

RECENT DEVELOPMENTS IN THE E.C. PROTECTION OF UTILITY MODELS

Alberto Musso *

Beside more traditional and world-known patents for industrial inventions, the protection of utility models was at first established by two countries only: Germany and Japan, by their national Utility Model Acts of 1891 and 1909 respectively.

Art. 1.2 of the Paris Convention for the Protection of Industrial Property, however, has already recognized this specific kind of IP right since the Hague version of 1925: utility models became so expressly relevant in art. 4 (regarding Union priority), art. 5.5 (concerning forfeiture and compulsory licences), art. 11.1 (on temporary protection for display at exhibitions) and art. 12.1 (obliging Member States to set up National Industrial Property Offices in order to make IP rights available to the public) ¹, but their mention in the main definition of «Industrial Property», held by art. 1.2, have made the fundamental principles of the Paris Convention –e.g. the national treatment under art. 2– also applicable to them ².

The reasons for which utility models were created, in addition to more traditional patents, were «to close a gap in German law between the invention protection provided by the Patent Act of 1877 and the protection of designs and models», as regulated in an Act dated 1876 but restricted only to models or designs with ornamental purposes,

* LL.D.; Attorney-at-law; Researcher in Commercial Law at the School of Law of the University of Bologna, Italy.

¹ See R. KRASSER, *Developments in Utility Model Law*, (1996) IIC, 950 et seq.

² See U. SUTHERSANEN, *A Brief Tour of "Utility Model" Law*, (1998) E.I.P.R., 44 et seq.

in 1878, by case law. From an industrial policy oriented point of view, it was furthermore intended «to provide small and medium-sized businesses with inexpensive, quickly-available protection for less significant innovations for useful purposes, while at the same time releasing the Patent Office from the burden of examining such innovations. The maximum term was set at six years from filing of application, while the patent term at the time was fifteen years»³. From the same point of view, also the Japanese Utility Model Act «proved successful and enabled fledgling Japanese industry to protect its inventions and improvements which very often would not have qualified for patent protection»⁴.

The development of national metal and heavy industry, fit to be rapidly turned into war industry, maybe explains why Italy - third of the powers of the Axis - adopted an Industrial Models Act on August 25th, 1940⁵, by which also Italian utility models were construed as devices or tools necessarily (although not expressly) linked with mechanical engineering and three-dimensional objects⁶, according to art. 2.1 of the Italian Models Act⁷. On the same date (August 24th, 1940), provisions on the protection of utility models were adopted in Portugal too⁸, while in Spain this type of models had been protected since 1929⁹.

After World War II and until the 1980s, among the more industrialized or industrializing countries, only France seems to be attracted by the

³ R. KRASSER, *Developments*, 953.

⁴ C. HEATH, *Continuity and Development in Japanese Intellectual Property Rights*, (1995) IIC, 900 et seq., at 909.

⁵ Royal Decree n. 1411. For this Act (and for Italian utility models), see G. SENA, *I diritti sulle invenzioni e sui modelli industriali*, 3rd ed., Giuffrè, Milano, 1990, 542 et seq.; V. MANGINI, *Invenzioni industriali. Modelli di utilità e disegni ornamentali*, Zanichelli - Il Foro It., Bologna - Roma, 1987, 166 et seq.; the construction of utility models, above mentioned, still remains unaltered albeit the amending provisions of May 23rd, 1977, June 22nd, 1979, and February 14th, 1987, which retained the substantial requirements of the previous definition (the same as occurred in Germany by the 1986 Amending Act).

⁶ See Italian Supreme Court (Corte di Cassazione), July 5th, 1984, n. 3932, (1985) *Giur. it.*, I, 1, 964; October 22nd, 1979, n. 5486, (1979) *Giur. ann. dir. ind.*, 135.

⁷ The same definition is substantially repeated in art. 2592 of the Italian Civil Code, issued by Royal Decree of March 16th, 1942. This provision is still unaltered.

⁸ This Decree has been amended January 18th, 1984.

⁹ Spanish provisions on utility models have been recently regulated anew by Patent Act of March 20th, 1986 (Law n. 11/1986).

advantages of utility models, introducing the «Utility Certificates» in its own legislation by the Patent Act of January 2nd, 1968. However, the French model is different from the German one, requiring the same degree of novelty and inventiveness as the patent system and being delivered for any patentable matter (no three-dimensional shape is compulsory, while the exceptions to protection are referred to the same subject-matter excluded by the French and the European patent law). Unlike the «German prototype» a.k.a. «three-dimensional prototype», which protects «minor inventions» consisting in mere advantages to the use of already existing machinery and so requiring a lower threshold of inventive step, as considered above - the «French prototype» (a.k.a. «patent prototype») grants protection to every «traditional» invention ¹⁰: a protection which runs alternative to patentability, involving faster deliverance and no substantial examination, in exchange for a shorter duration of the exclusive rights (generally from six to ten years).

According to the «patent prototype», the applicant can opt for either a full patent or a utility model: in the first case, a novelty search report will be made and a twenty-years patent will be issued after many months (or after years); in the second case, the six-years protection can be obtained in few weeks, after a cursory and merely formal examination ¹¹. On the contrary –according to the «ontological» difference of the three-dimensional prototype in comparison with inventions– the applicant for a patent can not freely choose to follow such a itinerary instead of a utility model: in case of application for a patent, a contemporary and alternative application for utility model is allowed only in case of total or partial refusal by the National Patent Office to grant the patent, because of the lack of inventive requirements by the former application ¹². From the point of view of the utility models as mere three-dimensional tools, devices, etc. –*i.e.* «minor» and not «full» inventions–

¹⁰ See U. SUTHERSANEN, *A Brief Tour*, 45 et seq.

¹¹ As it is provided by the Dutch and by the Belgian patent law, according to the “patent prototype”: see U. SUTHERSANEN, *A Brief Tour*, 46.

¹² As it is explicitly provided by art. 4.1 of the Italian Industrial Models Act. In order to avoid or to limit “dual protection” in the European utility model law, see below, in the text.

it is possible to understand the *rationale* of the «conversion rule»¹³, according to which a patent for an invention, declared void, can be turned retroactively by the judge into a valid utility model (or vice versa) only if the requirements for the latter still exist¹⁴.

Because of the increasing world-wide competition among undertakings during these two last decades, since the second half of the 1980s the need for a more flexible and rapid protection of technical innovations leads to the introduction of utility models in many Countries, which had never known this kind of protection up to that time, as well as many amendments in Countries where statutory provisions on utility models had been promulgated long before¹⁵. Since the beginning of the 1990s, after the deep evolution of their economies and their legal systems, also many Countries in Eastern Europe have introduced or up-to-dated a specific utility model protection¹⁶.

Although some important and recent international agreements concerning intellectual property, such as TRIPs or NAFTA, do not mention utility models –maybe for the influence, on their legislative

¹³ The “conversion rule” has been introduced in the Italian Patent Act of June 29th, 1939 (art. 59.4), by art. 7 of the Law n. 60, issued on February 14th, 1987.

¹⁴ The “conversion rule” may also apply to patented “design rights” - in Italy: “modelli ornamentali” - or any other kind of “full” or “petty” patent, if their proper requirements are ascertained: see M. CARTELLA, *La conversione del brevetto nullo*, Giuffrè, Milano, 1993, 75 et seq.

¹⁵ See R. KRASSER, *Developments*, 956 et seq.; before the second half of the Eighties, only China seems to have introduced a new utility model protection (March 12th, 1984), that however was amended on September the 4th, 1992.

¹⁶ See A. DIETZ, *Intellectual Property and Desocialization in Eastern Europe*, (1995) IIC, 851 et seq., at 859; J. BACH and M. KOTLER, *Patent Law of the Russian Federation*, *ibidem*, 1 et seq., at 7.

¹⁷ Utility models are included neither in the definition of “Intellectual Property” within the meaning of NAFTA (art. 1721.2), nor within the meaning of TRIPs (art. 1.2): see amplius H. RANGEL-ORTIZ, *Intellectual Property and NAFTA with Reference to TRIPs and to Mexican Law*, (1996) IIC, 771 et seq., at 780, also for the different trends of harmonization in the most recent European law. A mention of utility models - on the contrary - is made by art. 43 of the Patent Cooperation Treaty (signed in Washington, D.C., on June 19th, 1970), according to which «le déposant peut indiquer, conformément au règlement d'exécution, que sa demande internationale tend à la délivrance d'un certificat d'auteur d'invention, d'un certificat d'utilité ou d'un modèle d'utilité et non à celle d'un brevet, où à la délivrance d'un brevet ou certificat d'addition, d'un certificat d'auteur d'invention additionnel ou d'un certificat d'utilité additionnel, dans tout Etat désigné ou élu dont la législation prévoit la délivrance de certificats d'auteur d'invention, de certificats d'utilité, de modèles d'utilité, de brevets ou certificats d'addition, de certificats d'auteur d'invention additionnels ou de certificats d'utilité additionnels; les effets découlant de cette indication sont déterminés par le choix effectué par le déposant (...)». French official text.

history, of the Anglo-American patent system, that does not acknowledge this type of IP right¹⁷ –the legal and economic relevance of the utility models is demonstrated by the latest European Union efforts in order to create a «common law» for this modality of protection, harmonizing the existing statutes of the single Member States and introducing it in the other Member States that have, as yet, no provisions on this subject-matter (United Kingdom, Luxembourg and Sweden).

Being already expressly provided by artt. 87.1 and 140 of the Munich Convention on the European Patent (October 5th, 1973) –especially as far as priority or prior national rights were concerned¹⁸–
- utility models have held the European spotlight since the issuing of the European Commission’s Green Paper on the Protection of Utility Models in the Single Market (July 19th, 1995)¹⁹. After the opinion of the E.C. Economic and Social Committee (March 27th, 1996)²⁰ –according to the procedure provided by art. 198 of the Rome Treaty – and the E.C. Parliament resolution on the Green Paper (October 22nd, 1996)²¹, at the end of 1997 E.U. Commission has finally presented a proposal for an European Parliament and Council Directive «approximating the legal arrangements for the protection of inventions by utility models»²², hereinafter referred as «the Proposal».

¹⁸ Art. 140, however, extends to utility models and utility certificates some other provisions of the Munich Convention: artt. 66 (regarding the equivalence of European filing with national filing), 124 (information concerning national patent applications), 135-137 (conversion of a European patent application into a national patent application), 139 (national rights of earlier date or of the same date). See R. SINGER and M. SINGER, *Il brevetto europeo*, Utet, Turin, 1993 (Italian edition by F. Benussi), 647 et seq.

¹⁹ Bruxelles, July 19th, 1995, COM(95) 370 final. Before this official document, however, Max Planck Institute had already published a *Proposal for an European Utility Model*, (1994) IIC, 700 et seq., prepared by the working group consisting of Prof. F. K. Beier (chairman), Prof. R. Krasser, Dr. K. Haertel and Dr. T. Bodewig.

²⁰ OJ, June 17th, 1996, C 174.

²¹ OJ, November 18th, 1996, C 347.

²² Bruxelles, December 12th, 1997, COM(97) 691 final (this document is also available at <http://europa.eu.int/comm/dg15/en/intprop/indprop/1127.htm>).

As in the earlier years –although in a more integrated and peaceful vision of world-wide competition than in 1939, when Italian statutory protection of these IP rights, for instance, was introduced– an economic consideration of industrial policy is the true and principal background of the legal framework for the Proposal: such a consideration, as a matter of fact, regards both «internal» economics (free circulation of goods and free competition inside the Single Market, promotion of research and development)²³ and reinforcement of European enterprises towards «external» competitors, according to artt. 3.b, 3.c., 3.g, 3.l and 3.m of the Rome Treaty, as amended by the Maastricht Treaty on the European Union. As the Commission points out in the introduction of the explanatory memorandum, «Community action in this field would first of all make it possible to make the free movement of goods resulting from minor technical inventions in the Community more transparent and prevent differences between national laws or the lack of such laws from causing distortions of competition. Secondly, such action would improve the legal environment for Community firms, engaged as they are in an ongoing process of innovation and adaptation, and thus enhance their competitiveness in the world market through the protection of their inventions by utility model, a device particularly attuned to serving the needs of small and medium-sized enterprises (SMEs)»²⁴.

²³ See § 35 of the Proposal: «according to studies carried out on the basis of utility model applications in the Community, the utility model is used in a number of industrial sectors in which there is a permanent need of innovation, especially in the form of minor technical inventions. The main sectors concerned are mechanical engineering, electrical engineering, precision instruments and optics and automotive industry». As for the studies quoted by the Commission, see EPO, Vienna Suboffice, position at January 8th, 1993, and the survey of firms in Denmark, (1986) AIPPI Yearbook, 14.

²⁴ The need of a response towards Europe’s main competitors (United States of America and Japan), by the enforcement and the harmonization of utility models, is analitically discussed by the Economic and Social Committee: see §§ 2 and 3 of the opinion, quoted above. In the Proposal, the Commission observes that «the innovative activity of the European Community is not at present exploited sufficiently compared with that of its main trading partners, the United States and Japan», so that «the protection of inventions by utility model is a significant means of promoting technical innovation within European firms»: especially in order to “ease the way from idea to product» (§ 39).

This initiative runs parallel both with the «first action plan for innovation in Europe», presented in the E.C. Commission's document «Innovation for Growth and Employment» (November 1996)²⁵, and with the recent «Green Paper on the Community patent and the patent system in Europe», approved by the Commission on June 25th, 1997²⁶.

Unlike Parliament's preference for a regulation providing for a single and common «E.C. Utility Model», eventually allowing the applicant to extend the exclusive protection to some Member States only, so limiting applicant's expenses²⁷, the Commission's Proposal deems that the approximation –in accordance with the principle of proportionality in Community's action, held by art. 3.h of the Rome Treaty²⁸– may be limited to harmonising the basic rules governing the protectable matter, the requirements for protectability, the extent and the duration of the exclusive right in every Member State²⁹. Such an approximation does not introduce any single set of filing arrangements, nor provide for the setting up of an Agency or of an Office with special responsibility for granting utility models at Community level; The harmonization does mean, however, that those Member States which do not yet have any system of utility model protection will have to introduce one into their domestic law within the end of December 1999: this is the date by which Member States have to comply with the common E.C. rules, according to art. 25.1 of the Proposal.

²⁵ Bruxelles, November 20th, 1996, COM(96) 589 final.

²⁶ Available at <http://europa.eu.int/comm/dg15/en/intprop/indprop/558.htm>.

²⁷ The so called «utility model à la carte»: see P. SANI, *Brevi note sul «modello di utilità»*. *Il libro verde della Commissione CE e il Parere del Comitato economico e sociale*, (1997) Riv. dir. ind., 42 et seq., at 51.

²⁸ As amended by the Maastricht Treaty on the European Union.

²⁹ See § 26 of the Proposal: «the aim is not therefore to create, at Community level, a Community right to utility model protection which would make it possible to obtain protection for one and the same territory covering all Member States through a single application to a common office in accordance with a single procedure and a single law. Nor is the aim to introduce mutual recognition of national systems whereby a utility model registered in one Member State can produce effects in the other Member States if the applicant so requests. Both these approaches aroused only limited interest on the part of the sectors of business and industry concerned in the course of the consultation exercise set in train by the Commission with the Green Paper».

Taking into account that utility models are already protected in twelve of the fifteen Member States³⁰, but that such a protection is granted by different systems –with reference to the two distinct prototypes above considered and sometimes to many hybrids³¹– art. 1 of the Proposal is deemed to clearly define the concept of utility model by reference to the various concepts employed in the Member States, so as to enable Member States to know precisely which domestic provisions are affected by the draft Directive. Thus, «utility model» means the registered right which confers exclusive protection for technical inventions, and which is known in Member States by the following names: *Gebrauchsmuster* (Austria, Germany); *brevet de courte durée/Octroi van korte duur* (Belgium); *brugsmode* (Denmark); *modelo de utilidad* (Spain); *nyttighetsmodellagen* (Finland)³²; *certificat d'utilité* (France); *pistopoietiko upodeigmato* or «cresimoteta» (Greece); *Zesjarig octrooi* (Netherlands); *modelo de utilidade* (Portugal). Because of the lack of registration and a different criterion of originality («not commonplace»), the British «unregistered design rights» are so excluded from the national utility model systems³³.

As for the protectable matter and its requirements, the Proposal seems to adopt a «patent prototype approach» more than a «three-dimensional prototype approach». First of all, in spite of Parliament's resolution to retain the spatial requirement (therefore excluding processes or substances from utility models)³⁴, the embodiment in a

³⁰ In five Member States (Ireland, Greece, Denmark, Austria and Finland), a system of protection was introduced in recent years.

³¹ For the differences of the Danish «brugsmode», the Austrian «Gebrauchsmuster» and the Irish «short-term patent», by comparison with the «pure» German prototype into which they may be counted, see U. SUTHERSANEN, *A Brief Tour*, 47.

³² The word used by the Commission, however, is Swedish: the legal Finnish term seems to be *Hyödyllisyys-malli(laki)*.

³³ In spite of some commentators in the United Kingdom and of the European Economic and Social Committee opinion (§ 5.2.1.): for further details, see U. SUTHERSANEN, *A Brief Tour*, 48, text and footnotes 42-44.

³⁴ Parliament's resolution, quoted above, §§ 2 and 9, at first dash.

three-dimensional form has not been included by the Proposal among the requirements, making it possible to bring processes within the scope of the protection. Only biological material, chemical or pharmaceutical substances –due to the fact that these sectors are complex ones, in which exclusive rights involving cursory examination only are considered out of place– and inventions involving computer programs –due to the fact that they are already protected either by patent (inventions related to software) or by copyright (computer programs as such) ³⁵– are expressly excluded from protection by art. 4 of the Proposal, in addition to more «traditional» items excluded from patentability: discoveries, scientific theories, mathematic methods, aesthetic creations, schemes, rules and methods for performing mental acts, playing games or doing business, presentations of information (art. 3 of the Proposal), inventions the exploitation of which would be contrary to public policy or morality (art 4.a), surgical or therapeutic treatment procedures applicable to the human body or to the bodies of animals and diagnostic procedures carried out from these bodies (art. 7.2) ³⁶.

As for the novelty, the Commission takes note of the differences in the legislation of the Member States: «in Spain, for example, novelty is determined by reference to the domestic state of the art, while in the other Member States the criterion adopted is that of the international state of the art, albeit with restrictions in some cases (Germany, Portugal)» ³⁷. According to a more and more increasing globalization of the market and to a «patent prototype» approach ³⁸, art. 5 of the Proposal adopts a requirement of full novelty: the state of the art in question shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the utility model application (art.

³⁵ See art. 1 of Council Directive n. 91/250 of May 14th, 1991 (OJ 1991, L 122).

³⁶ See artt. 52.2, 52.4 and 53.a of the European Patent Convention.

³⁷ See § 17 of the Proposal.

³⁸ See art. 54 of the European Patent Convention.

5.2). Additionally, the content of utility model applications as filed, of which the dates of filing are prior to the date referred to in par. 2 and which were published on or after that date, shall be considered as comprised in the state of the art (art. 5.3) ³⁹.

As for inventiveness too, the extent of protection varies considerably from one national system to another. As considered above, some Member States (e.g. Belgium and France) require the same inventive step as for a patent, while others (Greece, Italy and Spain) are willing to accept a lower inventive step; but even within those Member States in which a smaller inventive step is acceptable, «smaller» is often interpreted in many different ways ⁴⁰.

According to art. 6, an invention shall be considered as involving an inventive step if, in the utility model application, the applicant indicates clearly and convincingly that –compared with the state of the art– it exhibits either: a) particular effectiveness in terms of, for example, ease of application or use, or b) a practical or industrial advantage. This wording clearly comes to a compromise between the different prototypes, retaining however the lower threshold of inventiveness required by the majority of the Member States; as the Commission explicitly declares, the alternative criteria are «designed to cover the wide variety of situations which are provided for in the various national systems and are encountered in practice and which, as a rule, involve a different inventive step from that which is required in the case of a patent. Examples are an invention making it possible to solve a technical problem and an invention relating to the effectiveness

³⁹ This provision corresponds with art. 54 of the European Patent Convention and corroborates the opinion of a «patent prototype» approach.

⁴⁰ See again § 17 of the Proposal.

or ease of use of a product in that it increases the product's usefulness by making it more effective and easier to use»⁴¹.

Also art. 7.1 of the Proposal is in keeping with the main provisions of the European patent law, requiring that an invention is «susceptible of industrial application» if it can be made or used in any kind of industry, including agriculture ⁴².

The application and the procedure leading to the utility model protection correspond to a course that has to be followed for the granting of a patent.

Art. 8.1 of the Proposal deals with the requirements of the application (request, description, one or more claims, drawings, abstract); as in patent law, the application must disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art (art. 12) ⁴³. The claims shall define the matter for which protection is sought; they have to be clear and concise and be supported by the description ⁴⁴; therefore, their number must be limited to what is strictly necessary regarding the nature of the invention (art. 13) ⁴⁵. The abstract shall merely serve for use as technical

⁴¹ See § 64 of the Proposal. Critical observations to the criterion of «smaller» inventive step for the utility models were already expressed by G. SENA, *Su un diritto europeo dei modelli d'utilità (Osservazioni sul Libro Verde della Commissione della Comunità Europea del 19 luglio 1995)*, 1997, Riv. dir. ind., 37 et seq., at 38, according to whom the basic difference between an invention and a utility model is that the former involves a more general and theoretical extension, practicable for many ways of implementation, while the latter presents a more specific and particular scope.

⁴² See art. 57 of the European Patent Convention.

⁴³ See art. 83 of the European Patent Convention. As in patent law, the lack of such a requirement is grounds for revocating the utility model: see art. 24.1.b of the Proposal, corresponding to art. 138.1.b of the European Patent Convention.

⁴⁴ See art. 84 of the European Patent Convention.

⁴⁵ This provision «makes it possible to limit the extent of the protection so as to compensate for the lack of any preliminary examination» (§ 71 of the Proposal).

information, not being considered for any other purpose, e.g. interpreting the scope of the protection or evaluating the prior state of the art for other inventions (art. 14)⁴⁶. Art. 9 determines the date of filing in case of lack of some of the requirements for the application are lacking⁴⁷; art. 10 requires the designation of the inventor⁴⁸; art. 17 confirms the principle of the «unity of invention»⁴⁹. Artt. 17 and 18 regulate priority rights and internal priority⁵⁰.

But what is more important is the absence of a substantial examination of the subject matter: the competent authority with which a utility model application has been lodged, shall examine whether the application satisfies the formal requirement of artt. 8 and 10 and shall check whether it contains a description and an abstract (art. 15.1 of the Proposal); no examination shall be carried out by the competent authority in order to establish whether the requirements of artt. 5, 6 and 7 have been met (art. 15.3)⁵¹.

At applicant's request only, the authority in question shall draw up –on the basis of the claims– a search report covering the relevant state of the art, with due regard to the description and any drawings, to be then transmitted to the applicant together with the copies of any cited document (art. 16)⁵². In particular, the applicant may demand a search report when he wishes a utility model right particularly fit for invest-

⁴⁶ See art. 85 of the European Patent Convention.

⁴⁷ See art. 80 of the European Patent Convention.

⁴⁸ If the applicant is not the inventor or is not the sole inventor, the designation shall contain a statement indicating the origin of the right to the utility model. See art. 81 of the European Patent Convention.

⁴⁹ Indeed, the application shall relate to one invention only, or to a group of inventions so linked as to form a single general inventive concept: see art. 82 of the European Patent Convention.

⁵⁰ See respectively, *mutatis mutandis*, artt. 87 and 139 of the European Patent Convention.

⁵¹ In this way, the Commission may fulfill the reasons given for seeking utility model protection: quick and simple registration («an applicant has to wait an average of six months for a utility model compared with anything from two to four years for a patent, because as a rule no examination has to be carried out to establish novelty and inventive step»); more flexible conditions for obtaining protection; lower costs; temporary stronger protection, pending the grant of a patent, in case the invention qualifies for both forms of protection. See § 29 of the Proposal.

⁵² This consideration is the rationale to art. 8.2, which requires that a utility model application has to be subject to the payment of a filing fee and, where appropriate, a search fee.

ments or circulation (transfer or licensing), in order to eliminate uncertainty whether the model would survive a substantial dispute versus the assignee, the licensee or other third parties; with a view to avoiding the enforcement of void utility models, furthermore, art. 16.4 allows Member States to provide for a compulsory search report in the event of legal proceedings brought by the rightholder himself.

Many differences do still exist in the statutes of the Member States, as far as the terms of protection are concerned⁵³. According to art. 19.1 of the Proposal, the duration of the utility model shall be six years from the date of filing of the application. However, six months before such a period elapses, the rightholder may submit to the competent authority an application for renewal of the utility model for a period of two years (art. 19.2); a second and ultimate renewal for another two years may be ulteriorly requested, so that in no circumstances might utility model protection last for more than ten years from the date of filing of the application (artt. 19.3 and 19.4)⁵⁴.

Given admittance to processes in the field of utility models –as considered above– the Proposal distinguishes between two protectible objects: where the subject-matter is a product, the utility model shall confer on its proprietor the right to prevent third parties, not having his consent, from making, using, offering for sale, selling or importing for these purposes that product (art. 20.1); where the subject-matter is a process, the exclusive right prevents third parties from using the process itself and from using, offering for sale, selling or importing for these purposes at least the product directly obtained by that process (art. 20.2)⁵⁵.

⁵³ This may be six years in Belgium and France, seven years in Greece, eight years in Finland, ten years in Austria, Denmark, Italy and Germany, or even more: in Portugal the term is renewable indefinitely. See § 17 of the Proposal.

⁵⁴ Also the different terms of protection in the field of copyright and certain related rights have been recently harmonized in the Member States by an E.C. Directive (Council Directive n. 93/98, October 29th, 1993).

⁵⁵ See art. 28.1 TRIPs.

The proprietor of a utility model shall also have the right to assign, to license or to transfer it by succession (art. 20.4) ⁵⁶.

As for the exceptions to the exclusive rights conferred, art. 20.3 includes: a) the acts made privately and for non-commercial purposes; b) the acts made for experimental purposes relating to the subject-matter of the protected invention. Member States may provide other limited exceptions, provided that such exceptions do not unreasonably conflict with a normal exploitation of the utility model and do not unreasonably prejudice the legitimate interests of the proprietor, taking into account the interests of third parties (art. 20.5) ⁵⁷; where the law of a Member State allows for the use of the subject-matter of a utility model other than that allowed under par. 5 without the authorization of the rightholder ⁵⁸ –including the use by the government or third parties authorized by the government– the provision applicable to patents for similar use shall be complied with (art. 20.6) ⁵⁹.

Another well-known «exception» to exclusive rights is the Community exhaustion, clearly stated by art. 21.1 of the Proposal and set down in art. 28 of the Community Patent Convention (signed at Luxembourg on December 15th, 1975, as amended by the Agreement relating to Community patents, made in Luxembourg on December 15th, 1989, but not yet in force) as well as in many decisions of the E.C. Court of Justice. The item to be pointed out, however, is art. 21.2 of the Proposal, which states without any ambiguity that the principle of «intentional exhaustion» is completely ruled out: this means that «the rights conferred by the utility model do extend to acts concerning

⁵⁶ See art. 28.2 TRIPs

⁵⁷ See art. 30 TRIPs.

⁵⁸ E.g. in the event of compulsory licenses.

⁵⁹ As the Commission states, the rationale of this provision is to render the conditions laid down in art. 31 TRIPs applicable to utility models by analogy (see § 78 of the Proposal).

a product covered by that utility model after that product has been put on the market outside the Community by the rightholder or with his consent»⁶⁰.

Art. 22.1 (which is concerned with dual protection) allows one and the same invention to form the subject-matter, simultaneously or successively, of a patent application and a utility model application⁶¹. Such dual protection is worthwhile where the user wishes to obtain temporary protection pending the granting of a patent, where he is not sure that the inventive step is sufficient for a patent, or where he wishes to be particularly well protected by two different systems for the same invention. So as not to place the rightholder in too strong a position, however, Member States may provide that a utility model which has been granted is deemed to be ineffective where a patent relating to the same invention has been granted and published (art. 22.2). Where they do not avail themselves of this opportunity, the Member States concerned must at least take appropriate measures to ensure that the rightholder –if his rights are infringed– cannot initiate successive proceedings under both sets of protection arrangements (art. 20.3); this provision is intended to prevent successive proceedings from being brought by a rightholder who, having failed to win his patent action, might seek to bring a fresh action on the strength of the utility model or vice versa⁶².

For the sake of consistency with the European patent law, the lapse and the grounds for revocation of utility models are respectively based on artt. 50 and 56.1.a-d of the Community Patent Convention.

⁶⁰ See § 79 of the Proposal. In many Member States - as in Italy - the existence of the principle of international exhaustion as regards IP rights, is a much debated question: see B. GUIDETTI, *Esaurimento comunitario contro esaurimento internazionale: un problema tuttora irrisolto* (comment to E.C. Court of Justice, decision 20 March 1997, C-352/95, Phytheron International S.A. vs. Jean Bourdon S.A.), 1997, Riv. dir. ind., II, 362 et seq.

⁶¹ As considered above, due to the «ontological» difference between patentable inventions and utility models, a dual protection is not allowed - or strictly limited to the rejection of the patent application - according to the «three-dimensional prototype»: see e.g. Italian Supreme Court (Corte di Cassazione), December 15th, 1983, n. 7398, (1984) Giur. it., I, 1, 1450.

⁶² See § 80 of the Proposal.

In conclusion, the «patent prototype» approach shall be probably introduced also in Italy, according to the Proposal; however, the importance of a more flexible and quick option of protectability for almost any patentable matter –instead of «traditional» tools, devices, etc.– might be more doubtful in this Country, considering that also «full» patents are actually examined in a cursory way only ⁶³, although a substantial examination would be explicitly provided for by art. 30 of the Italian Patent Act.

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⁶³ See e.g. Italian Supreme Court (Corte di Cassazione), May 14th, 1981, n. 3169/81, (1981) Giur. ann. dir. ind., 58.