

Question 228

National Group	Peru
Title	Prior User Rights
Contributor	Maria del Carmen Arana Courrejolles
Date	April 29, 2014

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, there is a regulation in this sense. Article 55 of Decision 486, Common Regime on Industrial Property of Andean Community, sets forth an exception to exclusive right of a patent holder for third parties that have used the invention prior to the filing/priority date of the patent (“prior user right”):

“Article 55.- Without prejudice to the provisions stipulated in this Decision with respect to patent nullity, the rights conferred by a patent may not be asserted against a third party that, in good faith and before the priority date or the filing date of the application on which the patent was granted, was already using or exploiting the invention, or had already made effective and serious preparations for such use or exploitation.

In such case, the said third party shall have the right to start or continue using or exploiting the invention, but that right may only be assigned or transferred together with the business or company in which that use or exploitation is taking place”.

2. How frequently are prior user rights used in your country?

They are used infrequently.

Is there empirical data on how often prior user rights are asserted as a defense in negotiations or court proceedings?

Not in negotiations nor in judicial processes.

However, at administrative level, in defense to a complaint due to infringement of Industrial Property Rights, there are some cases of complaints due to infringement to the patent rights, wherein the defendant claims application of Article 55 of Decision 486 as a defense against the complaint, so the rights of the protected patent, support

of the complaint, cannot be enforced against it.

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?

There should be a factual situation prior to the filing of the patent application or recognized priority.

The invention should have to be developed, that is to say, effective or serious preparations for such use or exploitation of said invention had already been made, or that the invention is being used or exploited.

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?

Yes, in accordance with the Paris Convention there would be a difference. If prior use occurred before the priority date is valid. If prior use occurred after the priority date and before the filing date, said use would not be valid as defense in the course of an infringement proceeding.

5. Is there a territorial limitation with regard to the scope of prior user rights in your country?

Not directly, but the sanctioned infringements are those that are carried out or can be carried out within the national territory (Article 97 of the Legislative Decree No. 1075) for which reason it can be considered that there would be a territorial limitation.

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?

It is not possible to claim prior user right in our country since it does not exist in our legislation. Prior user right is only invoked as defense in an infringement denouncement.

In the other hand as effect to the owner of the patent prior user right made abroad would destroy novelty of the protected patent and would prove that it did not enjoy novelty at the application filing or priority date .

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.

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

Yes.

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?

For purposes of applying Article 55, it is necessary that the product under infringement action (pre-use) shows the same characteristics than those protected by the patented product. It would not be applied assuming that they are different products.

In the event that changes/alterations are permitted by your national law, to what degree?

Our national law does not allow changes.

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?

The use should be prior to the prescription of infringement action that, pursuant to Article 244 of Decision 486, prescribes in two years counted from the date the holder had knowledge of the infringement or, in any case, five years counted from the date the infringement was committed for the last time.

***“Article 244.-** The right to action for infringement shall lapse two years counted as of the date the owner learned about the infraction or, in any case, five years after the infringement was committed for the last time.”*

Our Legislation does not set forth that the party who claims a prior user right should perform a continuous use of the invention,

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

Yes, the prior use right is licensable or transferable. Pursuant to Article 55 of Decision 486, this right of pre-use can be licensed and transferred together with the business or company in which that use or exploitation is taking place.

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?

Yes, provided that said prior user rights have been rightfully obtained by legal means. In particular, can a prior user right be transferred or licensed to another group company? Yes, but together with the business or company in which that use or exploitation is taking place.

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 is no exception for any specific fields of technology or types of entity.

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

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?

The prior factual situation of good faith is privileged (exploitation or effective preparations), not being such a behavior an infringement against the patent rights, in order to avoid the *first to file* system (Article 22 of Decision 486) to undermine the carried out investments.

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

The profitability of the investments carried out to obtain previously a product or process.

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?

Some criteria could be added in order to improve our current system.

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?

Yes.

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

Yes, since the non-commercial use is considered as a limitation to the exclusive rights of the patent owner.

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?).

The date should be prior to the filing date of the application or claimed priority.

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?

It persists and it is sufficient that the use has been carried out prior to the filing date or claimed priority and that the infringement has not prescribed.

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?
The prior use should be performed in the country wherein the patent is protected and not in a foreign country.
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?
Yes. The pre-use right demands good faith for those who have obtained or developed the knowledge from the patented invention.
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?
The prior user rights would only cover what is expressly indicated in the claims of the protected patent.
24. Should a prior user right be transferable and/ or licensable?
Yes.
25. Should there be any exceptions for any specific fields of technology or types of entity with regard to prior user rights?
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".
In our country, criteria for giving the character of former right to the prior use are missing as it is only claimed as a defense in an infringement proceeding.