



Question Q228

National Group: Mexican National Group (AMPPI)

Title: Prior User Rights

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**Reporter within
Working Committee:[]**

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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”)?

R= Yes. Article 22 fraction III of the IPL

Art. 22. The right conferred by a patent shall not have any effect:

III. any person who, prior to the filing date of the patent application, or where applicable the recognized priority date, uses the patented process, manufactures the patented product or had initiated the necessary preparations for such use or manufacture.

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?

R= The use of prior user rights in infringement actions or courts is not made often in Mexico.

However, in our country, the culture of patent protection by nationals is not as large as desired; a considerable number of inventions are kept as secrets or left unprotected. Thus, in practice in negotiations between patent holders and prior users it is common to invoke the prior user rights.

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?

R= The prior user rights protect the person that has initiated the necessary preparations for the use or manufacture of the patented invention. This is interpreted in the sense that prior user rights need not reduction to practice or commercialization.

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?

R= Yes. According to the Mexican law, the prior user rights have an effect if the use was made prior to the priority date. If a priority is claimed and the use is made after the priority but before the filing date, there would not be prior user rights.

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?

R= The Mexican Law is not specific regarding the territorial limitation for the prior user rights.

Nevertheless, the interpretation could be extensive to prior uses beyond the Mexican territory because of two main reasons: a) in view that a priority filing that occurred in a foreign country is decisive for the effect of the prior user rights in Mexico, it is interpreted that there could not be a limit for a prior use abroad; and b) Mexico is part of the TRIPS agreement which states that the foreign individuals from other countries members of the WTO must receive the same treatment than nationals.

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?

R= The Mexican Law does not exclude for prior user rights those who have derived their knowledge of the invention from the patent holder. However, the prior user rights are not applicable if there was a trade secret agreement.

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

R= It is not explicitly specified in the Mexican Law. However, since the patent infringement is an administrative proceeding, the good faith should not be considered by the patent office to determine the existence of the infringement. The good or bad faith could be considered by civil or criminal courts during proceedings related to agreements between the prior user and the patent holder or related to trade secrets.

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?

R= The Mexican law is silent regarding changes or alterations of the used embodiment by the holder of a prior user right in order to cover other embodiments of the invention within the scope of the patent. Nevertheless, when the law refers to the entire scope of the granted matter it recites "the patented product" and thus it could be understood that the prior user right would be extended for the complete scope of the granted patent.

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?

R= In order to take advantage of the prior user rights it is necessary to demonstrate that the use of the invention occurred before the filing date of the patent, or the recognized priority date if that is the case. Therefore the continued use would not be relevant for enforcing the prior user rights.

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

R= Mexican Law is silent regarding transferability of prior user rights and therefore the rules for transferring or licensing the same is unclear. There are however two main possible interpretations of the rights.

Prior user rights are an exception granted **to a person** that made the use of the invention before the priority date. Accordingly, some interpret it as an "*Intuitu personæ*" right. This means that the prior user right is conferred to a person so that

such person that made the use, and only such person, is entitled to continue using the invention. Any third party would not have used the invention before the priority date and therefore the use, even if under a license, would be made by the third party after the priority date and thus the exception would not be applicable to such third party. Under this interpretation transfer or licensing of prior user rights is not possible. This rationale seems sensible as a rule to avoid an abuse of the prior user rights. If prior user rights were licensed, the prior user would be given a power to dilute the patent rights because any third party could choose to go to the patent holder or to the prior user in order to get a license.

However, there is a situation in the practice that gives rise to another interpretation that implies that prior user rights are transferable (not licensable). If the prior user decides to sell a manufacturing facility where a patented process that was used prior to the patent is operating, or he sells a machine that was built prior to the patent, the buyer should be able to continue using such process or machine. Under these circumstances, the use would be considered inherent to the facilities or the product (not only to the user) and therefore, the buyer of a physical asset that implements the invention should benefit from the prior user rights.

Unfortunately no decisions have been issued by the patent office or courts related to the transferability of prior user rights.

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?

R= The exception in Mexico applies for “persons” either natural or legal, but no legal provisions regulate the ability of corporate groups to transfer prior user rights. Under the interpretations explained in question 10, the rights may be “moved” from one company to another through corporate mergers or divisions of companies, where the company is considered to be the “same person”.

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

R= No

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

R= Nothing

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

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

R= Yes, it provides an exception to the patent exclusivity for persons who had developed and used the patented invention before the patent holder filed the first application.

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

R= In countries like Mexico in which the culture of protection is developing, the prior user rights are essential for the continuity of the commercial operations of a large number of nationals.

16. 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?

R= It is required to clarify certain aspects related the prior user rights, for instance if the prior user rights may be assigned by the inventors of the granted patent and those above mentioned related to the international prior use and the possibility of transferring the prior user rights.

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:

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

R= Yes

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

R= The use should be interpreted as the manufacture, use or the initiation of the necessary preparations for such use or manufacture. In this sense, the use should not be necessarily commercial.

19. 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?)

R= Before the priority date of the related patent.

20. 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?

R= Yes the prior user right should be independent of the persistence of the use.

21. 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?

R= Based on the concept of national treatment (TRIPS), the territorial scope of a prior user right should be international. Therefore, if a party has used the patented invention before the decisive date in a foreign country, this party should be entitled to claim a prior user right.

22. 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?

R= There should be a provision excluding the prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor and for those inventors that have assigned the invention to the patent holder. The provision should be independent of the good faith.

23. Should there be material limitation with regard to prior use 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?

R= The prior user rights should not be limited to any particular embodiment of the granted patent.

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

R= The prior user rights should not be licensable and only transferable in the event of a complete transfer of assets.

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

R= No

26. 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".

R= N/a

Summary

The Mexican National Group has concluded that the harmonization of law in relation to the Prior User Rights for patents is recommendable. We recognized that in order to take advantage of the prior user rights it is necessary to demonstrate that the use of the invention occurred before the filing date of the patent, or the recognized priority date if that is the case. Further, the continued use would not be relevant for enforcing the prior user rights. Likewise the use should be interpreted as the manufacture, use or the initiation of the necessary preparations for such use or manufacture. In this sense, the prior use should not be necessarily commercial.

Likewise, based on the concept of national treatment (TRIPS), the territorial scope of a prior user right should be international. Therefore, if a party has used the patented invention before the decisive date in a foreign country, this party should be entitled to claim a prior user right.

Moreover, there should be a provision excluding the prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor and for those inventors that have assigned the invention to the patent holder. The provision should be independent of the good faith.

Finally, the Mexican Group considers that prior user rights should not be limited to any particular embodiment of the granted patent, as well as the prior user rights should not be licensable and only transferable in the event of a complete transfer of assets

Resumen

El Grupo Nacional de México ha concluido que es recomendable la armonización de las leyes en relación con los Derechos de Uso Previo para las patentes. Nos hemos dado cuenta que a fin de aprovechar los Derechos de Uso Previo, es necesario demostrar que el uso de la invención se produjo antes de la fecha de presentación de la Solicitud de patente o de la prioridad reconocida, si ese es el caso. Adicionalmente, el uso continuo no sería relevante para hacer valer los derechos de los Derechos de Uso Previo. Asimismo, el uso debe ser interpretado como la fabricación, el uso o el inicio de los preparativos necesarios para tal uso o fabricación. En este sentido, el uso previo no debe ser necesariamente comercial.

De igual forma con base en el concepto de trato nacional (ADPIC), el alcance territorial de un Derecho de Uso Previo debe ser internacional. Por lo tanto, si una persona ha utilizado la invención patentada antes de la fecha decisiva en un país extranjero, dicha persona debería tener derecho a reclamar un Derecho de Uso Previo.

Más aún, debería haber una disposición que excluyera los Derechos de Uso Previo para quien ha derivado el conocimiento de la invención del titular de la patente y / o el inventor y para aquellos inventores que han cedido la invención al titular de la patente. La disposición debe ser independiente de la buena fe.

Por último, el Grupo Nacional de México considera que los Derechos de Uso Previo no deben limitarse a alguna modalidad particular de la patente concedida, así como los Derechos de Uso Previo no deberían ser licenciables, y transferibles sólo en caso de una transferencia completa de los activos.

Résumé

Le Groupe National du Mexique a conclu qu'il est conseillé d'harmoniser les lois en relation avec les Droits d'Usage Antérieur pour les brevets. Nous nous sommes rendu compte que, à fin de profiter des Droits d'Usage Antérieur, il est nécessaire de démontrer que l'usage de l'invention s'est produit avant la date de présentation de la Demande de brevet ou, le cas échéant, de la priorité reconnue. De plus, l'usage continu ne serait pas relevant pour faire valoir les Droits d'Usage Antérieur. De même, l'usage doit être interprété comme la fabrication, l'usage ou le début des préparatifs nécessaires pour tel usage ou telle fabrication. Dans ce sens, l'usage antérieur ne doit pas être nécessairement commercial.

De la même manière, sur les bases du concept du traitement national (ADPIC), la portée territoriale d'un Droit d'Usage Antérieur doit être internationale. Par conséquent, si une personne a utilisé l'invention brevetée avant la date décisive à l'étranger, ladite personne devrait avoir le droit de réclamer un Droit d'Usage Antérieur.

Encore au-delà de cela, il devrait y avoir une disposition qui exclue les Droits d'Usage Antérieur pour ceux qui ont dérivé la connaissance de l'invention du titulaire du brevet et/ou l'inventeur et pour les inventeurs qui ont cédé l'invention au titulaire du brevet. La disposition doit être indépendante de la bonne foi.

Enfin, le Groupe National du Mexique considère que les Droits d'Usage Antérieur ne doivent pas se limiter à quelque modalité particulière du brevet cédé, tout comme les Droits d'Usage Antérieur ne devraient pas être licenciables, et transférables juste en cas d'un transfert complet des actifs.

Zusammenfassung

Die Mexikanische Nationalgruppe hat gefolgert, daß die Harmonisierung der Gesetzen in Verbindung mit den Vorbenutzerrechten für Patente zu empfehlen ist. Wir haben bemerkt, zwecks der Ausnützung der Vorbenutzerrechten, daß es nützlich wird zu beweisen, gegebenenfalls, daß die Benutzung der Erfindung vor dem Einreichungstag der Patentsanmeldung oder der erkannten Priorität entstanden wurde. Weiter, die anhaltende Benutzung wäre nicht hervorragend, die Vorbenutzerrechte geltend zu machen. Ebenfalls, die Benutzung ist dahin auszulegen, als die Herstellung, die Benutzung oder der Beginn der nötigen Vorbereitungen zu solcher Benutzung oder Herstellung. In dieser Hinsicht, die Vorbenutzung soll nicht notwendigerweise gewerblich sein.

Gleicherweise, basierend auf dem Konzept von Inländerbehandlung (TRIPS), der territoriale Umfang eines Vorbenutzerrechts muß international sein. Dazu kommt, wenn eine Person die patentierte Erfindung vor dem entscheidenden Termin im Ausland benutzt hat, solche Person sollte Recht haben, ein Vorbenutzerrecht zu reklamieren.

Noch weiter, es sollte eine Bestimmung geben, die die Vorbenutzerrechte ausschliesse für diejenige, die das Kennniss der Erfindung des Patentinhabers und/oder der Erfinder und für die Erfinder, die die Erfindung zum Patentinhaber abgetreten haben. Die Bestimmung soll unabhängig von gutem Glauben sein.

Zum Schluß, die Mexikanische Nationalgruppe betrachtet, daß die Vorbenutzerrechte auf irgendeine besondere Ausführungsform des abgetretenen Patents nicht beschränkt werden soll, so sollten auch die Vorbenutzerrechte nicht lizenzierbar sein, und übertragbar nur falls eine vollständige Übertragung der Aktiva geschehe.