UTILITY MODEL PROTECTION THROUGHOUT THE WORLD

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Introduction

In a world where obtaining value for money has become even more important than in the past, it may be useful to look for alternatives to the traditional way of doing things. For some types of invention, use of a petty patent or utility model as a means of protection may be a useful alternative to patent protection in many countries. Obtaining protection this way is often much less expensive than proceeding through the traditional patent route and, as noted below, in several countries has an advantage in its own right. Such protection can be obtained either by direct filing or by use of the Patent Cooperation Treaty.[1] In many cases, as noted in the tables at the end of this paper, protection may be obtained without the need for substantive examination and often a lower standard of inventiveness is required for valid protection than is the case for patents.

[1] PCT Article 2(ii).

The term "petty patent" is no longer used anywhere in the world, its use in Australia having been superseded by the term “innovation patent” in 2001.[2] Recently however, the term has acquired a secondary meaning, namely any type of protection that is provided for inventions that do not qualify for full patent protection. By far, the best known of these are utility models, although other terms such as utility innovations, utility solutions and short-term patents are used in some countries.[3]

Until the 1990's, utility model protection was regarded as being something of a curiosity in the intellectual property world. It is true that the Washington revision of the Paris Convention in 1910 had recognized utility models as a species of industrial property right, but in his 1975 book on National and International Protection of Patents, Trademarks and Related Rights[4], Dr. Stephen Ladas listed as having this form of protection only in Brazil, Germany, Italy, Japan, the Philippines, Poland, Portugal, South Korea, Spain and Taiwan. Since then, however, many countries have adopted protection of this type or some other form of "second tier" protection for useful articles or other inventions.

Historical Background

Before looking at the current situation, it is worthwhile to briefly review the historical background of this type of protection.

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[2] Petty patents were in fact rarely used in Australia. Their only advantage was that only publications or acts within Australia were considered when assessing novelty. However, the other standards that had to be met were the same as those for ordinary patents and petty patents lasted only for six years. The new innovation patent is intended to be more useful for small enterprises in that the standard of inventiveness required is lower than that required for ordinary patents (what is required is an innovation that makes a “substantial contribution to the art” - there is no need for it to be non-obvious). The term is now eight years. In a decision of July 3, 2009 in **Delnorth Pty Ltd v Dura-Post (Aust) Pty Ltd** the Full Federal Court held that in considering what degree of inventivity (innovative step) was required for an innovation patent found that when assessing innovative step, the Court must compare the invention as claimed with each prior disclosure and identify whether any variations between the claimed invention and the prior disclosure make a substantial contribution to the working of the invention. If it did, the innovation was protectable. The Full Court also accepted the trial judge’s view that “substantial” in this context means “real”, or “of substance”.

[3] In addition to patent-type systems, it should be borne in mind that protection for some forms of this type of innovation may also be protectable in other ways. For example, by copyright or design protection in countries such as France, where relatively broad protection is possible under such laws or by protection against "slavish imitation" as is provided in many countries in Continental Europe, for example, by marketing laws in Scandinavia.

[4] Harvard University Press, 1975

The history of utility model protection must be regarded as starting with the German Law of June 1, 1891. German Patent Law at the time (and indeed up till 1978) required that for patent protection an invention must not only be new but also represent a technical step forward in the art [*technischer Fortschritt*]. This requirement left minor inventions such as those relating to tools and implements, which were practical and useful, but did not represent a technical step forward in the art, without protection. Hence the need for a new law, which provided limited protection for simple devices but did not protect methods or compositions. Within fifteen years, Japan, whose Intellectual Property Laws, and indeed whose entire Civil Law System, was largely modeled on that of Germany, followed suit. There were, however, from the beginning significant differences between the German and Japanese laws. In Germany, protection was initially relatively short (three years) and rights were granted fairly promptly without examination whereas in Japan protection was always for a longer period than in Germany but, until the end of 1993, examination was required as to whether the application for protection met the standards required by the law. Another difference was that for most of the century, the German Patent Law contained no specific requirement for an inventive step for patentability, the Patent Office and courts simply inferring that such a step was required by the fact that patents were to be granted for "inventions". Thus, as a practical matter, it was possible for different standards of inventiveness to be applied to consideration of protection for patentable inventions and those protected only by a utility model.[5]

In Japan, the statute itself spelled out the difference in that to be patentable something had to be a "highly advanced creation of technical ideas", whereas for protection as a utility model all that is required is "creation of a technical idea utilizing natural laws". Thus, the determining factor as to whether something was capable of protection by a patent or rather than by a utility model was whether the idea was "highly advanced". The Japanese Patent Office therefore examined utility model applications looking for a measure of inventiveness, but a lower one than was required for patents.[6] This led to the possibility that if one failed to convince the examiner that a sufficient degree of inventiveness had been demonstrated to permit patent protection, the application might, in cases where the subject matter was appropriate, be converted into

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[5] The difference has now been codified. A German patent requires *erfiinderische Tatigkeit,* whereas a utility model requires only *erfinderischer Schritt*. Unfortunately, the normal English translation of the former is inventive activity and of the latter is inventive step, something that tends to cause confusion in view of the French and English texts of the European Patent Convention using the words inventive step as the equivalent to the first of these German terms.

[6] Japanese Utility Model Law Article 3(2) parallels Article 29(2) of the Patent Law in prescribing that a utility model shall not be granted when the device claimed could “very easily be made” in light of the prior art, contrasting with the requirement of the patent law that inventions cannot be patented if “easily” made in the light of the prior art. According to the JPO Guidelines, something is not “very easily” made if foreign prior art is needed to make it, if more than two references are needed or if the prior art reference is in a different technological field.

one for a utility model. This feature was copied in other systems where different degrees of inventiveness were required for patent and utility model protection.

One of the *raisons d'etre* of the German Law, namely the fact that utility models did not have to show technical advance, became moot with the adoption of the European Patent Convention in 1978. In harmonizing its patent law with those of the rest of Europe, Germany gave up its requirement for technical advance. This harmonization also required Germany to give up a feature that was regarded as being important by many in the German profession and industry, namely the six-month grace period in respect of publications by an inventor. However, no European harmonization existed for utility models and Germany was therefore permitted to retain a grace period for this form of protection. The existence of this grace period gave utility model protection in Germany a new lease on life and lead to a broadening of the concept of what could be protected by utility models from articles having a defined shape or structure to all tangible items including chemicals and electrical circuits. Thus, today the only form of invention which is not protectable by a utility model in Germany is one that is a process or method. Even this limitation was cut back in 2005 when the German Supreme Court held that use claims, including second medical use claims, were permitted in utility model applications.[7] Many of the new laws which have come into effect during the 1990's borrowed this concept from Germany.

The Current Situation World Wide

Table I sets out some basic facts about secondary protection in most countries that have such laws, including indications as to how long the countries have had such laws, the name given to the protection (not all countries use the term "utility model"), the duration of protection and, as an indication of the usefulness of such protection, the number of applications filed in 1999, the most recent year for which statistics are available from WIPO. A summary of the most important features of the substantive laws in these countries is set out in Table II.

A comparison of Tables I and II shows that the countries in which the most widespread use of utility model protection is made are countries where there are significant differences between the standards of invention required for patents and utility models namely: Japan, China, Korea, Taiwan and Germany. In Germany there are additional differences between patents and utility models, namely the grace period as noted above and secondly, that for utility models prior to public use outside Germany does not constitute a bar to protection. Furthermore, in Germany procedures for enforcement of utility models and patents differ. In the case of an infringement action, the defendant can plead that the utility model is invalid and the courts can in effect amend the scope of protection in the light of the art cited by the defendant.

[7]Decision X-ZB 7/03 of October 5, 2005. Following changes to implement the EU's Biotechnology Directive, however, biotechnology inventions cannot be protected by a utility model.

As can be seen from the tables, countries where there is a lesser distinction between requirements for patent protection and for utility model protection have tended to result in few utility model applications being filed. It is however, noticeable from the statistics compiled by WIPO, that in all countries, utility models, unlike patents in most countries, are much more utilized by local residents than by foreigners. One reason for this is that costs for utility models tend to be less than those for patent applications because in many countries (although as shown by the table not all by any means) no substantive examination is carried out for utility model applications. Dispensing with examination seems to be an increasing trend, although Korea at one point abolished this requirement but has now re-introduced it. This lack of examination also has the potential advantage of accelerating the grant of an enforceable intellectual property right. One consequence of a lack of examination, however, is a feeling that protection should not be granted for the full term normally granted for patents and so utility model protection is generally for a shorter period than that granted for a normal patent.

In many countries, but not for example, China, it is possible to convert a patent application into a utility model application at any time during pendency of the patent application. For example, if one encounters an obviousness objection where a lower standard required for protection as a utility model would be met even though one cannot satisfy the Examiner as to patentability. In France, failure to request examination of a patent application will automatically convert the application into one for a utility certificate. In general, it is not possible to secure protection for the same invention by both patent and utility model rights (Germany is an exception). Many countries, including Japan, Korea (if examination has not already been carried out), France and China require that a report on the novelty of the model must be carried out before an infringement action can proceed. In Germany, this is not obligatory but can be requested by the right holder or a third party. As noted above, however, in Germany issues of the valid scope of protection can be considered by the court hearing the infringement action.

Typically therefore utility models differ from patents in one or more of the following respects:

- Standard of invention required.
- The basis on which novelty is assessed.
- Whether examination is required (and consequent speed of grant of an enforceable right).
- Costs.
- Duration of protection.

Superimposed upon this is the fact that the classes of subject matter which may be protectable by a utility model or other form of secondary protection may in many cases be much narrower than the definition of patentable subject matter for normal patents.

Conclusion

The fifteen years up to 2000 saw the introduction of utility model protection in at least twenty-five jurisdictions which did not have them previously. Since then, however, the pace has slackened. Whether the current economic morass will lead to renewed interest in creating such protection by countries that do not currently have this type of protection remains to be seen. Whereas the early trend seems to have been to have different standards for novelty between patents and utility models, particularly in countries having an absolute novelty standard for patents, the current trend seems to be away from this and towards only requiring a reduced level of inventiveness for utility model protection.

From the applicant's point of view, however, in many countries utility model protection provides a relatively low-cost means for obtaining protection for some types of invention in a large number of countries.

TABLE I					
COUNTRY	DATE OF FIRST LAW	DURATION OF ROTECTION	NAME	SUBSTANTIVE EXAMINATION	NUMBER OF APPLICATIONS FILED 2006
ANDEAN Community	1992	10 years	Utility Model	yes	
ARGENTINA	1996	10 years	Utility Model	yes - deferred	
AUSTRALIA	1979/2001	8 years	ovation Patent	no	1076
AUSTRIA	1994	10 years	Utility Model	but there is a search	1019
BELGIUM	1987	6 years	ort Term Patent	no	
BELARUS	1997	8 years	Utility Model	no	141
BRAZIL	1945*	10 years	Utility Model	yes	2984
BULGARIA	1993	10 years	Utility Model	yes	96
COLOMBIA	1992	10 years	Utility Model		171
CHILE	1991	10 years	Utility Model	yes	
CHINA	1985	10 years	Utility Model	no	161,366
CZECH REPUBLIC	1992	10 years	Utility Model	no	1082
DENMARK	1991	10 years	Utility Model	no	335
FINLAND	1993	10 years	Utility Model		520
FRANCE	1968	6 years	lity Certificate	no	381
GEORGIA					118
GERMANY	1891	10 years	brauchsmuster	no	19766
GREECE	1988	7 years	Utility Model	no	581
GUATEMALA	1986	10 years	Utility Model	yes	17
HUNGARY	1992	10 years	Utility Model		285
INDONESIA	1991	5 years	imple Patent	yes	268
IRELAND	1992	10 years	ort Term Patent	no	
ITALY	1934	10 years	Utility Model	no	
JAPAN	1905	ot > 15 years	Utility Model	no	10965
KOREA	1961	ot > 15 years	Utility Model	yes	32908
MALAYSIA	1986	15 years	lity Innovation	yes	
MEXICO	1991	10 years	Utility Model	yes	396
NETHERLANDS	1995	6 years	ort Term Patent	no	
OAPI	1977	10 years	Utility Model	Limited	
PANAMA	1996	10 years	Utility Model	ished for opposition	
PERU	1992	10 years	Utility Model	No	58

PHILIPPINES	1947	15 years	Utility Model	yes	
POLAND	1924	10 years	Utility Model	yes	678
PORTUGAL	1940	15 years	Utility Model	yes	101
RUSSIA	1992	8 years	Utility Model	no	9699
SLOVAKIA	1992	10 years	Utility Model	no	343
SPAIN	1929	10 years	Utility Model	no	2824
TAIWAN	1944	12 years	Utility Model	yes	substantial use
THAILAND	1999	10 years	Petty patent	yes	3011
TURKEY	1995	10 years	Utility Model	no	
UKRAINE	1993	8 years	Utility Model	no	8171
URUGUAY	1976	10 years	Utility Model	no	
VIET NAM	1995	10 years	tility Solution	yes	

Other countries providing for utility model protection include: Armenia, Belize, Ecuador, Estonia, El Salvador, Honduras, Kazakhstan, Kenya, Kyrgyzstan, Macao, Trinidad and Tobago, Uganda, Uzbekistan and Venezuela. Typically protection is for the same types of invention as are patent-eligible (although in Honduras, Kenya and Macao at least protection is confined to tangible things) and does not require that there be any inventive step involved.

TABLE II			
COUNTRY	NOVELTY REQUIREMENT	SUBJECT FOR PROTECTION	COMMENTS
AN Community	same as patents	l, implement, mechanism, or other object or part thereo	
RGENTINA	e period for inventor's disclosure outside A	king instruments, devices, objects used for practical w	lower standard of inventiveness than foe patents
USTRALIA	same as patents	same as for patents	lower standard of "innovation" than regular patents
AUSTRIA	6-month grace period	ices, machines, processes, and programming logic, the animals	lower standard of inventiveness than foe patents
BELGIUM	same as patents	same as for patents	same as for patents
BRAZIL	same as patents	tool, working instruments, utensils, etc.	
ULGARIA	same as patents	shape, etc. of products, tools, apparatus, etc.	Inventive step not required
CHILE	same as patents	instruments, apparatus, tools, devices, parts	parently a lower standard of inventiveness than for paten
CHINA	same as patents	shape or structure of product	lower standard of inventiveness than foe patents
CH REPUBLIC	nonth grace period for own publications	all tangible items including chemicals	
ENMARK	same as patents	all tangible items including chemicals	rd of inventiveness than foe patents, cumulative protecti
FINLAND	same as patents	shape or design of a device	lower standard of inventiveness than foe patents
FRANCE	same as patents	same as for patents	No coexistance with full patents
GERMANY	utside Germany not a bar; 6-month grace	except processes and methods (note new uses are c	rd of inventiveness than foe patents, cumulative protecti
GREECE	same as patents	3D object with definite shape or form	of design law leads to use of Utility Model Law as substi
UATEMALA	same as patents	device, tool, implement, mechanism, etc.	
HUNGARY	use outside Hungary not a bar	form, structure, etc. of an object	
NDONESIA	same as patents	same as for patents	novelty exam required before suit
RELAND	same as patents	same as for patents	required before suit; lower standard of inventiveness tha
ITALY	same as patents	machines, machine parts, tools, etc.	
JAPAN	same as patents	shape, construction, etc. of an article	lower standard of inventiveness than foe patents
KOREA	same as patents	shape, construction, etc. of an article	inventive step required
MALAYSIA		similar to patents	
MEXICO	same as patents	objects, utensils, apparatus or tools	no requirement of inventive step
THERLANDS	same as patents	same as for patents	novelty exam required before suit can be brought
HILIPPINES	local novelty only required	non-inventive new form, etc. of tools or products	
POLAND	same as patents	shape, construction, etc. of an object	
ORTUGAL	same as patents	tools, utensils, containers, etc.	lower standard of inventiveness than foe patents
RUSSIA	use outside Russia not bar	construction of production means/articles	no requirement of inventive step
LOVAKIA	nonth grace period for own publications	all tangible Items including chemicals	
SPAIN	unlike patents; local novelty only	utensils, instruments, tools, apparatus, etc.	inventive step required
TAIWAN	same as patents	shape, structure or construction of article	lower standard of inventiveness than foe patents
THAILAND	same as patents	similar to patenrts	no need for inventive step
TURKEY	twelve month grace period	g patentable except for processes and chemical produc	no need for inventive step
UKRAINE	same as patents	devices	
URUGUAY	Similar to patents	tools, working instruments, utensils, etc.	
VIETNAM	same as patents	anything patentable	