



Utility Model Protection in Germany

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Introduction

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 processes. In some countries intellectual property rights similar to a utility model are closely linked to patent rights and as a rule only differ from the patent in terms of a shorter duration and registration without examination of protection requirements. A German utility model, on the other hand, is a separate intellectual property right which is entirely independent of the patent. Incorporating the utility model's special features in a strategic portfolio of intellectual property rights can have advantages for the rights holder.

1. What is a utility model?

A German utility model is a national technical intellectual property right which is entirely independent of the patent. Like a patent it protects technical inventions other than processes within the Federal Republic of Germany. 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 entered into the Patent Register and published. There is no further examination of intellectual property right requirements. As in a patent specification, 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 Reform Act, utility model law has been largely consistent with patent law with all but a few – albeit substantial – exceptions. In recent years an average of around 17,000 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.

What is a utility model?

What can be protected by a utility model?

Accordingly, a utility model can be:

- movable and immovable matter
- apparatus (machines, appliances, ...)
- systems (e.g. switches) which can include remote material features
- substances (e.g. pharmaceutical products, food and natural stimulants)
- substance applications which are part of a new medical indication

What constitutes the relevant prior art for a utility model?

The following in particular cannot be protected as utility models:

- inventions whose exploitation would be contrary to public order or morality
- plant or animal varieties
- processes

The term “process”, however, has been interpreted in a very narrow sense in recent court decisions and has only been applied to manufacturing processes and operations. For example, The German Federal Supreme Court decided that a claim for an intellectual property right in respect of a signal sequence for a computer program flow does not constitute a process claim (decision of the Federal Supreme Court 2004 GRUR 495 – Signal sequence [Signalfolge]). A substance application which is part of a new medical indication was likewise considered not to be a process and, in particular, a rights claim in this regard was ruled not to be a process claim (decision of the Federal Supreme Court 2006 GRUR 135 – Pharmaceutical product utility model [Arzneimittelgebrauchsmuster]). The Court also decided that so-called “means plus function” claims do not define a process (BGH X ZB 23/07 Telekommunikationsanordnung [Telecommunications systems]). Claims worded such as these can therefore define and assert how a particular piece of apparatus functions.

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

Prior art is decided by the priority status of the utility model application, i.e. as a rule the application priority date or filing date. Absolute novelty, however, is not a requirement for a German utility model. Prior art is simply deemed to be what has been made public worldwide through printed publications or, in Germany, through public use, prior to the utility model filing date and/or the priority date.

Prior art therefore does not include

- a publicly-announced, oral description
- known prior use outside Germany
- or older, subsequently published applications

This means that the use of the subject matter abroad before the utility model priority date, or an oral description, does not constitute prior art for the utility model.

In addition, a novelty 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.

A narrower interpretation of state of the art hence applies to the German utility model compared to that which applies to a patent.

4. The inventive step

Unlike patent law, the German Utility Model Act does not contain a legal definition of the “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, i.e. a theory is eligible for utility model protection if it is obvious to the specialist practitioner from the state of the art but he is unable to discover it *ipso jure* based solely on his general subject knowledge and routine monitoring of the state of the art. However, more recent court decisions have treated the inventive step of the utility model as equivalent to the inventive activity of patents.

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 the assertion of priority rights pursuant to Article 4 of the Paris Convention for the Protection of Industrial Property. A utility model can therefore assert the priority of a foreign patent application up to 12 months after the date it is filed.

Priority

The inventive step

Domestic priority may also be asserted. 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 Patent Cooperation Treaty application designating Germany.

Conversely, a utility model application can also be used as a low-cost way of establishing early priority status for a later patent application which can then assert the domestic priority of the earlier utility model application.

Exhibition priority constitutes a special case. It applies to the display of the invention at domestic or foreign exhibitions announced annually by the Federal Ministry of Justice. A utility model application filed within six months of the opening date of the exhibition is given the priority status of the first display. Exhibition priority can be added to the novelty grace period.

6. Splitting-off

The German Utility Model Law provides for split-off applications. A split-off application is an independent utility model application for which the filing date of an earlier patent application is asserted.

A utility model application which is split 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 is used in determining the split-off utility model's protectability, duration and the due date for its renewal fees.

The claims of the split-off utility model application need not be identical to those of the pending patent application. The subject matter in the patent application must however be disclosed in a manner that is entirely clear to a person skilled in the art. Provided this is the case, there is no limit to the number of utility models with different claims that can be split-off from a patent application.

Application for a split-off utility model can hence be made, for example, as flanking patent protection in order to obtain an enforceable intellectual property right in Germany while the patent is still subject to examination.

A split-off utility model can also be used as a fallback position in the event of a citation

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 Patent Cooperation Treaty application designating Germany.
- The splitting-off declaration must be made at the same time as the utility model application is filed.
- A utility model split-off application can be filed up to a maximum of ten years from the filing date of the earlier patent application.
- A utility model split-off application must be filed no later than two months from the end of the month in which the patent application is concluded or opposition proceedings are terminated. Conclusion can take the form of withdrawal or legal fiction of withdrawal, rejection, granting etc. Opposition proceedings revive the splitting-off right.
- The invention in question must be the same as that of the earlier patent application filed by the same applicant.
- Similarly to a divisional application for patents, all fees due for the split-off utility model must be paid retrospectively from the filing date.

against the patent application stating that it is not part of the limited prior state of the art applicable to utility models.

7. Application

Utility model applications are subject to the legal requirement of uniformity. An application must therefore be made for each invention. Uniformity is not however a requirement for protection but for registration. Failure to file uniform applications does not therefore constitute a reason for their 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 continue to 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 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 ruling on registration 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. An application for cancellation, however, can only be made in respect of the registered claims.

A search in respect of the utility model application and a registered utility model may be requested 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 application 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.

Application

Cancellation of the registered utility model

8. Cancellation of the registered utility model

In order to prevent double protection, should an identical existing German patent or registered utility model with an earlier priority date exist, which is not prior art (i.e. not previously published), the new utility model will not be afforded protection if they concur.

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 part 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)
- unlawful withdrawal
- 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 afforded 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 twelve district courts which also have jurisdiction for patent litigation, plus one further district court.

Combining lawsuits, as under the Patent Act, is not permissible under the Utility Model Act. Different patent and utility model infringement suits may therefore be brought simultaneously against the same or similar action.

The non-protectability of a utility model can be asserted in infringement litigation as a defence plea since the utility model is unexamined. The infringement court must then examine capacity for protection even if a cancellation request has been filed.

The utility model holder can assert limited claims in infringement litigation which only apply to the parties involved without having to make a binding public declaration. A utility model which is deemed non-protectable in the course of infringement litigation remains in existence. The establishment of non-protectability in infringement litigation only has effect on the parties involved in the said litigation.

Infringement

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 little cost (as a rule registration takes place within three months of filing the application)
- the limited prior art compared with patent law, and the novelty grace period may also mean subject matter made public prior to the filing date can be protected
- the possibility of splitting off allows flanking protection for pending patent applications and tailoring claims to the subject matter of an infringement
- asserting the domestic priority of an earlier utility model application can be a low-cost way of establishing an earlier priority status 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 processes.

In practice the German utility model is often used as a means of enforcing protection quickly in infringement litigation. This is particularly important for innovators in fast-moving lines of business 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 little cost, several utility model applications with different claims or split-off applications can be filed as part of an enforcement strategy so that innovators are thus well prepared for potential defence strategies of infringing parties and thereby enhance their chances of success in infringement litigation.

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