

*The use and misuse of Spanish utility models
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The use and misuse of Spanish utility models

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In Spain, utility models can be used to protect inventions. As in other jurisdictions, they have a shorter term than patents and less stringent patentability requirements apply. Utility models have been and still are regarded by many as a consolation prize for inventions that are not good enough to deserve patent protection. However, the peculiarities of the patent's little brother can make the utility model an effective weapon to fight off competitors – in some cases even more effectively than a traditional patent.

Recent developments and Spanish case law suggest that the effectiveness of utility models may decrease in the future. Rights holders should be aware of the new limitations on utility models; they should still incorporate them into their IP strategy, but should use them selectively and in the right way.

Traditional advantages of utility models over patents

Traditionally, Spanish utility models have had two main advantages over Spanish patents. The first is that it is well-established case law that a lower degree of inventive step is required for a utility model: a patent is inventive if it is not “obvious”, but a utility model is inventive provided that it is not “very obvious”. Thus, given the same prior art, a Spanish utility model could be valid, whereas a Spanish patent protecting the same invention could be invalid. The second advantage relates to the definition of ‘prior art’. For Spanish patents, prior art is everything available to the public anywhere in the world before the filing

or priority date. For Spanish utility models, on the other hand, prior art is everything disclosed (not merely available) to the public in Spain before the filing or priority date. This dual difference with respect to patents limits the prior art that can be successfully invoked against a utility model.

As in the case of inventive step, it is clear from several court decisions that the difference in the law between availability and disclosure means that in order for a document to qualify as prior art for a utility model, it is insufficient that members of the public may have access to the document (ie, that the document is not confidential or somehow inaccessible); rather, access to the document must be fairly simple and straightforward.

Prior art for utility models naturally comprises documents published in Spain, Spanish patents and utility models, as well as, for example, products sold in Spain. Regarding foreign patent literature, there is longstanding debate over whether this can be considered prior art for utility models. A 1996 Supreme Court decision held that a foreign patent present in the library collection of the Spanish Patent and Trademark Office (PTO) was part of the state of the art for Spanish utility models. The date of inclusion in the library collection was decisive – for example, if a French patent was published, but included in the Patent Office's library collection only at a later date, it would be part of the prior art for a utility model only from this later date, whereas the same document would be prior art for a Spanish patent from the publication date.

However, a 2004 Supreme Court decision reversed the situation and established that the mere inclusion of a foreign patent document in the library collection did not even mean that it

had actually been disclosed. For this reason, it was held that foreign patent literature did not belong to the prior art for utility models, even if it was available in the PTO's collection.

Clearly, a less stringent interpretation of 'inventive step' and a more stringent definition of what constitutes prior art may be two key reasons for protecting an invention using a utility model instead of a patent.

In contrast to the courts, the PTO's position has generally been to consider foreign documents present in its library collection as state for the art for a utility model in opposition proceedings. However, the number of oppositions against utility models is fairly small, probably also due to the short time limit for filing oppositions (two months from first publication of the model).

Traditional disadvantages of utility models over patents

Utility models cannot be used to protect all inventions. Spanish law allows the use of utility models only for "objects" with a configuration, structure or composition that provides a practical advantage, such as utensils, instruments, tools, appliances, devices or parts thereof. Utility models cannot be used to protect methods, substances or compositions (eg, pharmaceuticals); the PTO often objects to applications for utility models directed to systems or assemblies comprising several independent parts.

The maximum lifetime of a utility model is 10 years, compared to 20 years for patents. However, depending on the technology, 10 years can be more than a product's lifetime. This is thus not necessarily a major disadvantage.

Further, contrary to popular belief, the procedure for obtaining a Spanish utility model can actually be more stringent than the procedure for obtaining a Spanish patent. Utility models are not subject to substantive examination, but neither are Spanish patents: unless patent applicants voluntarily request such examination, the PTO grants the patent without examining novelty and inventive step.

On the contrary, for two months after publication of a utility model application, any third party with a legitimate interest can file an opposition. The evidence and arguments presented by the opponents and

the applicant are then considered by the PTO, and the utility model may be refused. This option is not available for Spanish patents unless the patent holder requests substantive examination: Spanish patents that do not undergo substantive examination can be invalidated only through a nullity action before a competent Spanish court, which can be much more costly than an opposition before the PTO.

Finally, and perhaps most importantly, most Spanish utility models are published approximately one or two months after filing. This can be a problem if a Spanish utility model is used as a first filing for priority purposes. Improvements and further developments of the invention during the priority year become virtually non-protectable in many countries because of this publication. If the protection is extended at the end of the priority year to, for example, a European patent, and the priority cannot be claimed validly, the published utility model can invalidate all or part of the European patent.

On the other hand, depending on the circumstances, early publication and quick grant can have their advantages, which must be weighed up on a case-by-case basis.

If an invention qualifies for protection by a utility model and if the filing strategy is chosen properly, a Spanish utility model can be a significant asset for rights holders and, depending on the technology, utility models can have even more value than a Spanish patent.

Recent case law

In recent years the Spanish courts have issued some interesting decisions concerning utility models, which may affect their effectiveness. These decisions concern the definition of 'prior art' and the application of the doctrine of equivalents to utility models.

In Decision 330/2011 the Madrid Provincial Court of Appeal held that foreign patent literature available through the web portal Espacenet before the priority date of three utility models belonged to the prior art and destroyed their novelty.

The court analysed the grounds of the 2004 Supreme Court decision, but also considered the reality of technological advancements between 1993 (the filing date of the utility model in the 2004 decision)

and 2005 (the filing date of the utility models in the case at hand) – in particular, the development of internet browsers widely used by the population.

The court reasoned that, through websites such as Espacenet, any interested skilled person has access to the full text of millions of foreign patent documents, and therefore can find, by means of a Google-type search, prior art documents that relate to the relevant subject matter. In contrast, the 2004 Supreme Court decision stressed that the PTO library collection did not have the purpose of providing ‘disclosure’: the text, figures and details of the foreign documents were not published in the bulletin (as in the case of Spanish patents), and a document had to be accessed through numbers and digits that were available only once the document was known by other means. Consequently, the library collection did not disclose the documents as required by law.

It is particularly interesting that the decision considered that foreign patent documents were disclosed in Spain because they could be found using Espacenet, and not because they were in the PTO library collection. The introduction of foreign documents to this collection was discontinued in 2004, so the collection is of no use for documents published after this date.

However, the court’s decision may not immediately be applicable to all utility models: according to the court’s reasoning, in view of the subject matter of the utility models in question (night vision monoculars and corresponding mount assemblies, intended to be used in the field of defence and public security), in this case the requirement of disclosure was satisfied if knowledge of the inventions reached professionals and experts in the security forces’ purchasing departments, and not necessarily the public at large. The court considered that the parties which were to use the invention would undoubtedly have had access to the foreign documents, which were easily available on the Internet to any interested person.

In other words, the court held that the disclosure requirement was met in this case, but the situation might be different for inventions related to less ‘professional’ subject

matter. It seems reasonable that the standard set by the court in this case would apply to other inventions intended for professional or industrial use.

It remains to be seen whether this decision will be followed by other courts, and whether this line of reasoning can be extended to, for example, non-patent literature available on the Internet. If this precedent is followed, in practice, the differences between prior art for patents and for utility models could be drastically reduced. Thus, an important advantage of utility models over patents could disappear. Interestingly, in the recently proposed new Spanish patent law, prior art for utility models need only fulfil the availability requirement. This new law, however, is still under discussion.

The second noteworthy court decision concerns the doctrine of equivalents. In Spain, it is established case law that the doctrine of equivalents can be applied to determine the scope of protection of a patent. For inventions in the mechanical realm (ie, inventions that could also be protected by a utility model), the triple-identity test (function, method, result) is typically used, complemented by the obviousness test (an inventive variant cannot be equivalent). However, few court decisions have applied equivalence when dealing with infringement of a utility model.

In Decision 46/2013, issued by Barcelona Commercial Court No 4, the court reasoned that since the inventive step requirement for a utility model is lower than that for a patent, it would be logical that the protection acquired by a utility model should correspondingly be narrower than that conferred by a patent. Thus, while the scope of protection of a utility model should be determined by interpreting the claims in light of the description (as for patents), it is questionable whether the doctrine of equivalents can be applied to extend the scope of protection of a utility model. Because it was not decisive for the question at hand, there was no ruling on the issue, but the court’s mindset was clear. Although this opinion may not be shared by other commercial courts or the appeal courts, it has at least cast doubt on the issue – and it is worth noting that Barcelona Commercial Court No 4 is one of the most experienced and

respected first-instance Spanish courts for patent matters.

Thus, recent case law suggests that utility models may become less effective in the future.

IP strategy involving utility models

One obvious use of a utility model instead of a patent is for an invention for which the applicant is aware that the prior art is so close to the invention that obtaining a patent is only a remote possibility. Another clear candidate for a utility model is a product for which there has been no internet disclosure, but which has been sold only in countries other than Spain.

In such cases, a utility model should still be much more effective than a patent. However, in view of the decisions discussed above, a Spanish patent may be preferable when an applicant is confident that it can meet the inventive step requirement for a patent. The scope of protection of a patent could potentially be wider because of the uncertainty of the application of the doctrine of equivalents to a utility model. As foreign patent publications may jeopardise, for example, the novelty of the invention, a utility model no longer seems a safe solution and therefore may not be as appealing as it used to be in the past, as documents available through Espacenet may be found to be “disclosed in Spain” and would therefore be prior art against a utility model – at least for inventions in industrial or specialised technical fields.

The most widespread misuse of utility models among Spanish applicants is the customary filing of utility models as an application on which to base priority. The reason for this strategy appears to be the low costs of filing and prosecuting a utility model: the official fees are low and, as there is no search report or substantive examination, the costs are limited, unless an opposition is filed.

In some cases, the filing of a utility model as a first filing may be appropriate, in particular when a lawsuit based on this right is to be filed sooner rather than later. This is also true for foreign applicants with competitors in Spain (if national law allows). However, filing a utility model as a first filing for all inventions would mean that, for a number of patent families, the later Patent Cooperation Treaty or European patent application could be

seriously damaged or even invalidated due to early publication of the utility model.

A Spanish patent is also clearly preferable to a utility model in case of products that have a long time to market and/or a long lifecycle. In such cases, the 10 extra years of patent term can be very useful. As Spanish patents can be granted without substantive examination (although this may change in the future, according to the new patent law proposal), the additional cost for a patent compared to a utility model is quite low; the main difference lies in the time taken to grant the application. **iam**

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Anna Barlocchi's career in patents started in 1990. In addition to drafting and prosecuting European, Spanish and Patent Cooperation Treaty applications in a wide range of engineering fields, part of her work relates to patent enforcement. For example, she has been involved in the Spanish part of several pan-European litigation cases regarding validity and infringement. In 1999 she was one of the first Spanish candidates to qualify as a European patent attorney, and since then she has maintained strong involvement in training, both in Spain and for the European Patent Institute.