



National Group: Spain

Title: Prior User Rights

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**Reporter within the
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”)?

This exception is provided in Article 54.1 of Law No. 11/1986, of 12 March, on Patents (LP) providing that:

“1. The owner of a patent shall not have the right to prevent persons who, in good faith, prior to the date of priority of the patent, had worked the patented invention in Spain or had made serious and concrete preparations to work the said invention, from continuing or commencing working it or from making preparations in the same manner as before in such a way as to meet the reasonable needs of their enterprises. This right to work the invention shall only be transferable with the enterprise.”

It must be taken into account that currently a draft of the new Patent Law is under discussion, in which its article 63 is almost identical to article 54.1 of the current law.

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 are no statistical data concerning the frequency in which the user rights are claimed. From the personal experience of the members of the Group, said rights are used quite frequently in preliminary rulings, and less frequently in judicial matters.

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?

He must be developing in the country the patented invention, or he must have made serious and concrete preparations in order to work said invention.

It is not sufficient to have conceived the embodiment, but rather it must have been reduced to practice or commercialized or serious and concrete preparations to that purpose must have been made. This topic is dealt with in a series of sentences which confirm it. It would not be sufficient to provide the evidence with a simple witness statement. In the sentence of Rolabo c. Medichem¹ the Court of Appeal of Barcelona established that the experimentation acts cannot be considered, per se, serious and concrete preparations to exploit.

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 national legislation does not consider different situations. Art. 54.1 only refer to the priority date before which the actions necessary to establish the prior user rights must have taken place.

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?

Yes, there is a territorial limitation, given that the LP refers to the (current or future) working of the patented invention "*in the country*" or to the performance of serious and concrete preparations to exploit "*in the country*".

In the bill of the new Spanish Patent Law, the expression "*in the country*" is replaced by "*in Spain*".

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?

It has been not identified any provision that excludes prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor. This aspect appears in some sentences subject to the concept of "good faith".

¹ Provincial Court of Barcelona (Division 15) N°375/2006 of 20 July

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

Yes, it is necessary, given that Art. 54.1 LP clearly states that “*the owner of a patent shall not have the right to prevent persons who, in good faith, prior to the date of priority of the patent, had worked the patented invention in the country...*” Therefore, the exercise of the right is subject to the fact that it derives from an action according to the rules of good faith.

8. Is there a material limitation with regard to prior user rights in your country?

From the expression “...had worked...the patented invention” of Art. 54.1 LP it is inferred that the user right does not extend to embodiments of the invention different from those that the prior user had worked, in spite of the fact that these different embodiments could be *covered* by the patent.

The expression which follows “... *continuing or commencing working it or from making preparations in the same manner as before ...*” ratifies that the user right does not extend to any embodiment covered by the patent.

Thus, there is indeed a material limitation.

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?

The prior user right does not extend to any “working form”. It only extends to working “in the same manner” as before.

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?

The right is limited to continue working “in the same manner” as the prior user used to work (or serious and concrete preparations had been made) before the priority date.

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

The legislation does not particularly refer to this point.

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 right recognizes that the prior users “continue or commence working” “in the same manner as before or had made serious and concrete preparations to work the said invention”, thereby it seems that a continuity in the working is required. The verb tense “...had worked...” seems to indicate that the invention cannot be abandoned or reinitiated after the priority/deposit date, but rather there must be certain continuity from a previous date until the relevant priority date.

Although Art. 54. 1 LP indicates afterwards “...or commencing working it (after the priority/filing date)” it may refer to the circumstance for which they “had made the preparations”. That is, that the prior user could commence working after the priority/filing date if the serious preparations to this purpose had been commenced and had not been abandoned, before said priority/filing date.

However, the present working group has not learned of any interpretative case law on this matter.

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

The working right is transferable. However, it is only transferable with the enterprise (see Art. 54.1 LP, last sentence). Thus, it is not possible to transfer it, except for the expressly provided case, or to grant any licenses.

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?

The legislation does not foresee said case.

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

Said exceptions are not foreseen.

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

The Spanish legislation includes a qualitative limitation on the prior user right: the subsequent working or the beginning thereof must be only made *“in such a way as to meet the reasonable needs of their enterprises”*.

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?

Yes, given that it guarantees the coexistence of two basic business rights such as on the one hand, the right to protect by means of industrial secret the technology developed by a certain enterprise and on the other hand, the right to protect inventions through the request and subsequent grant of a patent. The publication of the patent destroys the industrial secret of any third parties that could be using the patented technology, but by recognizing the prior use right, it is guaranteed that said third party would be able to continue using his technology developed within the restrictions established by the coexistence with the exclusive right derived from the grant of the patent. It also guarantees the rights of a prior user who would not even be aware that his new development could be worth a patent and/or which secret working had not been a deliberate action.

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

In Spain, the prior user right is perceived as a justified exception to the infringement of patent rights which allows to continue or to commence working if before the priority date of the patent, the patented invention was already used or serious and concrete preparations to that purpose had been made. The exception does not include the use of any embodiment protected by the invention, but only in the way it has been worked (or serious and concrete preparations had been made) by the prior user.

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?

It would be advisable to harmonize the Spanish law with the drafting of the existing regulations in other countries of our region, so that the drafting of the Spanish law would use the same terms used in other regulations. A proposal would be: “The owner of a patent shall not have the right to prevent persons who, in good faith, prior to the date of priority of the patent, had worked the patented invention in the country or had made serious and concrete preparations to work the said invention, from continuing or commencing working it in such a way as to meet the needs of their enterprises. This working right is only transferable with the enterprise or with the part of the enterprise in the framework of which the use had been carried out or the preparations had been made”.

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, given that it is desirable that the enterprises have legal certainty in their international projection when making and marketing their products. In this sense, it would be advisable to have similar regulations in the different countries which would guarantee to the prior user that the requirements for their application and the rights granted would be similar in the different countries.

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

The prior use must be a use intended to the working of the result of the manufacture or industrial use of a technology, with or without commercial purpose. The requirement of “serious and concrete” preparations must refer to a continuous performance of the preparations for this manufacture or use. An effective working should not be required, but a “real” preparation should indeed be required for a working in the activity of the prior user.

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 relevant date should be the priority or filing date if a priority is not invoked, either with reference to the effective use of the invention before this date or to the previous serious and concrete preparations for the use thereof after that date. The priority date is the one that justifies the beginning of the right which shall extend to the own country, and in case of not having one, the filing date of the patent in the corresponding country. We understand that the justification of the prior use right, the right to keep on using the technology owned upon the beginning of the patent right, would neither justify a later date nor a prior date. That date shall be the reference date, in which it must be proved that there is the intention of working or continuing working.

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?

The prior user right begins with the patent application. There is not any prior use right until the patent application takes place, due to the fact that there is not a prior use when the patent application has not yet taken place. In case that the prior user could not justify the effective use of the technology in the priority date of the patent or the performance of the preparations in the said date, the prior use right should not be generated. If the use or the preparation thereof has been abandoned in that date, the prior use right does not terminate, but it does not even begin.

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?
- a) The territorial scope of the prior user right should be the territory of application of the Patent Law of the Country where the prior use has taken place.
 - b) The prior user right must be applicable in the country or countries where the prior use had taken place or for which serious and concrete preparations for the working thereof had been made. In this sense, it must cover the case in which a prior user had made serious and concrete preparations for working the invention in a certain country, even though these serious and concrete preparations had been made in another country (for example, with an intention to export the product to said 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?

Two scenarios must be considered:

a) the inventor has “freely” disclosed his invention, for example by means of a publication in a scientific journal, and has used the grace period to request his patent later. In this case, it is completely legal that a third party (the prior user) gathers public information for developing “his business”. Otherwise, one of the basic functions of scientific publications would be destroyed: the disclosure for the benefit of society. Thus, in this case, the information disclosed by the inventor is freely available for third parties, and the prior use requirement must be limited to the fact that it is before the priority date, regardless that the prior user had obtained the invention of the inventor.

b) the inventor has disclosed the invention under conditions of confidentiality or similar. In this case, it must not be accepted a prior use right if the prior user has used said information to carry out his prior use. In fact, this case would be included in that considered to be an action of bad faith

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

Yes, the prior user should not be able to make any changes which have been described in the patent application.

Moreover, he can never work the invention beyond the needs suitable for the enterprise in the priority date.

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 should not be entitled to claim this right to any embodiment covered by the patent. It must be limited to the form that had been worked or for which serious preparations had been made. It is possible to accept some modifications as long as they are not alternative solutions to the same technical problem on which the patent is based, or they do not define a different invention covered by the patent.

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

- a) The prior user right should only be transferable with the enterprise or part of the enterprise in which the invention is used.

- b) As a general rule, no licenses of a prior use right should be granted, as it is a personal right related to the one who has made the prior use and aimed at meeting the reasonable needs of his enterprise. It should only be acceptable in case that the reasonable needs of the enterprise or the serious and concrete preparations clearly include the grant of a license.
 - c) Anyway, the expression “the reasonable needs of the enterprise” must refer to the reasonable needs of the enterprise which has created the prior user right and not to the enterprise to which said prior user right is transferred.
25. Should there be any exceptions for any specific fields of technology or types of entity with regard to prior user rights?

It is not considered that there are reasons to justify a different treatment of the prior user right in certain fields of technology or types of entity.

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”.