

## Germany: BGH on scope of prior use right and modifications

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Hetti Hilge (Rospatt Osten Pross.)

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The Bundesgerichtshof (German Federal Court of Justice, BGH) clarified the scope and limits of a prior use right of a manufacturer and supplier of components of a patented device (BGH, judgment of 14 May 2019, X ZR 95/18 - Schutzverkleidung).

Under German patent law, a patent has no effect with respect to a party who can rely on a prior use right if, at the time the patent application was filed, it had already begun to use the invention in Germany or had made the necessary arrangements for doing so. The German case law on prior use rights has traditionally been restrictive. The continued use of the invention is limited to the business of the prior user and restricted in scope to the previously exercised use of the invention. Any modifications must not deepen the interference with the scope of protection of the patent. Accordingly, the burden for defendants in patent infringement proceedings to demonstrate and prove a prior use right with a sufficiently broad scope is high, taking into account normal business developments that occurred since the original use.

With its recent decision which confirms the judgment of the Appeal Court Duesseldorf, the BGH strengthens the position of a party that made prior use of the invention by manufacturing and supplying components for a device according to the patent to a third party and then switched to manufacturing the complete protected device on its own.

The patent in suit concerned a protective covering for radio systems consisting of certain components and a method for fabricating the protective covering by connecting the components. The defendant made direct use of the device claim and the method claim of the patent by constructing a spherical radome with protective covering but successfully relied on an - in part indirect - prior use right. In the past, prior to the application date of the patent, the defendant had already manufactured the components and delivered a construction kit for a corresponding radome to a third party construction company. Later, the defendant itself, and not a third party construction company, assembled the components to construct the radome in accordance with the patented invention on the construction site.

The BGH confirmed that the defendant as the manufacturer of the radome could rely on a prior use right with regard to the device claim. If the *only technically and economically sensible use* of the components is by assembling them to the complete protected device, the manufacture and delivery of the single components to a third party that finally assembles them not only constitutes an indirect but a direct use of the device claim by manufacturing. For the prior use of the invention acc. to sec. 12 German Patent Act, the court applied the same standard as for an infringing act of use acc. to sec. 9 German Patent Act. As a result, the defendant could rely on a direct prior use right for the manufacture of the complete patented device.

Moreover, the defendant could also rely on a prior use right with regard to the method claim which protected the corresponding, *technically and economically only sensible assembly* of the single components. The different category of the claim being a method claim does not exclude the prior use right if the patented method does not contain any teaching going beyond the assembly of the components to a complete device as protected by the device claim. Otherwise the defendant would not be able to make any economically reasonable use of its prior use right.

The BGH further confirmed that modifications to the previously used embodiment can fall within the scope of the prior use right if they do not deepen the infringement. This cannot be assumed anymore once a modification makes use of an additional advantage of the invention which has not been achieved by the previously used embodiment. Such can be the case if a modification for the first time makes use of an embodiment which is explicitly mentioned in view of this additional advantage in a sub-claim or in the patent description. If, however, the patent claim mentions two equivalent alternatives for a feature of which the prior user had only used one, or if the modification as disclosed in the patent description is obvious for the person skilled in the art who has knowledge of the invention, this will normally not justify a limitation of the prior use right for the modified embodiment.

Hetti Hilge, LL.M.  
rospatt ostent pross - Intellectual Property Rechtsanwälte