

User Rights in Patent Law

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User Rights – Meaning?

User Rights = Legal doctrines that allow certain uses of patented inventions that would otherwise constitute patent infringement.

Examples:

- Experimental Use
- Regulatory Approval
- Exhaustion
- Implied License
- Prior User Defense

Affirmative Rights? Not necessarily (to be discussed)

Importance of Developing a General Paradigm of User Rights

Doctrines were created separately --- there is no overall unifying framework that enables their evaluation and further development.

Why is this important?

- 1) Enhancing public awareness to various privileges.
- 2) New exceptions may be more easily rationalized within a general existing paradigm of user rights.

Importance of Developing a General Paradigm of User Rights

3) Distinctions between current exceptions are not clear and there is a potential overlap between them.

- Purchaser of a patented device uses it for business purposes --- Private Use / Exhaustion / Implied License?
- Developing an improvement or a new application to the device --- any of the previous exceptions or only Experimental Use?
- What if the patented product is a “research tool”?

Risk: lack of clear boundaries → unpredictability → over-deterrence.

Defining the contours of each doctrine in a precise manner, would add clarity and allow users to utilize their privileges more efficiently.

Importance of Developing a General Paradigm of User Rights

4) Common doctrinal questions:

- Mere defenses or affirmative rights?
What would consider an infringement of a user right?
What should be the remedies?
- Can undue warnings be considered patent misuse?
- Should user rights be considered waivable?
- Should user rights apply only *in personam* (i.e., against the patentee) or *in rem* (i.e., against other parties as well).

Structure of the Paper

Introduction – The importance of developing a general paradigm of user rights in patent law

Part I - Theoretical justifications for user rights

Part II – Contextualizing each of the currently existing rights within the general framework

Part III – Evaluating the need to adopt additional user rights (fair use?) [O'Rourke; Strandburg]

Part IV – Discussion of common doctrinal questions

Theoretical Foundation

User rights can all be grounded in the very same economic theories traditionally used to justify the exclusive rights of the patent owner (with a bit of rephrasing).

Goal of the Patent System	User Rights
Incentive to invent (at all stages of the inventive process)	Experimental Use
Wide (and meaningful) dissemination of technology	Exhaustion Implied license Private Use

Distinguishing Between the Various User Rights

Relevant parameters useable in distinguishing between the various user rights include, for example:

1) The **type of users** to which the doctrine applies

- The general public
- Purchasers of patented products
- Specific groups of users (i.e., employers – in the case of “shop rights”)

2) The **type of activity** which the doctrine allows

Can each of the user rights be generally tied to one of the specific rights of the patentee? (**make / use / sell**)

Distinguishing Between the Various User Rights

	Make	Sell	Use	[Develop “derivative inventions”]
Exhaustion		+		
Implied License			+	
Experimental Use				+
Private Use	[+]		+	
[Other (more specific) doctrines]				
[Fair Use]	[+]	[+]	[+]	[+]

Exhaustion – Right to Sell

	Make	Sell	Use	[Develop “derivative inventions”]
Exhaustion		+		
Implied License			+	
Experimental Use				+
Private Use	[+]		+	
[Other doctrines]				
[Fair Use]	[+]	[+]	[+]	[+]

Current law [Quanta]: “The initial authorized sale of a patented item terminates all rights of the patentee over the article sold”.

Suggestion: Exhaustion applies only with respect to the right to sell [rationales: preventing patentees from extracting double recoveries & facilitating commerce by removing restrictions on alienation].

Implied License – Right to Use

	Make	Sell	Use	[Develop “derivative inventions”]
Exhaustion		+		
Implied License			+	
Experimental Use				+
Private Use	[+]		+	
[Other doctrines]				
[Fair Use]	[+]	[+]	[+]	[+]

Should be treated as a separate exception, ensuring the right of the purchaser of a patented product to **use** it [rationale is the desire to fulfill the expectation of most purchasers to use the things they buy].

Experimental Use – Derivative Right

	Make	Sell	Use	[Develop “derivative inventions”]
Exhaustion		+		
Implied License			+	
Experimental Use				+
Private Use	[+]		+	
[Other doctrines]				
[Fair Use]	[+]	[+]	[+]	[+]

Why not simply under the right to “use”?

- The exception should cover only certain uses – the ones related to follow-on R&D.
- An experimental user sometimes need to “make” the invention as part of her experiments.
- Need for a special balancing of the considerations.

Final Thoughts

	Make	Sell	Use	[Develop “derivative inventions”]
Exhaustion		+		
Implied License			+	
Experimental Use				+
Private Use	[+]		+	
[Other doctrines]				
[Fair Use]	[+]	[+]	[+]	[+]

- **Private Use** – only “use” or also “make”?
- **Fair Use** – general applicability?

- **Potential criticism** – shrinking user rights rather than strengthening them?

Thank you!

Please send me any comments are welcome –
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