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The Right of Prior Use in Russia: Legal Base and Court Practice

By Kirill Osipov & Mikhail Khmara

As a result of granting a patent for an invention, utility model or industrial design, a patentee gains the exclusive right to use his invention, utility model, or industrial design in any legitimate manner in accordance with Article 1358(1) of the Civil Code of the Russian Federation (hereinafter – the Civil Code). The patentee is entitled at his discretion to permit or prohibit other persons to use the patented solution, and the other persons may not use the corresponding solution without the explicit consent of the patentee, except for some cases specially stipulated with the Civil Code. One of such cases is a third person's right of prior use of the patented invention, utility model or industrial design.

The right of prior use is provided for by Article 1361 of the Civil Code. According to that Article, any person who before the priority date of an invention, utility model or industrial design had conceived independently of the patentee and was using in good faith in Russia the identical solution or a solution that only differs from the invention by the equivalent features or made the necessary preparations for such use shall have the right to proceed with that use gratuitously provided that the scope thereof is not extended. The right of prior use may be transferred to another person only together with the enterprise at which the use of identical solution or necessary preparations for use thereof had been made.

In a patent infringement case, a defendant (an alleged infringer) may realise a defence based on his right to use of the patented solution if the circumstances established by Article 1361 of the Civil Code took place. Moreover, the case law stipulates that it is the plaintiff (the patentee) who shall refute the defendant's right of prior use, rather than the defendant shall prove that the patented solution was used by him in good faith before the priority date (case No. A44-6472/2012; [2]). This approach seems to represent an exception from a general concept enacted by Article 65(1) of the Arbitration Procedure Code of the Russian Federation: "*Each person participating in the case is obligated to prove the circumstances he uses as grounds for his claims or objections*", i.e., based on this provision, the burden of proof to gain the right of prior use should have been on the defendant.

In 2007 the Russian Supreme Arbitration Court ruled that a person may request the court to establish his right of prior use [1]. Thus, a defendant is permitted to file a new claim or a counterclaim within the same patent infringement case to have his right of prior use recognised. This approach was confirmed by the Russian Supreme Court again in 2015 [2].

What circumstances shall be found out to recognise the person's right of prior use? In terms of Article 1361 of the Civil Code, for origin of the right of prior use, a person had to conceive a solution identical to a patented one (or a solution possessing equivalent features in case of an invention patented) independently of the patentee and to use it in good faith or make the necessary preparations for such use before the priority date of the patented solution. Thus, the following circumstances are to be established:

(i) the date of the beginning of use or of preparations for such use of independently conceived solution, which date shall be earlier than the priority date of the patented solution,

(ii) whether the solution was conceived independently of the patentee,

(iii) whether the solution was being used in good faith,

(iv) whether it is possible to deem the person's actions towards the solution independently conceived by him to be use of the solution or preparations for such use.

The last aspect is of special interest. In case No. A40-189533/2014, the court decided that documents submitted by the defendant concerned scientific investigations performed, which was not sufficient to confirm at least preparations for use of the solution at the enterprise.

Not least important is the issue to determine the scope of prior use. According to Article 1361 of the Civil Code, prior use is the right to royalty-free use of an independently conceived solution within a certain scope without expansion thereof. This scope is to be established based on that at the priority date of the patented one, including necessary preparations for such use (case No. A71-9014/2013). The scope of prior use is determined in pieces of a product produced in reality. In case of determining the scope of prior use based on necessary preparations for further use of the solution, the court can take manufacturing capacity of the enterprise as a whole into account (case No. A44-6472/2012).

It is worth noting that recognising the right of prior use does not guarantee victory in the trial because the scope of using the solution identical to the patented one by the defendant might exceed the scope of prior use established by the court. In this case, the plaintiff's claims would be satisfied by the court in part, namely to the extent of exceeding the scope. If the solution was used by the defendant in the scope less than that of prior use, the plaintiff's statement of claim would be rejected by the court.

> *If information of prior use of the solution identical to the patented invention, utility model or industrial design has become publicly available before the priority date thereof, this information may be used by the defendant or any other person to submit a nullity action against the patent allegedly being infringed to the Chamber for Patent Disputes of the Rospatent to have the patent cancelled.*

Thus, the right of prior use can be an effective defence in patent infringement trials. Moreover, if information of prior use of the solution identical to the patented invention, utility model or industrial design has become publicly available before the priority date thereof, this information may be used by the defendant or any other person to submit a nullity action against the patent allegedly being infringed to the Chamber for Patent Disputes of the Rospatent to have the patent cancelled. This measure represents another strategy for defendants to proceed with in patent infringement disputes.

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1. Informative Letter No. 122 of 13 December 2007 adopted by the Presidium of the Supreme Arbitration Court of the Russian Federation.

2. The Review of Court Practice of Cases on Resolving Disputes on Intellectual Right Enforcement adopted by the Presidium of the Supreme Court of the Russian Federation on 23 September 2015.

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