

Hungary  
Hongrie  
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## Report Q175

in the name of the Hungarian Group  
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### **The role of equivalents and prosecution history in defining the scope of patent protection**

#### **Introduction**

The Hungarian Group greets the inclusion of Q175 into the agenda of AIPPI because it is our firm opinion that strong, valid and enforceable patents constitute an efficient driving force of technical progress, research and development. The reasonable use of the doctrine of equivalents and prosecution history enables a proper enforcement of patent rights.

We express our opinion to the questions in the order set forth in the Working Guidelines.

#### **Questions**

1. *If your country has a doctrine of "equivalents", what is it and how are equivalents assessed? Is it provided for by statute or case law?*

The doctrine of equivalents has been gradually introduced into the Hungarian patent law.

Prior to 1970 the scope conferred by a patent was practically limited to the wording of the claims. The legislator attributed outstanding importance to legal certainty.

In Patents Act of 1969, which came into force on January 1, 1970, the scope of patent protection was defined in Art. 13 as follows:

*"The scope of protection conferred by a patent shall be determined by the claims. The claims can be interpreted only on the basis of the description and the drawings."*

However, the Enacting Clause of the Patents Act contained the following provision:

*"Patent protection extends only to a product or process which realizes all characteristics of the claim. However, the rights for compensation derivable from the patent are not affected by the substitution of one or more characteristic features defined in the claim by equivalent features, or by improved features put at the disposal of the company who makes use of the invention by the patentee or the inventor, respectively."*

The above provision was applied to the remuneration of inventors. It happened namely that some companies tried to avoid the payment of inventors' remuneration by carrying out immaterial changes in the process or product as defined by the claims. Thus the doctrine of equivalents was clearly inserted into the legislation, although in a restricted manner by limiting it to the rights for compensation.

Act No. XXXIII of 1995 on the Protection of Invention by Patents which came into effect on January 1, 1996 was harmonized with the Protocol to Art. 69 of the EPC. The scope of patent protection is regulated by Art. 24 reading as follows:

- "(1) *The scope of protection conferred by a patent shall be determined by the claims. The claims shall be interpreted on the basis of the description and the drawings.*
- (2) *Patent protection shall cover any product or process in which all the characteristics of the claim are embodied.*
- (3) *The terms of the claims shall not be confined to their strict literal wording; neither shall the claims be considered as mere guidelines for a person skilled in the art to determine the claimed invention."*

Due to the accession of Hungary to the European Patent Convention, the Patents Act of 1995 was modified by Act No. XXXIX of 2002 effective as of January 1, 2003. However, the Article 24 relating to the scope of patent protection remained unchanged.

**It appears from the afore said that the "doctrine of equivalents" is now incorporated into the statute and is in full accordance with the EPC.**

Case law is, however, rather scarce in this respect. Moreover, all the reported cases were decided on the basis of the Patents Act of 1969 while there is no jurisprudence yet which would be established under the Patents Act of 1995. It is also noteworthy that the ban on the patentability of chemical products, medicines and foodstuffs **per se** (i.e. by **product** claims) has been abolished in Hungary in 1994 and all Court decisions in chemical and pharmaceutical cases were rendered on the infringement of chemical process (i.e. not product) patents.

In Hungary patent infringement suits are heard exclusively by the Metropolitan Court of Budapest and the decisions are appealable to the Supreme Court.

### **Jurisprudence**

- a) In a case directed to a mechanical invention in 1980 the Supreme Court did not find infringement but made the following interesting statement:  
*"The characteristic features of a claim cannot be interpreted in a formal way. It is not the wording of the claim which is important but the technical solution expressed by said characteristics claimed."*  
(Decision of the Supreme Court No. Pf. IV. 20 368/1980)
- b) In 1982 the Supreme Court decided upon the infringement of a chemical process patent. Also here infringement was denied but the Court made the following remark on claim construction:  
*"The technical solution protected by the patent is defined by the preamble and the characteristic part of the claim in their unity. For this reason on determining the scope of protection the main claim is to be considered in its complete unity."*  
(Decision of the Supreme Court No. Pf. IV. 20 162/1982)
- c) A similar definition can be found in the decision of the Supreme Court No. Pf. IV. 20 415/1983. Here the Court stated *expressis verbis* that the patent is only infringed if all the characteristic features defined in the preamble and the characteristic part are put into practice.
- d) In a recent decision the Supreme Court took a restrictive view in applying the doctrine of equivalents. The Court case referred to was not rendered in an infringement suit but in a negative declaratory judgement case. In the patent in caption a

chemical process was protected and in the process referred to by petitioner one of the reaction partners was replaced by a different compound. The Court came to the conclusion that in the process of petitioner other compounds were reacted than those defined in the claim and therefore this process did not fall under the scope of the patent.

(Decision of the Supreme Court No. Pf. IV. 20.904/1998)

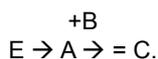
- e) A further decision rendered by the Supreme Court in a negative declaratory judgement case is of importance. Similarly to the case discussed above, petitioner referred to a process which differed from that defined in the main claim of the patent. Both in the process of petitioner and in that of patentee two compounds were reacted to give the same end-product. The chemical reaction claimed in the patent can be illustrated as follows:



The chemical reaction performed by petitioner can be shown by the following equation:



Petitioner alleged non-infringement by stating that compound E differed from compound A. On the other hand, patentee argued that compound E was just a precursor of compound A, i.e. it was converted into compound A in the reaction mixture and therefore in practice the following chemical reaction took place:



Patentee tried to prove the existence of the above reaction scheme in a theoretical way by molecular chemistry. However, patentee failed to provide evidence of the actual formation and presence of compound A in the process of petitioner.

The Supreme Court came to the conclusion that the patent was not infringed. The Court made the following statement:

*"The main claim of the patent protects a specific technical measure rather than the chemical reaction **per se** which takes place as a result of said technical measure. Petitioner uses a different compound and patentee could not prove the existence and presence of the compound defined in the claim of the patent. For this reason the process of petitioner does not utilize the characteristic features of the claim."*

(Decision of the Supreme Court No. Pfv. IV. 22 523/2001)

- f) Finally we take reference to a case in which the Supreme Court clearly acknowledged the doctrine of equivalents. This decision was made in a negative declaratory judgement case. The patent in caption related to a composition characterized by the presence of component X in an amount of 1-10% by weight. The composition manufactured and marketed by petitioner contained 0.71% by weight of component X. There was no literal infringement because 0.71% by weight was outside the interval claimed of 1-10% by weight. However, the Supreme Court declared there would be an infringement based on the doctrine of equivalents. It was undisputed that the active ingredient content of the allegedly infringing composition was beyond the interval defined in the claim. However, both the claimed composition and the product marketed by petitioner were concentrates used after having been diluted. Therefore only a small portion of active component X was utilized during the application in practice of the diluted composition. Thus the numerical interval of 1-10% by weight did not limit the scope of protection conferred

by the patent. The difference between 0.71% by weight used by petitioner and 1 % being the lower limit of the interval claimed was so insignificant that taking into consideration the merits of the technical solution petitioner's request to declare non-infringement had to be rejected.

(Decision of the Supreme Court No. Pkf. IV.21 599/1993)

**Summarizing** it can be stated that in Hungary the "doctrine of equivalents" is provided by the statute. Since the Patents Act of 1995 actually in force came into effect only a few years ago, there is no well-established case law yet. The Hungarian Group is confident that in view of the political-economical changes which took place in Hungary in the last decade and with regard to the imminent accession of Hungary to the EU the Hungarian Courts will have abundant opportunity to develop a suitable jurisprudence which takes into account both the interests of patentees for fair protection and the requirement of legal certainty for third parties.

2. *Can the scope of patent protection change with time, or is it fixed at a particular date? If it is fixed, at what date (e.g. priority, application date or date of alleged infringement)?*
3. *Does the prosecution history play a role in determining the scope of patent protection? If so, how does it work? In particular:*
  - a) *Is there "file wrapper estoppel" and if so in what circumstances does it arise?*
  - b) *Is there a difference between formal (e.g. oppositions) and informal (e.g. discussions with examiners) actions in the patent office?*
  - c) *Is there a difference between actions taken by the patent office and by third parties?*
4. *Is there any way the scope of claims can be limited outside prosecution, e.g. by estoppel or admissions?*

Unfortunately, the above questions 2 to 4 are neither regulated by statute nor explained by case law in this country. For this reason only the recommendations of the Hungarian Group concerning a satisfactory solution and interpretation of these issues can be expressed.

5. *Do you have recommendations for harmonisation in this area?*
  - A) The Hungarian Group is of the opinion that the scope of patent protection should **not** change in time. If the protection of equivalents by the patent was decided upon at different points of time, inventions and developments elaborated by parties other than the patentee could have been included into the scope of protection conferred by the patent. This would be unfair. Moreover, the change of the scope of patent protection with time would create legal uncertainty which would be clearly unequitable and against legitimate interests of third parties.
  - B) The question, whether a solution being different from that defined in the claims is an equivalent or not, should be decided upon on the basis of the state of the art **at the filing date of the patent**. This seems to be a justified and well-balanced solution. Moreover, in Hungary many important obligations and rights become effective as of the filing date of the patent. On this date the invention must be described in a complete and full manner, while the introduction of "new matter", which was not incorporated into the original text filed on the filing date, is clearly forbidden or can invalidate the patent, respectively. The term of patent protection is also computed from the filing date. The Hungarian Group favours the fil-

ing date of the patent as a cut-off date for the determination of the equivalent of non-equivalent character of the allegedly infringing solution.

- C) In the opinion of the Hungarian Group the prosecution history should be taken into consideration in the infringement suits. However, the "file wrapper estoppel" should apply under well-defined conditions. Only limitations carried out by patentee in order to avoid prior art and to prove novelty and/or inventive level should be a bar to the use of the doctrine of equivalents. It is important that the Court should carefully examine the reason why patentee abandoned a portion of the invention. Restrictions carried out for other reasons (e.g. too broad definition, clarification of obscure or ambiguous terms etc.) should not bar an equivalent from being taken up into the scope of protection of the patent.
- D) As outlined under paragraph C) it is always the **merit** and **reason** of the abandonment which is to be taken into consideration. Therefore it is irrelevant whether such limitation was carried out by patentee during prosecution or in course of an opposition or nullification procedure. Accordingly, it is also irrelevant whether such abandonment was performed in course of action with the Patent Office or third parties.

### **Summary**

The "doctrine of equivalents" has been incorporated into the Hungarian Patents Act of 1995 which came into force on January 1, 1996. The relevant Art. 24 is reading as follows:

*"(1) The scope of protection conferred by a patent shall be determined by the claims. The claims shall be interpreted on the basis of the description and the drawings.*

*(2) Patent protection shall cover any product or process in which all the characteristics of the claim are embodied.*

*(3) The terms of the claims shall not be confined to their strict literal wording; neither shall the claims be considered as mere guidelines for a person skilled in the art to determine the claimed invention."*

However, Hungarian jurisprudence is rather scarce in this respect. Moreover, the majority of the Court decisions rather denies the protection of equivalents. This is due to the fact that the reported Court cases were rendered on the basis of the previous Patents Act of 1969 which did not acknowledge the doctrine of equivalents. However, in view of the political-economical changes which took place in Hungary in the last decade and with regard to the imminent accession of Hungary to the EU the Hungarian Courts will have abundant opportunity to develop a suitable jurisprudence which takes into account both the interests of patentees for fair protection and the requirement of legal certainty for third parties.

The "file wrapper estoppel" is neither regulated by statute nor explained by case law in our country.

The Hungarian Group is of the opinion that the scope of patent protection should not change in time. In our view the question, whether a solution being different from that defined in the claims is an equivalent or not, should be decided on the basis of the state of the art at the filing date of the patent. The Hungarian Group is of the view that prosecution history should be taken into consideration in the infringement suits under well-defined conditions. Thus, only limitations carried out by patentee in order to avoid prior art and to prove novelty and/or inventive level should be a bar to the use of the doctrine of equivalents. Since in our opinion always the merit and reason of the limitation are to be taken into consideration, it is irrelevant whether such a restriction was

carried out by the patentee during prosecution or in course of an opposition or nullification procedure.

### **Résumé**

La "doctrine de l'équivalence" a été incorporée dans la loi hongroise sur les brevets de l'année 1995 entrée en vigueur le 1er janvier 1996. L'article 24 en question est formulé de la manière suivante:

*"(1) La protection conférée par le brevet est déterminée par les revendications. Les revendications sont à interpréter d'après la description et les dessins.*

*(2) La protection par brevet couvre tout produit ou procédé dans le(s)quel(s) l'ensemble des caractéristiques de la revendication est réalisé.*

*(3) Le sens des termes des revendications n'est pas limité à leur formulation littérale; cependant, les revendications ne doivent pas être non plus considérées comme de simples lignes directrices destinées à un expert afin de déterminer l'invention revendiquée."*

Néanmoins, la jurisprudence hongroise est plutôt laconique à cet égard. De plus, la plupart des décisions du tribunal tendent à nier l'application de la doctrine de l'équivalence. Cela est motivé par le fait que les décisions du tribunal publiées dans la littérature ont été prononcées en se fondant sur l'ancienne loi sur les brevets de l'année 1969 qui ne reconnaissait pas la doctrine de l'équivalence. Vu les changements politiques et économiques intervenus en Hongrie depuis une décennie ainsi que l'adhésion imminente de la Hongrie à la CEE, les tribunaux hongrois auront suffisamment l'occasion de développer une jurisprudence adéquate qui tienne compte aussi bien des intérêts du titulaire du brevet pour une protection appropriée que des exigences des tiers en matière de sûreté légale.

Le "file wrapper estoppel" n'est réglé en Hongrie ni par la loi sur les brevets ni par la pratique juridique.

Le Groupe hongrois est d'avis que l'étendue de la protection des brevets ne doit pas changer dans le temps. Nous considérons que la question de savoir si une solution différente de celle définie dans les revendications est équivalente ou non, doit être tranchée en se fondant sur l'état de l'art à la date de la demande. Le Groupe hongrois est d'avis que l'historique de la délivrance du brevet (prosecution history) doit être pris en considération dans des conditions bien définies en cas de litiges de contrefaçon. Ainsi, seules les limitations imposées par le titulaire d'un brevet afin d'éviter l'état de la technique et afin de prouver la nouveauté et/ou le niveau inventif doivent constituer une barrière à l'usage de la doctrine de l'équivalence. Puisqu'à notre avis on doit toujours prendre en considération le mérite et la raison de la limitation, la question de savoir si une telle restriction a été imposée par le titulaire du brevet pendant la délivrance du brevet ou au cours d'une procédure d'opposition ou d'annulation n'a aucune pertinence.

### **Zusammenfassung**

Die "Doktrin der Äquivalenz" wurde in das am 1. Januar 1996 in Kraft getretene ungarische Patentgesetz vom Jahre 1995 eingefügt. Der relevante Artikel 24 lautet wie folgt:

*"(1) Der durch das Patent gewährte Schutz wird durch die Ansprüche bestimmt. Die Ansprüche sollen aufgrund der Beschreibung und der Zeichnungen interpretiert werden.*

*(2) Der Patentschutz erstreckt sich auf Produkte und Verfahren, in welchen sämtliche charakteristischen Merkmale des Anspruches verwirklicht sind.*

*(3) Die in den Ansprüchen verwendeten Ausdrücke sind nicht so zu verstehen, daß deren Bedeutung auf den genauen Wortlaut einzuschränken ist. Ebenso wenig sollen die Patentansprüche so ausgelegt werden, daß sie dem Fachmann nur als Richtlinie zur Bestimmung der beanspruchten Erfindung dienen."*

Leider ist die ungarische Rechtspraxis in dieser Hinsicht ziemlich knapp. Der große Teil der veröffentlichten Gerichtsentscheidungen verneint die Anwendung der "Doktrin der Äquivalenz". Dies ist hauptsächlich der Tatsache zuzuschreiben, daß die in der Fachliteratur publizierten gerichtlichen Entscheidungen aufgrund des alten Patentgesetzes vom Jahre 1969 verkündigt wurden, gemäß welchem der Schutz von Äquivalenten noch nicht anerkannt wurde. Unter Berücksichtigung der in Ungarn im letzten Jahrzehnt stattgefundenen politisch-ökonomischen Änderungen und im Hinblick auf den bevorstehenden Beitritt unseres Landes zu der Europäischen Union kann mit Sicherheit damit gerechnet werden, daß die ungarischen Gerichte ausgiebige Möglichkeit haben werden, eine geeignete Rechtspraxis zu entwickeln, welche dem Patentinhaber einen angemessenen Schutz gewährleistet und für Dritte ausreichende Rechtssicherheit gewährt.

In Ungarn wird das "file wrapper estoppel" weder durch das Patentgesetz noch mit der Rechtsprechung geregelt.

Die Ungarische Landesgruppe ist der Ansicht, daß sich der Schutzzumfang von Patenten in der Zeit nicht ändern soll. Unserer Meinung nach sollte die Frage, ob eine äquivalente Lösung unter den Bereich der Ansprüche fällt oder nicht, aufgrund des am Anmeldetag des Patentbesitzes zur Verfügung stehenden Standes der Technik beurteilt werden. Der Ansicht der Ungarischen Landesgruppe nach sollte in Patentverletzungsklagen die Geschichte der Patenterteilung (prosecution history) unter bestimmten Bedingungen berücksichtigt werden. Die Anwendung der "Doktrin der Äquivalenz" sollte nur durch Einschränkungen verhindert werden, welche von der Patentinhaberin ausschließlich zwecks Abgrenzung der Erfindung vom Stande der Technik, bzw. zum Nachweis der Neuheit und der Erfindungshöhe durchgeführt wurden. Es sollte immer das Wesen und die Ursache der Einschränkung in Betracht genommen werden und es ist dementsprechend irrelevant, ob die Einschränkung im Laufe des Prüfungsverfahrens oder während eines Einspruchs- oder Nichtigkeitsverfahrens vollzogen wurde.