



Question Q228

National Group: Austria

Title: Prior User Rights

Contributors:

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Questions

I. Analysis of current law and case law

Groups are invited to answer the following questions under their national laws:

1. Is there a provision in your national patent law that makes an exception to the exclusive right of a patent holder for parties who have used the invention before the filing/priority date of the patent ("prior user rights")?

Yes, section 23 Austrian patent law provides for such exceptions.

2. How frequently are prior user rights used in your country? Is there empirical data on how often prior user rights are asserted as a defense in negotiations or court proceedings?

There is no empirical data on how often prior user rights are asserted as a defense in negotiations or court proceedings in Austria.

3. To what degree must someone claiming a prior user right have developed the embodiment which is asserted as having been used prior to the filing/priority date of the patent? Is it sufficient to have conceived of the embodiment, or must it have been reduced to practice or commercialized?

All essential features of the patented invention must have been in the possession of the prior user. Taking preparatory measures necessary for using

the invention is sufficient. Accordingly, a reduction to practice or commercialization is not necessary.

4. Does it make a difference in your country if
- the prior use occurred before the priority date; or
 - it occurred after the priority date, but before the filing date?

The prior use must have occurred before the priority date.

5. Is there a territorial limitation with regard to the scope of prior user rights in your country? In other words, if a party has used the patented invention before the filing/priority date in a foreign country, can it then claim a prior user right in your country?

No, the prior use (or necessary preparations) must have happened in Austria.

6. Is there a provision that excludes prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor?

No, but in one case a prior user right had been denied when an agreement between the prior user and the later inventor concerning the later invention had existed prior to the application. (4Ob306/64)

7. Is it necessary that the prior user has acted in good faith to be granted a prior user right?

Yes, the prior use (or necessary preparations) must have happened in good faith.

8. Is there a material limitation with regard to prior user rights in your country? More specifically, if someone has used an embodiment of a patented invention before the filing/priority date of the patent, can he then claim a prior user right to anything covered by the patent? In particular, is the owner of a prior user right entitled to alter/change the embodiment of the patented invention used before the filing/priority date of the patent to other embodiments that would also fall within the patent's scope of protection or is he strictly limited to the concrete use enacted or prepared before the patent's application or priority date? In the event that changes/alterations are permitted by your national law, to what degree?

There's no case law in this respect. However, commentaries suggest that a prior user right only covers insubstantial (non-inventive) alterations of the embodiment used before the priority date.

9. Does a prior user right in your country require the continued use (or the necessary preparations of the use) of the invention claimed by the patent at the moment in which the objection of the prior user right is asserted or is it sufficient if the invention claimed by the patent has been used before the priority/filing date of the patent but has been abandoned at a later stage?

Abandonment of the prior use (or preparations therefor) leads to an abandonment of the prior user right; thus continued use/preparations are required.

10. Is a prior user right transferable and/or licensable in your country? If yes, under what circumstances?

The title of prior use may be inherited or sold only in combination with the business (§ 23(3) PatG; thus a prior user right cannot be e.g. licensed.

11. Does your national law provide any exceptions or special provisions with regard to a prior user right owned by a company within a corporate group? In particular, can a prior user right be transferred or licensed to another group company?

No, there are no exceptions or special provisions with regard to prior user rights owned by a company within a corporate group.

12. Are there any exceptions for any specific fields of technology or types of entity with regard to prior user rights in your country?

No, there are no exceptions for any specific fields of technology or types of entity with regard to prior user rights.

The Groups are invited to explain any further requirements placed on prior user rights by their national law.

There are three notable requirements of a prior use: all essential features of the patented invention must have been in the possession of the prior user; and the prior use or preparations must have happened in good faith and on a

commercial basis.

II. Policy considerations and proposals for improvements to your current system

13. Should a prior user right exist in any legal system? If yes, what is the main legal justification for a prior user right?

Yes, in a balanced patent system, third parties should always be allowed to lawfully continue their business activity, which they had been carrying out in good faith before a possible patent application.

14. What is the perceived value of prior user rights in your country?

Prior user rights are granted rarely due to the strict requirements. The commercial impact of prior user rights is therefore relatively small. However, still prior user rights are an essential element of a balanced patent system.

15. Are there certain aspects that should be altered or changed with regard to the existing implementation of the prior user right in your country? In particular, are there certain measures or ways that could lead to an improvement and/or strengthening of your current system?

Prior user rights would certainly be of more practical importance, if the requirement of the prior use happening in Austria would be somewhat relaxed, e.g. extended to EU member states.

III. Proposals for harmonization

Groups are invited to put forward proposals for the adoption of harmonized rules in relation to prior user rights. More specifically, the Groups are invited to answer the following questions:

16. Is harmonization of “prior user rights” desirable?

Yes, in globalized economy harmonization of substantive patent law is desirable.

17. What should be the standard definition of “use” in relation to prior user rights? Must the use be commercial?

Any type of use that would infringe a later patent should certainly remain law-

ful after the application and grant of the patent and should therefore constitute a prior use.

18. What should be the definition of “date” (or “critical date”) for prior user rights? (*i.e.* when must the invention have been used to establish a prior user right?)

The decisive date should be the priority date.

19. Should a prior user right persist in the event that the use and/or preparation for use of the invention has already been abandoned at the time of the patent application/priority date or should the prior user right lapse upon the termination of the use and/or preparation of use?

In case the use is abandoned also the prior use right should be considered as abandoned.

20. What should be the territorial scope of a prior user right? In particular, if a party has used the patented invention before the decisive date in a foreign country, should it then be entitled to claim a prior user right?

No, the prior user right should allow the continued use by the prior user only in the same manner, i.e. also with regard to territorial scope, as before the critical date; however the territorial scope of the prior user right should extend to the effective „economical territory“, e.g. in Europe to the EEA, to avoid unnatural limitations and improve legal certainty.

21. Should there be a provision that excludes prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor? If yes, should it be necessary that the prior user has acted in good faith to be granted a prior user right?

Prior use based on knowledge derived from the patent holder and/or inventor and not happening in good faith should not justify a prior user right.

22. Should there be material limitation with regard to prior user rights? In particular, if someone has used an embodiment of a patented invention before the filing/priority date of the patent, should he then be entitled to claim a prior user right to anything covered by the patent?

The prior user right should be limited to the actual prior use (or uses). How-

ever, non-inventive alterations should be covered by the prior user right.

23. Should a prior user right be transferable and/ or licensable?

No, the prior user right should not be transferable or licensable, because this would unreasonably reward (secret) prior use.

24. Should there be any exceptions for any specific fields of technology or types of entity with regard to prior user rights?

No, when prior use is limited to types of use qualifying as infringements later on, no special regulations for specific fields of technology or entities should be necessary.

25. The Groups are also invited to present all other suggestions which may appear in the context of the possible international harmonization of “prior user rights”.

Regarding a harmonization within the EU, it would certainly have practical advantages, if a prior user right obtained in any one member state would have validity throughout the entire community (see Question 21).