REQUIREMENT OF INVENTIVENESS FOR UTILITY MODELS[1]

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1. INTRODUCTION

We believe – on the basis of our 35-year experience in the IP field - that the utility model system is a useful legal means, especially for smaller, improvement-like technical inventions, and mainly for individual inventors or small and medium-size companies. The main advantage of the granting procedure of utility models is that it is relatively quick and cheep compared to the patent prosecution. On the other hand, except the relatively shorter term, the exclusive right provided by the utility model protection is essentially the same as that of a patent.

Because utility models have generally been granted by patent offices without any substantive examination, their validity will be examined for the first time after granting only, mainly in the revocation and/or infringement proceedings. In these proceedings, the competent authority must also decide the main question, whether the granted utility model complies with the statutory requirement of the "inventive step".

As to the methodological aspects and practice of assessment of the inventiveness requirement in different countries, various statements and approaches have been published, but unfortunately they mostly differ from each other, on the other hand they contain some controversies. Furthermore, clear methodological guidelines, which could really assist a unified evaluation of this important question, are not known for the time being.

In this paper we wish to focus exclusively on this question of the utility model law and our intention is to propose steps in the direction of the more uniform assessment of the inventive step requirement for the utility model practice.

2. BRIEF INTERNATIONAL OUTLOOK

For the time being, utility model protection is available in 48 countries or regions according to the latest publication[3] of WIPO, this figure proves that the utility model, as a younger brother of the patent system, represents an important legal means worldwide, too.

Below we wish to deal briefly with a few selected countries only.

Austria

Since the enactment of the Austrian Utility Model Law in 1994 no guidelines have been given by the Austrian courts on how to evaluate the level of inventiveness to meet the statutory requirement of "inventive step". According to the approaches given by the Austrian legislator and experts, a lower quantity of the inventiveness - compared to the inventive activity required by the patent law - was considered sufficient for a valid utility model in Austria.[4]

[3] http://www.wipo.int/sme/en/ip_business/utility_models/where.htm

[4] R. Beetz: "Level of inventiveness for utility models" (Managing Intellectual Property, November 2006)

In its decision,[5] the Austrian Supreme Court (ASC) took for the first time the opportunity to define precisely the „level of inventiveness" as required for utility models. The ASC decided that in order to satisfy the requirement of inventive step it would not be enough that the inventive effort must have been non-obvious for a person skilled in the art. Furthermore, non-obviousness would be a requirement of patent law, but for a valid Austrian utility model it was sufficient if the utility model was not merely the result of routine work.[6]

So the level of inventiveness for utility models was explicitly defined by the ASC as being lower than for patents.[7] It means that in the Austrian practice the criteria of inventive step for utility models should be less strict than for patents.

Furthermore, it was also stressed out that a technical effect in itself would not be sufficient to acknowledge the inventive step, because a (known) technical effect could be achieved by known means, too. But, if the technical effect was new, then it would most probably be based on an inventive step.[8]

Denmark and Spain

In Denmark and Spain, the intention of the legislators was to keep a distance in the terminology of inventiveness relating to utility models on the one hand, and to patents on the other hand. That is why, to the level of inventiveness for utility models the following terms were proposed: "not very obvious" or "not clearly obvious".[9]

It is to be noted that in the practice of both countries the required level of inventiveness should involve some practical advantage or progress, but not necessarily a "technical effect".

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[5] Decision of the Austrian Supreme Court (No. 4 Ob 3/06d of July 12, 2006)

[6] „ …dass sich eine Erfindung als auf einem erfinderischen Schritt beruhend definieren lasse, wenn sie mit dem durchschnittlichen Fachkönnen des Fachmanns einerseits grundsätzlich zwar auffindbar sei, andererseits sich für ihn aber nicht ohne weiteres aus dem Stand der Technik ergibt. Für die Praxis sei eine solche mögliche Legaldefinition schlagwortig auch dahin formulierbar, dass zur Anerkennung der gebrauchsmusterrechtlichen Erfindungshöhe objektiv eine Leistung vorliegen müsse, die über fachmännische Routine hinausgeht. …Wird erfinderischer Schritt in diesem Sinn verstanden, so ist sein Vorliegen beim klägerischen Gebrauchsmuster zu bejahen, wird doch eine Aufgabe in vorteilhafter Weise gelöst."

[7] „Im Bereich des Gebrauchsmusters seien die materiellen Schutzvoraussetzungen geringer; gefordert sei nur ein erfinderischer Schritt, für den ein geringeres Ausmaβ an Erfindungsqualität genüge, als es für die Patentierung erforderlich wäre"

[8] „Das bloβe Vorhandensein eines technischen Effekts reiche für das Vorliegen eines erfinderischen Schrittes nicht aus, denn ein (bekannter) technischer Effekt könne auch mit bekannten Mitteln erreicht werden. Wenn der erzielte Effekt neu sei, …. Dann könnte dies auf einen erfinderischen Schritt schließen lassen."

[9] M. Kern: Bericht über das RINGBERG Symposium "Europäisches Gebrauchsmusterrecht" des Max-Planck Institutes, 7-12. November 1993, (GRUR Int. 7/1994);
Citation: „In Spanien und Dänemark zum Beispiel werde der Abstand durch den Zusatz eines Eigenschaftsworts wiedergegeben; demgemäß werde der im Patentrecht gängige Ausdruck „nicht in naheliegender Weise" im Gebrauchsmusterrecht durch „nicht in sehr" oder „nicht in deutlich naheliegender Weise ersetzt."

2.3. Germany

Since the amendment of the German Utility Model Act in 1986, by which the requirement of inventive step was introduced as a statutory requirement, the German Supreme Court (GSC) dealt in its decision[10] thoroughly with the level of inventiveness in case of utility models for the first time.

Differing from the long-standing practice of the Federal German Patent Court, academic approaches and legislator's considerations, the GSC concluded that there was a bar to consider obvious solutions as being based on an inventive step just because the person skilled in the pertinent art could not have found the protected solution as a matter of routine.[11] In contrast, it is to be noted that according to the practice of the Federal German Patent Court the inventive step is to be acknowledged when the inventive level of the utility model exceeds the framework of routine-like activity of the skilled person.[12]

The GSC pointed out, furthermore, that the criteria of the inventive step should be a qualitative and not a quantitative requirement for utility models. Therefore, its assessment should be a result of valuation.[13]

2.4. European Union

In the European Union long preparatory discussions for establishing a regional-type utility model system (community utility model) were carried out, but for the time being without any success.

According to a Summery Report[14] the European Commission suspended the consultations in this respect. According to the reasoning of the above report, one of the main reasons for this suspension was that the negotiating parties could not agree on the requirement of the "inventive step" for utility models.

2.5. Hungary

Since the enactment of the Utility Model Act[15] in 1991 neither official statements nor guidelines have been published by the competent courts or the Hungarian

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[10] Decision of the German Supreme Court No. X ZB 27/05 (Beschluss des Deutschen Bundesgerichtshofes vom 20. Juni 2006)

[11] "Es verbiete sich dabei, Naheliegendes etwa unter dem Gesichtpunkt, dass es der Fachmann nicht bereits auf der Grundlage seines allgemeinen Fachkönnens und bei routinemäßiger Berücksichtigung des Stands der Technik ohne weiteres finden könne, als auf einem erfinderischen Schritt beruhend zu bewerten."

[12] „Erfinderischer Schritt sei bereits zu bejahen, wenn der Fachmann den Rahmen routinmäßigen Handels überschreite."

[13] „ Das Kriterium des erfinderischen Schritts im Gebrauchsmusterrecht sei .. kein quantitatives, sondern ein qualitatives; die Beurteilung des erfinderischen Schritts ist …. das Ergebnis einer Wertung."

[14] Summary Report of March 1, 2001 Containing the Replies to the Consultation on the Impact of the Community Utility Model with a View to Updating the Green Paper on the Protection of Utility Models in the Single Market [SEC (2001) 1307]

[15] Hungarian Utility Model Act No. 38 of 1991

Patent Office on the delicate question: How to estimate the statutory requirement of "inventive step"?

According to Art. 3 (1) of the Utility Model Act

"*The utility model involves an inventive step if it is not obvious to a skilled craftsman as compared with the state of the art.*"

The essence of the ministerial reasoning thereof was as follows:

"*Similarly to patents, where national laws generally require an inventive activity for granting a patent, an inventive step having a relatively lower level is an important qualitative precondition for utility models. The exact determination of this legal measure should be the task of the jurisprudence, taking into consideration that the knowledge of the skilled craftsman differs not only in its level, but also in its quality from that of the skilled person of the patent law; so practical skill plays a more important role than theoretical preparedness."*

It is clear from the above citations that different terminology has been used for indicating the levels of inventiveness in Hungary, that is, the term "inventive step" for utility models and the term "inventive activity" for patents in order to stress out the difference in advance between the utility model and patent practices. So this difference in terminology sets a lower threshold of required inventive step for utility models than for patents.

In our prior paper[16] we thoroughly analysed 13 decisions of the competent Hungarian courts and the patent office, dealing with the evaluation of the "inventive step" as required for utility models. Our conclusion was that although the legal framework of the utility model system in Hungary is sufficiently up-to-date compared to other countries in Europe, but some "standardization" (unification) for assessment of the "inventive step" would be highly appreciated. We are afraid that the same remark should be valid for other countries as well.

Our intention is to provide some contribution in this direction.

3. PROPOSAL FOR A NEW LEGAL TEST

The author of the present paper was also member of an expert group of the Hungarian Group of AIPPI preparing a report on harmonisation of the utility model systems.[17] In this report it was already stressed out that a clear distinction was to be made between the level of inventiveness of patents and that of utility models. It was proposed, furthermore, to make a difference between "skilled persons" being competent for patents and utility models when evaluating the inventive step requirement.

Basically maintaining the above approach, we are still of the opinion that instead of too sophisticated formal distinctions, e.g. „not clearly lacking inventive step", "not

[16] See foot-note[1]

[17] Report Q -117 of the Hungarian Group of AIPPI (AIPPI Yearbook 1995 / II; Authors: Mrs. H. Kalmár, Gy. Kovári Gy. and Dr. J. Markó)

clearly obvious", "creative efforts", (or in German: „nicht in sehr naheliegender Weise", „die erfinderische Tätigkeit fehlt nicht eindeutig") etc., and too academic interpretations, the question of utility model inventiveness is to be dealt with much more practically, and the subjective factors of the decision should be eliminated as much as possible.

We think that a quasi unified court practice (jurisprudence) regarding the assessment of the level of inventiveness for utility models within one single country and even in different countries, first of all in Europe, can be expected only, if clear and easily useable methodological approach will be proposed and widely accepted.

Only for the sake of comparison, we refer to a study[18] proposing a pragmatic approach and legal test for evaluation of the inventive activity for patents.

3.1. Who is the competent person?

We believe that the very first step in every individual case must be to determine clearly and practically, depending on the subject-matter of a given utility model, who actually the competent "skilled person" in the pertinent art is, because all questions in connection with inventiveness are to be considered "through his eyes". Of course, the pre-selected "skilled person" must always be a fictitious person, who provides an objective external "measure" for the involved judge or examiner.

It is to be stressed out that the "skilled person" cannot be a natural person, in sharp contrast, he or she is always an artificially created fictitious person, who is to be provided with some abilities, discussed below. Consequently, the inventor of the utility model, or the judge or the examiner involved in an infringement or revocation case, or an expert witness can never be the "skilled person" in the above sense, so he must always be an "***Anonymus***" (a man or women without any face, as we illustrated in the drawing below).

[18] Dr. J. Markó: „The Requirement of "Inventive Activity" at the Examination of Patentability in the United Kingdom and North-America"(Industrial Property Review, Volume 97, No. 3, July 1992, published in Hungarian by the Hungarian Patent Office, Budapest, Hungary)

Anonymus = Always a **fictitious person** skilled in the pertinent art

Generally the national utility model acts and their implementing rules do not deal with the question, who actually the "skilled person" should be, they entrust it "generously" to the court and/or patent office practice.

In our opinion, an ***ordinary worker***, that is, a ***skilled workman/craftsman*** of the workshop, or at the very most a ***technician*** is to be understood as fictitious "skilled person" in the pertinent art in case of utility models, in sharp contrast with the patent practice, wherein the skilled person is generally an engineer or researcher having higher technical background.[19]

According to our approach this preliminary determination of the fictitious "skilled person" is a very important precondition in carrying out an assessment method of the inventive step for utility models, because thereby we can provide a guarantee for the proper examination of the relatively lower quantitative requirement (inventive step) of the utility model, with a distance from the higher level of inventiveness for patents.

On the other hand, such a purposeful prior determination of the fictitious "skilled person" in the pertinent art and his unambiguous selection is substantial, because thereby we also determine his expectable level of knowledge and ability for combinations. It means that all the answers to the succeeding questions during the evaluation method of the inventive step result from the proper prior determination of the skilled person.

For example, if the subject-matter of the utility model is a road surface prism, being suited e.g. in an infringement case, we think that the fictitious "skilled person" in the pertinent art (road-building industry) should be a ***road-building worker***, who usu-

[19] Dr. J. Markó: „The Inventive Step Requirement" (UNION Newsletter No. 1/1995)

ally builds in such surface prisms into the asphalt/concrete road layers, or repairs and maintains such prisms.

3.2. Level of knowledge and skill

Another important precondition is to determine the expectable level of knowledge of the selected fictitious “skilled person” in the pertinent art. In this step the technical books used during his education and his expectable technical skill obtained in the workshop practice are to be taken into consideration.

If we accept the selection and/or determination of the fictitious “skilled person” depending on the subject-matter of the actual utility model (as disclosed in item 3.1.), then we are in the position to define objectively in this step the outlines of his expectable general technical knowledge on the basis of his education and practice.

Going back to the example mentioned above, if the selected fictitious “skilled person” is a road-building worker, then it is relatively easy to determine the level of his general technical education and practical skill, for which we can use the books and other educational means (handbooks, etc.) of the technical school and workshop educating road-building workers.

It is also important to note that under the term “expectable general technical knowledge” is to be understood in the present case the knowledge of this fictitious road-building worker at the competent time, consequently a knowledge being published or becoming available in any other way to the public after this competent date is to be left out of consideration. For example, in a revocation procedure of a utility model, this competent/material date is the priority date of the utility model (in Europe) and not a later date.

3.3. Teaching of the prior art

Further important question lies in that: What kind of teaching and information the elected fictitious road-building worker (as competent skilled person) could have got on the basis of his general knowledge from the prior art, that is, from the cited relevant publications at the competent date? In this step, the scope and content of the prior art are to be determined unambiguously.

This step must also involve the determination of the really relevant documents, which together with the general knowledge of the skilled worker constitute the “basis” or “background” for evaluation of the inventive step requirement for the utility model.

Obviously, due to his expectable general technical knowledge and skill, the selected road-building worker could have understood a more simple teaching from the given prior art in the present case, than another skilled person having higher education and skill (e.g. a technician). Evidently, concerning the ability of the skilled person for combinations, similar difference exists between a road-building worker and a technician.

It also needs some examination, whether the selected road-building worker could have got any direct teaching or at least stimulation from the relevant prior art in the direction of the utility model, or not.

The judge or examiner has to put now himself in the place of the selected fictitious road-building worker (competent skilled person) having the mentioned level of technical knowledge and skill, and he has to construe the prior art “through his eyes”. It is really not an easy work, but a highly intellectual task in each individual case.

With some exaggeration, we could define this step as a “schizophrenic” situation, wherein the judge or examiner has to put himself artificially in this special mental status, because he has to forget all his other knowledge for the time of the inventive step test and to use actively only the expected knowledge and skill of the fictitious road-building worker at the priority date.

3.4. Construction of the claimed utility model

The next task to be solved is to construe the claim/s of the utility model in question on the basis of the description and drawings. Because the addressee of the specification is the fictitious road-building worker, the claimed utility model is to be construed by the judge or examiner on behalf of the skilled worker.

The essence of this step is to determine the scope of protection clearly and unambiguously. The judge or examiner has to put himself again in the place of the selected fictitious road-building worker (competent skilled person) having the mentioned level of technical knowledge and skill, and he has to interpret “through eyes of the skilled worker” the scope and meaning of the claims. The claims of the utility model are to be considered again as of the relevant date, as mentioned above.

3.5. Is there any difference?

In the next phase of evaluating the level of inventiveness, a comparative analysis is to be made in order to define the existing substantial difference or differences between the claimed utility model and the relevant prior art, if any. The “difference” is to be considered from the point of view of the selected skilled person (road-building worker).

If there isn’t any difference between the claimed utility model and the relevant prior art, then the claim is evidently invalid, and in this case we cannot speak of inventive step at all. So the evaluation step of a “difference” has a sense only, if the claimed utility model and the relevant prior art are not the same (the claimed subject-matter meets the requirement of novelty).

After proper construction of the prior art and the claimed utility model (as discussed above) the judge or examiner can objectively determine the difference by making a simple comparison of facts, and by putting himself in the place of the selected fictitious road-building worker. This difference can be of various characters, e.g. difference in structure, arrangement, use, material, operation or effect, etc.

3.6. Effect due to the difference

If at least one substantial “difference” has already been determined/evaluated between the claimed utility model and the relevant prior art, then in the next step the expected effect due to this difference should be examined.

In this respect we refer again to the cited study[20] per analogy. From this paper it is also known that the so-called “secondary considerations” are mostly used as “tools” for assessment of the inventive step in the patent practice of different countries.

In our view, these secondary considerations could also be used in the utility model practice to assist the ultimate decision of the judge or examiner relating to the level of inventive step, e.g.:

- “long-felt want”
- “unsuccessful attempt by others to solve the problem”
- “overcoming a prejudice”
- “combination”
- “adaptation”
- “doctrine of equivalency”
- “unexpected effect”
- “commercial success”.

Considering the fact that the “inventive step” is a qualitative requirement in the utility model law, which requires some intellectual/inventive activity from the inventor, we think that the “commercial success” as a secondary consideration, in itself, would be insufficient for proving the inventive step, because the commercial success may be the result e.g. of marketing activity, too. But, the “commercial success” in combination with any of the other secondary considerations could be much more convincing.

It is to be noted that the existing “difference” of the claimed utility model may result in a new product having quasi the same technical parameters as the competing similar products, but it widens the assortment on the market. We think that this assortment-widening effect of the utility model, in itself, may be sufficient for acknowledging the inventive step in a given case, although this effect is not a technical one.

Similarly, many other effects deriving from the “difference” could be acceptable, so e.g. relatively cheaper and/or easier manufacturing, easier installation, promoting technical progress, using energy-saving technology, etc.

3.7. Decision

The last step is the ultimate conclusion of the evaluation method: Is the “difference” inventive or obvious?

If the prior steps were carried out properly, now there is nothing else to do than the examiner or judge has to put himself again in place of the elected skilled workman (in the present case, a road-building worker) and to decide whether the “difference”

[20] See foot-note[19]

– preferably in view of at least one of the mentioned secondary considerations – would have been obvious to said skilled worker at the relevant date, or involved an inventive step.

3.8. The proposed TEST

Summarizing the above approach, our Inventiveness Evaluation TEST comprises the following 3 steps, wherein the disclosed sequence of the steps is of high importance:

1. ***Depending on the subject-matter of the utility model in question, the first step is to determine what teaching a competent fictitious "skilled person" could have got from the pertinent prior art at the material date.***

2. ***The second step is to determine how this skilled person would have interpreted the claims of the utility model, and whether he would have found any substantive difference between the claimed utility model and the prior art.***

3. ***In the third step, the judge has to put himself in place of said skilled person and make an ultimate decision: whether said difference would have been obvious at the material date or it involved an inventive step.***

4. FINAL REMARKS

We believe that the most difficult and complex question of the utility model practice, that is, the level of inventiveness ("inventive step" in Hungary) can be evaluated much easier and objectively by using this proposed legal test than before.

As it is clear from the above disclosure, the "inventive step" is a qualitative requirement for utility models in Europe, which requires some creative activity from the inventor.

In order to eliminate misunderstandings in this matter and for the sake of comparison of the different levels of inventiveness, it can be said that the "inventive step" required for utility models constitutes symbolically a "medium degree" between the higher "inventive activity" required for patents ("high degree") and a lower framework of routine-like activity of a skilled person ("basic degree").

We tried to illustrate diagrammatically the mutual relationship of patents and utility models compared to the prior art in the next figure. The expected different levels of inventiveness are illustrated on the imaginary vertical axis, and their relative degrees are designated by arrows.

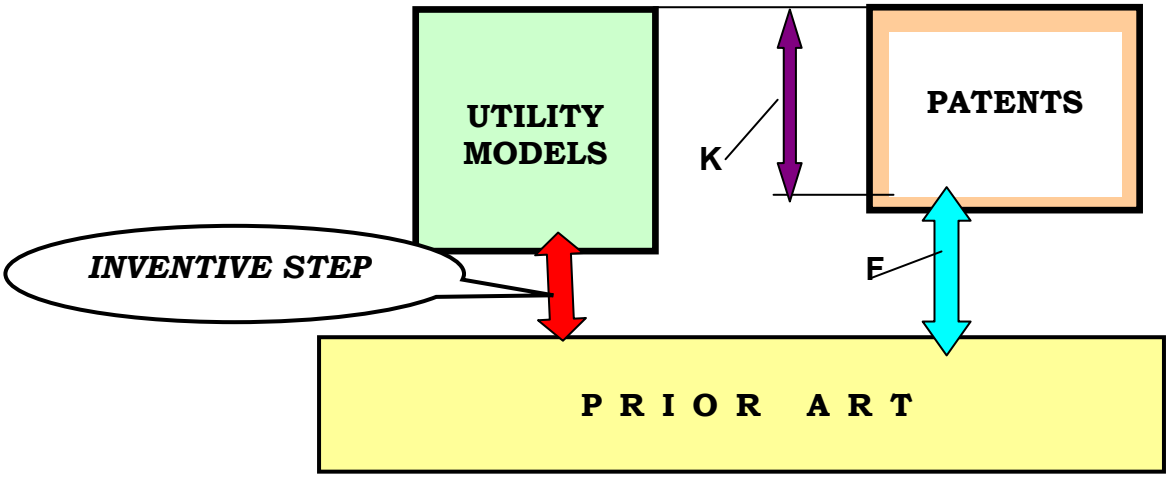
Theoretically even a patent involving the highest level of inventive activity can be converted into utility model according to the Hungarian regulations, provided that

the subject-matter of the patent fulfils all the requirements.[21] It means that in exceptional cases the highest level of the "inventive step" for utility models can be the same as the highest level of the "inventive activity" for patents, as indicated in the figure, wherein the upper side of a square indicating the mass of the utility models and that of the patents lie in the same horizontal level.

But, the lowest level of the "inventive step" for utility models (see the lower side of the square indicating the mass of the utility models) lies much lower than the lowest level of the "inventive activity" for patents (see the lower side of the square indicating the mass of the patents) as marked by arrows from the basis (prior art).

In the figure, the following reference characters are used:

- K – Convertible territory
- F – Arrow designating the relatively higher level of the inventive activity for patents from the prior art.



The convertible territory (domain) K means that in this territory the utility models can be converted into patents and vice versa.[22]

Summing up, it is believed that the proposed legal TEST can provide easily useable unambiguous guidelines and method for evaluation the "inventive step" for utility models, especially for judges and examiners.

By using this TEST properly, the perceptible uncertainty of judges and examiners at making decisions concerning the inventive step could be eliminated, the decisions could become more objective than before and consequently a more unified jurisprudence can be developed at least on national level.

[21] Hungarian Utility Model Act of 1991, Art .30 and Patent Act, Art 62, respectively.

[22] See foot-note[21]