

Survey of Rights in EU, EEA

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LES members responses to questions about Exhaustion of Intellectual Property Rights, Right of Prior Use

In order to get a better knowledge of the present situation in relation to the exhaustion of intellectual property rights and, in connection with this, in relation to rights of prior use under patents in the countries of the European Union (EU) and the European Economic Area (EEA), a survey was made by the author in the respective countries, for practical purposes Switzerland having been included. The survey included the questions reproduced in Annex I. They were asked of LES members active in the respective field in the respective countries. Their answers are summarized in Annex II.

The results of the inquiry suggest the following:

Rights of Prior Use

All EU and EEA countries provide for a private right of prior use under national patents and EPC patents extending to the respective countries, but Portugal only under the new Patent Act coming into force in the near future (the following remarks therefore applying to Portugal with respect to the new Patent Act only).

ALL EU and EEA countries, being considered as "country of importation," would consider a product legitimately under an existing private right of prior use of a third party brought into the marketplace in a third EU or EEA country, considered as "country of exportation," not as having exhausted a patent covering that product in the country of importation, so that the patentee can use its patent in the country of importation to prevent the importation of the respective

product from the country of exportation there.

Should an explicit agreement exist between the owner of the private right of prior use in the country of exportation and the patentee, granting a cost-free license for the country of exportation to the owner of the private right of prior use, the bringing into the marketplace of the respective product in the country of exportation by a third party would be considered by all countries of importation as having taken place with the consent of the patentee. The effect would be that the patentee can no longer use its patent in the country of importation for preventing importation of the respective product. Caution!

As for Switzerland, the doctrine of a private right of prior use under patents is established, but the doctrine of national exhaustion of patent rights is followed. Accordingly, whether in a country of exportation only a private right of prior use or a cost-free license confirming such right exists, the patentee can use its Swiss patent to prevent importation into Switzerland in any event.

Obviously, since a mere private right of prior use under a patent existing in another EU or EEA country would not permit patent-free importation into any EU or EEA country, the existence of such right of prior use in a third country outside EU and EEA would even less exhaust the patent right of the patentee in any EU or EEA country of importation.

Exhaustion of Patent and Trademark Rights

In relation to the survey relating to parallel imports, which was restricted to patents and trademarks (the survey into prior rights of prior use was restricted to patents), it should be noted that several of the

attorneys asked in the countries investigated have expressed certain modifications and doubts in relation to the questions that, according to Annex II, apparently were answered very definitely. Therefore, in any practical case, because of the specific circumstances involved professional advice should be taken.

Surprisingly, the survey shows that in quite a number of countries, namely Austria, Denmark, Finland, Germany, and Norway, a fully international doctrine of exhaustion of rights under trademarks is assumed. It is based, at least as far as Germany is concerned, on the principle that the exclusivity right given to an owner of a trademark is exhausted as soon as the trademark was affixed to respective goods. Such principle is applicable worldwide.

In all of these countries, however, where questions 12 and 13 were answered by "no" — possibly because of the realization of the Trademark Directive of the European Union in the form of national law — it might happen that the principle of fully international exhaustion of trademark rights (i.e. countries of origin outside the EU and EEA, may be restricted in a manner that, different e.g. from the traditional jurisdiction of the German courts, as far as Germany is concerned,) in the future the answers to questions 12 and 13 might have to be "yes."

It should also be noted that the interesting provisions in Greece, as far as questions 10 and 11 are concerned, would be based on the Law against Unfair Competition, and

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not on Trademark Law provisions. In Greece, it might even be possible to answer "yes" to question 6, again based on Unfair Competition Law.

As far as Italy is concerned, in relation to questions 12 and 13, the answers are rather doubtful, since there is still a "school" of Italian lawyers that believes the principle of full international exhaustion of trademark rights should apply, as in Germany.

In Ireland the provision exists that while the immediate answers to questions 8 and 9 are "no," importation of such products may be prohibited by the patentee if the products were made under a license agreement that contains restrictions in relation to importation into third countries in general or Ireland in

particular.

It should be noted that the results of the inquiries made are only of a temporary manner since jurisdiction, particularly in connection with the new Trademark Directive of the EU, might change national jurisdiction in the near future.

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ANNEX I — Exhaustion of Intellectual Property Rights and Right of Prior Use Under Patents in EU/EEA

1. Does the respective legal system provide for a private right of prior use for somebody who has used an invention in the respective country already before the priority date of a patent of a third party?

2. If such a private right of prior use exists, would the bringing into the marketplace of goods manufactured under the private right of prior use by the owner thereof in the respective country be considered as taking place "with the consent of patentee" or not?

3. If the answer to 2 is "no," would the situation be different if an agreement between the patentee and the owner of the private right of prior use would be made by which the latter would get a cost-free license in the respective country?

4. If a private right of prior use would exist in a third EU or EEA country different from the respective country, and if a product manufactured under the right of prior use by the owner thereof in that country would be brought into the marketplace in that country, would the importation of that product into the respective country be considered as lawful under the doctrine of EU and EEA, respectively, wide exhaustion of patent rights?

5. If the answer to 4 would be "no," would the answer be different if in the third country in question there would be an agreement (cost-free license) between the owner of the right of prior use and the patentee?

6. If a product patented in the respective country ("country of importation") is brought into the marketplace by the patentee or with its explicit consent in another EU or EEA country ("country of exportation") where a parallel patent of the same patentee exists, can the patentee use the patent existing in the respective country to prevent importation of that product into the respective country?

7. If a product patented in the respective country ("country of importation") is brought into the marketplace by the patentee or with its explicit consent in another EU or EEA country ("country of exportation") where *no* parallel patent of the same patentee does exist, can the patentee use the patent existing in the respective country to prevent importation of that product into the respective country?

8. If a product patented in the respective country ("country of importation") is brought into the marketplace by the patentee or with its explicit consent in a third country outside EU and outside EEA ("country of exportation") where a parallel pa-

tent of the same patentee does exist, can the patentee use the patent existing in the respective country to prevent importation of that product into the respective country?

9. If a product patented in the respective country ("country of importation") is brought into the marketplace by the patentee or with its explicit consent in a third country outside EU and outside the EEA ("country of exportation") where *no* parallel patent of the same patentee does exist, can the patentee use the patent existing in the respective country to prevent importation of that product into the respective country?

10. If a product bearing a trademark that is protected in the respective country ("country of importation") is brought into the marketplace by the owner of the trademark or with its explicit consent in another EU or EEA country ("country of exportation") where a parallel trademark of the same trademark owner exists, can the trademark owner use the trademark existing in the respective country to prevent importation of that product into the respective country?

11. If a product bearing a trademark that is protected in the respective country ("country of importation") is brought into the marketplace by the owner of the trademark or with its explicit consent in another EU or EEA country ("country of exportation") where *no* parallel trademark of the same trademark owner exists, can the trademark owner use the trademark existing in the respective country to prevent importation of that product into the respective country?

12. If a product bearing a trademark that is protected in the respective country ("country of importation") is brought into the marketplace by the owner of the trademark or with its explicit consent in a third country outside EU and outside the EEA ("country of exportation") where a parallel trademark of the same trademark owner exists, can the trademark owner use the trademark existing in the respective country to prevent importation of that product into the respective country?

13. If a product bearing a trademark that is protected in the respective country ("country of importation") is brought into the marketplace by the owner of the trademark or with its explicit consent in a third country outside the EU and outside EEA ("country of exportation") where *no* parallel trademark of the same trademark owner exists, can the trademark owner use the trademark existing in the respective country to prevent importation of that product into the respective country?

ANNEX II — Answers in relation to question 1-13

COUNTRIES

| | AT | BE | CH | DE | DK | ES | FI | FR | GB | GR | IE | IS | IT | LU | NL | NO | PT | SE |
|-----------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| QUESTIONS | | | | | | | | | | | | | | | | | | |
| 1. | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + |
| 2. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. | + | + | - | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + |
| 4. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. | + | + | - | + | + | + | + | + | + | + | + | + | + | + | + | + | + | + |
| 6. | - | - | + | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7. | - | - | + | - | - | - | - | + | - | + | - | - | - | - | - | - | - | - |
| 8. | + | + | + | + | + | + | + | + | + | - | + | + | + | + | + | + | + | + |
| 9. | + | + | + | + | + | + | + | + | + | - | + | + | + | + | + | + | + | + |
| 10. | - | - | + | - | - | - | - | - | - | + | - | - | - | - | - | - | - | - |
| 11. | - | - | + | - | - | - | - | + | - | + | - | - | - | - | - | - | - | - |
| 12. | - | - | + | - | - | + | - | + | + | + | + | + | + | + | - | - | + | - |
| 13. | - | - | + | - | - | + | - | + | + | + | + | + | + | + | - | - | + | - |

“+” = “yes”

“-” = “no”