are evident, is registered and published. There is no further substantive examination of protection requirements. As for patents, the utility model specification contains a description, claims and drawings. The claims define the subject matter for which protection is sought.

When it was introduced in 1891, the utility model was originally conceived of as a "minor patent" for "minor inventions". Since the 1990 Patent Reform Act, utility model law has been made largely consistent with patent law with all but a few – albeit substantial – exceptions. In recent years an average of around 12,000 utility model applications have been filed annually at the German Patent and Trade Mark Office.

2. What can be protected by a utility model?

For an invention to be protected as a utility model it must be new, based on an inventive step, and have industrial application. The Utility Model Act (GbmG) does not specify the subject matter or inventions which can be protected, but, like the German Patent Act and the European Patent Convention, Sections 1 (2) and (3) contain a non-exhaustive list of subject matter which is excluded from utility model protection. **Accordingly, subject-matter of a utility model can be:**

- movable and immovable matter
- apparatus (machines, appliances, ...)
- systems
- circuits

- substances (e.g. pharmaceutical products or food)
- substance applications which are part of a new medical indication

The following in particular cannot be protected as utility models:

- inventions the exploitation of which would be contrary to public order or morality
- plant or animal varieties
- methods

According to the jurisprudence of the German Federal Court of Justice “method”, however, has been interpreted in a very narrow sense and has been limited to manufacturing methods and working methods. For example, the German Federal Court of Justice decided that a claim directed to a signal sequence for a computer program does not constitute a method claim (Federal Courtof Justice decision – Signal sequence [Signalfolge], GRUR 2004, 495). Applying a substance as part of a new medical indication was likewise considered not to be a method and, in particular, a claim in this regard was ruled not to be a use claim (Federal Court of Justice decision – Pharmaceutical product utility model [Arzneimittelgebrauchsmuster], GRUR 2006, 135). The Court also decided that so-called “means plus function” claims do not define a method (BGH X ZB 23/07 Telekommunikationsanordnung [Telecommunications system]). Claims worded such as these can therefore define devices by means of their functions.

3. What constitutes the relevant prior art for a utility model?

Decisive for the determination of prior art for a utility model is its priority date or filing date. Absolute novelty, however, is not a requirement for a German utility model. Prior art is only what has been made public worldwide through printed publications or, in Germany, through public use, prior to the utility model filing or priority date.**Prior art therefore does not include:**

- a public oral description
- public prior use outside Germany

- or older, subsequently published -applications

This means that the use of its subject matter outside Germany before the priority date, or an oral description, does not constitute prior art for the utility model.In addition, a grace period applies to German utility models. Use of the invention, or a description published in the six months prior to the priority date is not deemed to be detrimental to novelty provided it is based on the applicants' own work or that of his/her predecessor in title.As a consequence, the prior art for a German utility model is more limited compared to that for a patent.

4. Inventive step

Unlike in patent law, the German Utility Model Act does not contain a legal definition of "inventive step". The term "inventive step" was, however, deliberately chosen for the Utility Model Act in preference to the term "inventive activity" used in the Patent Act. Based on this and the legislator‘s intentions ("minor" patent, "minor" inventions, ...) court decisions and the literature concluded for many years that an inventive step required a lesser degree of inventive performance. However, the Federal Court of Justice decided in 2006 that the inventive step of a utility model is equivalent to the inventive activity of patents (Federal Court of Justice decision - Demonstration Cabinet [Demonstrationsschrank], BGH GRUR 2006, 842).Assessment of inventive step for the purposes of a utility model, however, is based on a different interpretation of prior art (see above).

5. Priority

German Utility Model Law provides for priority rights pursuant to Article 4 of the Paris Convention. A utility model can therefore claim the priority of a foreign patent application up to 12 months after the date it is filed.Internal priority may also be claimed. The earlier application can be any first application for a patent or utility model which has effect in Germany, i.e. including a European patent application designating Germany, or a PCT application designating Germany.Conversely, a utility model application can also be used as a low-cost way of establishing an early priority date for a later patent application which can then claim the internal priority of the earlier utility model application.Exhibition priority constitutes a special case. It applies to the disclosure of the invention at one of the selected domestic or foreign exhibitions or trade fairs announced annually by the Federal Ministry of Justice. A utility model application filed within six months of the opening date of such an

exhibition is given the priority status of the first disclosure of the invention. Exhibition priority can be cumulated with the grace period.

6. Branching-off

The German Utility Model Law provides for branched-off applications. A branched-off application is an independent utility model application for which the filing date of an earlier patent application is claimed.A utility model application which is branched-off in this way is given the same priority status (the priority date, filing date) as the earlier patent application. The filing date of the earlier patent application determines the prior art for the branched-off utility model, its duration and the due date for its renewal fees.The claims of the branched-off utility model application need not be identical to those of the pending patent application. Their subject matter must, however, be clearly and unambiguously disclosed for the skilled person in the patent application. Provided this is the case, there is no limit to the number of utility models with different claims that can be branched-off from a patent application.Application for a branched-off utility model can hence be made, for example, in order to obtain already an enforceable intellectual property right in Germany while the patent is still subject to examination.A branched-off utility model can also be used as a fallback position in the event of prior art cited against the patent application that is not prior art for utility models.The requirements for splitting off a utility model from a patent application are:

- An earlier patent application which is effective in Germany is pending. This may be a national German patent application, a European patent application designating Germany, or a PCT application designating Germany
- The branching-off declaration must be made at the same time as the utility model application is filed.
- A branched-off utility model application can be filed up to a maximum of ten years from the filing date of the earlier patent application.
- A branched-off utility model application must be filed no later than two months from the end of the month in which the patent application is not pending anymore (withdrawal, rejection or grant) or opposition proceedings are terminated.

Opposition proceedings revive the right to branch off a utility model.

- The invention in question must be the same as that of the earlier patent application filed by the same applicant.
- Maintenance fees for the branched-off utility model do not have to be paid with retroactive effect for the period starting from the date of filing but rather for the period starting on the date of registration, which is different from a divisional application for patents.

7. Application

Utility model applications are subject to the legal requirement of unity. An application must therefore be made for each invention. Unity is not however a requirement for protection but for registration. Non-unity does not therefore constitute a reason for cancellation, but is merely a hindrance to registration.A utility model application must contain the applicant's name, a request for registration with the designation and a description of the subject matter. Claims may be submitted up to the time of registration. Utility model applications can also be filed in a language other than German. In such cases, a German translation must be submitted within three months of filing.Receipt of the utility model application by the German Patent Office has the same legal effect as receipt of a patent application, i.e. the date of receipt and the documents submitted determine inter alia the filing date, duration of protection, priority status and the subject matter of the application. Changes to the application documents are permissible until the decision to register has been issued, provided they do not extend the subject matter of the application. Once registration has taken place, no further changes are permissible.Nevertheless the scope of the utility model can be reduced after registration if the utility model holder files a new set of limited claims by means of a contractually binding public declaration. A request for cancellation, however, can only be made in respect of the registered claims.A prior art search in respect of the utility model application or a registered utility model may be requested at any time by the applicant or any third party. A pending search request does not affect the registration of the utility model.Utility model protection starts on the filing date and ends ten years after the month of filing.The German Patent and Trade Mark Office's current fee is EUR 40 and includes the maintenance fee for the first three years. The maintenance fees for subsequent periods are currently EUR 210

for years 4 to 6, EUR 350 for years 7 to 8, and EUR 530 for years 9 to 10.

8. Cancellation of the registered utility model

Anyone can file a cancellation request in writing to the German Patent and Trade Mark Office. The cancellation request must be in respect of the registered version of the utility model's claims.A partly cancellation of the utility model is permissible.

Reasons for cancellation are:

- non-protectability pursuant to Sections 1 to 3 of the Utility Model Act (GbmG) (*i.e.* not of a technical nature, lack of novelty, lack of inventive step, no industrial application)
- identical, older intellectual property right (inadmissible double protection)
- the proprietor is not entitled
- inadmissible extension

The decision on cancellation of the utility model lies with the Utility Model Division of the German Patent and Trade Mark Office. Appeals against a first instance decision are heard by the Utility Model Senate of the German Federal Patent Court. In-person hearings must be held in utility model cancellation proceedings.

9. Infringement

Registration of a utility model has the effect of creating an exclusive right for the holder corresponding to a granted patent. Third parties are prohibited from making, selling, marketing or using the subject matter of the utility model. The utility model holder can require the infringing party to pay compensatory damages, to desist from the infringement, and to provide information on the extent of the infringement. He/she may also require the goods which infringe the utility model to be destroyed.As in the case of a patent, the scope of protection given by a utility model is determined by the content of its claims. In order to interpret the claims, the description and drawings must be consulted.The competent authority for utility model infringement litigation is the specialised civil chamber in each of the district courts which also have jurisdiction for patent litigation.Different patent and utility model infringement suits may be brought simultaneously against the same or similar action.Invalidity of a utility model can be argued in infringement litigation as a defence plea since the

utility model is unexamined. The infringement court must then examine the validity even if a cancellation request has been filed.

10. Summary

A German utility model provides a number of advantages which ought to be taken into account when considering a strategic intellectual property rights portfolio:

- as it is registered without examination, it is available quickly and at low cost (as a rule registration takes place within a few weeks from filing the application)
- the limited prior art compared with patent law, and the grace period may allow to protect subject matter made public prior to the filing date
- the possibility of branching-off allows flanking protection for pending patent applications and tailoring claims to the infringing product
- claiming internal priority of an ear lier utility model application can be a low-cost way of establishing an earlier priority date for a later patent application

Notwithstanding these benefits it must be remembered that the German utility model is an unexamined intellectual property right of ten years' duration which does not provide protection for methods.In practice the German utility model is often used as a means for enforcing rights quickly in infringement litigation. This is particularly important for innovators in fast-moving businesses whose products are copied almost as soon as they appear on the market and hence need to be protected quickly, long before a parallel patent is granted. As a utility model can be obtained at low cost, several utility model applications with different claims or branched- off applications can be filed as part of an enforcement strategy in order to be prepared for potential defence strategies of infringing parties and thereby enhance the chances of success in infringement litigation.

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