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Prior user rights

Oliwia Czarnocka, PolSERVICE Patent and Trademark Attorneys Office, explores prior use rights in relation to patents in Poland.

Polish law provides for several limitations on the exclusive right conferred by a patent. These include: the so-called “patent in transit” i.e. using an invention relating to means of transport and parts or devices thereof that are temporarily or in transit in Poland; using an invention for state purposes; applying an invention for research and experimentation purposes in order to assess it and analyse it or for teaching purposes; performing actions that are required to obtain registration of medicinal products; and prior user rights.

Article 71 of the Polish Industrial Property Law provides that:

1. Anyone using an invention in the Republic of Poland in good faith may, at the time defining priority to obtain a patent, continue to use it free of charge in his enterprise to the extent to which he previously used it. This right is also vested in anyone who, at this time, has already prepared all the essential equipment needed to use the invention.

2. The rights specified in section 1 are, on an interested party's request, entered in the patent register. These rights may be transferred to another person only together with the enterprise.

Origin of prior user rights

Prior user rights are guaranteed by Article 4B of the Paris Convention (for the Protection of Industrial Property), according to which rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in accordance with the domestic legislation of each country.

Territorial scope

The use of a protected invention and the preparations of all the essential equipment needed to use the invention before the priority date must take place within the territory of Poland, including also inland maritime waters and the territorial sea. Using an invention on the territory of another state does not lead to the grant of a prior user right.

Good faith

The invention must be used in good faith. The Supreme Court's recent judgement of 18 February 2016 (II CSK 282/15) states that:

“According to a generally accepted interpretation, the notion of good faith is presently defined as given person's state of mind in which he forms an erroneous, but justified in given circumstances, opinion concerning the existence of a legal right or

a legal relation. Thus, a person acts in bad faith if he invokes a legal right or a legal relation knowing that they do not exist, or if that person's erroneous opinion on the existence of such a right or legal relation is not justified. Bad faith means the knowledge of actual circumstances (even if the interested person denies such knowledge) or an unjustified lack of such knowledge.”

In particular, a person acts in good faith if he thinks that he is entitled to use an invention because he has created it and is using it in his own enterprise while not disclosing it to any third parties since such a disclosure would undermine the novelty of the protected invention and could provide grounds for its invalidation.

The key factor in the assessment of a legal entity's good faith is the awareness of its management board. Using an invention involves the performance of substantive actions (often combined with legal actions), which falls within the area of running company affairs and company representation. This area of a legal person's activity belongs to the tasks of the management board.

Scope of a prior user right

To define the scope of a prior user right, it is necessary to determine the extent to which he previously used an invention. The prior user right is thus limited to the user's enterprise and as such cannot be transferred to third parties. However, in the case of a capital group, the prior user right is effective within the whole group and should not be limited to one production plant only. If the ownership of an enterprise, or of an organized part thereof including a full set of devices enabling use of an invention, is transferred, the prior user right will be transferred to another entity (i.e. the purchaser of the enterprise or an organized part thereof). A prior user right comprises all possible forms of an invention's use, even if only some of them were carried out at the priority date. For example, if a production process was only performed at the priority date and the product was not put on the market, the product may be later introduced on the market, which will not result in the extension of the scope of the prior user right.

Using an invention to the previous extent

Using an invention to the extent it was previously used also means limiting the production to the previous quantities and quality. Consequently, the production capacity of an enterprise is in a way restricted to that established at the date on which the invention was filed with the Patent Office. If, after the filing date, a larger

quantity of products made with the use of a protected invention, or provided with a device protected by a patent, is put by the prior user on the market within the same unit of time, as compared to the quantity before the filing date, the prior user cannot enjoy his right within such scope. This view has been confirmed in many court decisions.

Preparing all the essential equipment

Determining the scope of a prior user right may be problematic when the right derives from the fact that the user has already prepared all the essential equipment needed to use the invention. Preparing the equipment does not necessarily mean purchasing it: it is basically irrelevant what title the user holds to the equipment as long as it enables him to use the invention and, first of all, to produce goods. Thus, the user may purchase the equipment and become the owner thereof, or he may enter into e.g. a leasing contract or a usufruct contract. In such a situation, the scope of the prior user right is determined by the maximum production capacity of given production line as specified in its technical documentation. Preparing all the essential equipment also comprises its physical assembly as well as legal actions, such as concluding a contract for the implementation of a specific technology. Such contracts must precisely specify the parameters of given technological installation. The equipment prepared must be essential, which means that it must enable the manufacturing of a specific solution. If the user has assembled a production line that requires some additional improvements or fails to function properly, the requirement of “*all the essential equipment needed to use the invention*” is not fulfilled.

Proceedings to establish a prior user right

Prior user rights are established in civil proceedings initiated by a declaratory action. The proceedings may be initiated even before the grant of a patent. A prior user right is strictly related to the patent, which means that the right lapses when the patent is invalidated. It is not necessary to obtain the prior user's consent to effectively waive the right to a patent. A prior user (right) may, on an interested party's request, be entered in the patent register; however, it is not obligatory to register the prior user (right) in the patent register. Although, it may help the prior user to demonstrate his rights (the patent register is presumed to be open to public and commonly known).

Résumé

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Oliwia is a Polish Patent Attorney and professional attorney before the European Union Intellectual Property Office (EUIPO). She specializes in matters related to the drafting, filing and prosecution of applications in the field of electronics, electrical engineering, and information technology, both in the national procedure before the Polish Patent Office, international PCT procedure, and before patent offices in other countries. She conducts patentability searches and develops patent protection strategy, and also participates in the cost assessment of application procedures in the case of business clients' inventions financed from public funds.