

Question Q228

National Group: Belgium

Title: Prior User Rights

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Date: 16 May 2014

1. ANALYSIS OF CURRENT LAW AND CASE LAW

- 1) Is there a provision in your national patent law that makes an exception to the exclusive right of a patent holder for parties who have used the invention before the filing/priority date of the patent (“prior user rights”)?**

Yes, Article 30 §1 of the Belgian Patent Act of 28 March 1984 (“**BPA**”) provides that the party having in good faith used or possessed the invention subject to the patent on Belgian territory prior to the filing date or the priority date of the patent, has the right to personally exploit the invention regardless of the patent¹.

Article 30 §2 BPA adds that the patent does not extend to actions on Belgian territory in relation to products subject to the patent, after the product in question has been put on the market in Belgium by the party enjoying the prior use right of §1.

¹ While not a ‘prior user right’ in the strict sense of the term, Article 70bis, §3 BPA further provides for a right, similar to that of Article 122(5) of the European Patent Convention (“**EPC**”), to continue to use the invention for the purpose of the business of those who have in good faith used or made effective preparations to use the invention between the time the patent or patent application has lapsed due to failure to pay the annual fees and the time of re-establishment of rights. The Belgian group notes that the ‘interim user right’ appears, according to the wording of Article 70bis, §3 BPA, restricted to use of the invention between loss of rights “*as provided in Article 40, §2 BPA*” (i.e. only after lapse due to failure to pay the annual fees) and re-establishment of rights, whereas re-establishment of rights is possible in situations other than failure to pay the fees since the amendments to the BPA that entered into force on 13 March 2014.

2) How frequently are prior user rights used in your country? Is there empirical data on how often prior user rights are asserted as a defense in negotiations or court proceedings?

No empirical data is available on the use of prior use as a defense in court proceedings, let alone in negotiations. That being said, published case law on the matter is rather scarce.

3) To what degree must someone claiming a prior user right have developed the embodiment which is asserted as having been used prior to the filing/priority date of the patent? Is it sufficient to have conceived of the embodiment, or must it have been reduced to practice or commercialized?

Article 30 BPA requires “use or possession of the invention”. In regard to prior user rights under the Patent Act of 24 May 1854, which did not contain a provision on prior use, the Cour de Cassation held that a successful prior use defence requires that the defendant proves that he had “*complete and practical knowledge of the invention, to the extent that he was able to practice the invention*” at the time the patent was applied for².

Belgian courts nowadays still apply this criterion³ which, in the opinion of the Belgian group, lies somewhere between mere conception of the invention and its actual reduction to practice.

Commercialization is, on the other hand, not a requirement to obtain prior user rights under Article 30 BPA.

4) Does it make a difference in your country if the prior use occurred before the priority date; or it occurred after the priority date, but before the filing date?

Article 30 §1 BPA requires use “*before the application date or the priority date*” (“*avant la date de depot ou de priorité du brevet*” – emphasis added). In view of Article 4.B of the Paris Convention for the Protection of Industrial Property⁴, the Belgian group holds the view that, if the priority date is valid

² Cass. 14 November 1980, Pas. 1981, I, 322: “*Attendu que l’exception d’usage personnel antérieur, soulevée en conclusions par le demandeur, requiert, entre autres, que celui qui l’invoque fournisse la preuve qu’avant la demande de brevet il avait déjà une connaissance complète et pratique de l’invention, de sorte qu’il était en mesure de l’appliquer à l’époque où le brevet a été pris, ...*”.

³ Ghent district court 24 April 2006, IRDI 2006, p.163; Ghent commercial court, 3 November 2011, Mr. J.B. / Mr. M.V., docket nr. A/10/00446.

⁴ “*Consequently, any subsequent filing in any of the other countries of the Union before the expiration of the periods referred to above shall not be invalidated by reason of any acts accomplished in the interval, in particular, another filing, the publication or exploitation of the invention, the putting on sale of copies of the design, or the use of the mark, and such acts*

and priority covers the relevant patent claim, only use before the priority date qualifies for a right of prior use. In other words, it makes a difference if a claim does not enjoy the right of priority.

5) Is there a territorial limitation with regard to the scope of prior user rights in your country? In other words, if a party has used the patented invention before the filing/priority date in a foreign country, can it then claim a prior user right in your country?

Article 30 §1 BPA requires prior use “*on Belgian territory*” to qualify for a right of prior use in Belgium. A literal reading thus excludes use in other jurisdictions as a basis for prior user rights in Belgium⁵.

In the *Travaux Préparatoires* of the BPA, the legislator explains that this restriction is justified “*par le fait qu’il ne convient de tenir compte que des seules situations acquises existant sur le territoire même ou le brevet exercera ses effets*” and reference is made to the German, French and Dutch patent acts.

However, the Belgian group holds the view that it can be questioned whether such a territorial restriction is practical⁶ and/or reconcilable with the principle of free movement of goods in the European Union (see *infra* question 21).

6) Is there a provision that excludes prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor?

Article 30 §1 BPA requires *in good faith* prior use of the invention. According to the Cour de Cassation⁷, that requirement implies, in particular, that the invention was not misappropriated from the patentee by the party invoking the exception. However, the Belgian group considers that in good faith prior use pursuant to a disclosure of the inventor/patentee can lead to prior user rights⁸.

cannot give rise to any third-party right or any right of personal possession. Rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in accordance with the domestic legislation of each country of the Union (emphasis added).

⁵ Ghent court of appeal, 19 October 1964, *R.W.* 1965-66, p.1687

⁶ B. Remiche & V. Cassiers, *Droit des brevets d’invention et du savoir-faire*, Larcier 2010, §482.

⁷ Cass. 14 November 1980, *Pas.* 1981, I, 322: “...*et que cette usage était légitime et de bonne foi, spécialement que celui qui soulève l’exception n’ait pas usurpé l’invention du breveté*”.

⁸ Reference can be made, for instance, to the limited grace period for disclosures at an official or officially recognized international exposition within the terms of the Paris Convention on International Exhibitions (Article 5, §5, a) BPA and Article 55(1)(b) EPC). While a disclosure at such an exposition does not affect the novelty of a patent application filed within six months of

- 7) **Is it necessary that the prior user has acted in good faith to be granted a prior user right?**

Yes.

- 8) **Is there a material limitation with regard to prior user rights in your country? More specifically, if someone has used an embodiment of a patented invention before the filing/priority date of the patent, can he then claim a prior user right to anything covered by the patent? In particular, is the owner of a prior user right entitled to alter/change the embodiment of the patented invention used before the filing/priority date of the patent to other embodiments that would also fall within the patent's scope of protection or is he strictly limited to the concrete use enacted or prepared before the patent's application or priority date? In the event that changes/alterations are permitted by your national law, to what degree?**

Article 30 §1 BPA confers a personal right to exploit the "*invention regardless of the existence of the patent*" for those having used or possessed "*the invention subject to the patent*". The Belgian group is not aware of case law clearly defining the scope of prior use rights.

While the text of the act provides no guidance on the issue and various interpretations of the provision are possible, the scope of the prior user right and the level of prior knowledge required to obtain such right appear to be intrinsically linked. A very broad interpretation of the rights of the prior user (e.g. the right to perform *any* act covered the patent) would imply a high threshold to obtain such a right (complete and practical knowledge of *all* aspects of the invention covered by the patent); whereas a more strict interpretation of the prior user's right⁹ would lower the threshold to obtain a right of prior use (complete and practical prior knowledge of an embodiment confers a right with respect to that embodiment only). See *infra*, question 23.

- 9) **Does a prior user right in your country require the continued use (or the necessary preparations of the use) of the invention claimed by the patent at the moment in which the objection of the prior user right is asserted or is it sufficient if the invention claimed by the patent has been used before the priority/filing date of the patent but has been abandoned at a later stage?**

the disclosure, it can give rise to a prior user right for third parties having witnessed the disclosure and having so obtained complete and practical knowledge of the invention.

⁹ In Q89D, the Belgian group appeared to favour a very strict approach to prior use rights: "*En revanche, le groupe belge se refuse à admettre que l'utilisation antérieure puisse continuer à exploiter l'invention sous une forme équivalente*".

No continued use is required. Use, possession or “*complete and practical knowledge*” before the priority or application date suffices¹⁰.

10) Is a prior user right transferable and/or licensable in your country? If yes, under what circumstances?

Pursuant to Article 30§3 BPA, it is transferable as part of a business only. It cannot be licensed¹¹.

11) Does your national law provide any exceptions or special provisions with regard to a prior user right owned by a company within a corporate group? In particular, can a prior user right be transferred or licensed to another group company?

It does not. Article 30 §1 provides for a *personal* right to exploit the invention and Article 30, §3 provides that the right can only be transferred as part of a business.

12) Are there any exceptions for any specific fields of technology or types of entity with regard to prior user rights in your country?

No.

13) The Groups are invited to explain any further requirements placed on prior user rights by their national law.

No specific requirements apart from those discussed hereinabove.

2. POLICY CONSIDERATIONS AND PROPOSALS FOR IMPROVEMENTS TO YOUR CURRENT SYSTEM

¹⁰ In Q89D, the Belgian group states that a prior user right is no longer available ‘*s’il apparaissait que l’inventeur a définitivement abandonné son invention, ce qui pourrait résulter par exemple du fait qu’un laps de temps fort long s’est écoulé entre les premières recherches et le moment où l’inventeur invoque l’exception*’, all the while noting that the courts have a certain margin of appreciation in that regard. The authors of this report hold the view that there is no basis for such abandonment in the patent act and therefore respectfully disagree with this assessment.

¹¹ In Q89D, the Belgian group states that the fact that a prior user has the right to perform all acts relevant to the exploitation “*implique également, selon le groupe belge, qu’il puisse soustraire les actes de fabrication à la condition que sa sous-traitance soit effectuée pour son compte exclusive, sous sa direction, son contrôle et sa responsabilité et que pour les actes de vente, il puisse concéder le droit de commercialiser les objets de sa fabrication*”. The group thus opined that the prior user also has so-called “*have made*” rights. The authors of this report acknowledge that “*have made*” rights are an issue that should be further examined. On the other hand, it is questioned whether such rights are reconcilable with the current wording of Article 30 §1 BPA, which explicitly provides for a *personal* right to exploit the invention.

14) Should a prior user right exist in any legal system? If yes, what is the main legal justification for a prior user right?

The Belgian group believes properly defined prior use rights strike a fair balance between the rights of the patentee, who has disclosed the invention to the public and those of the non-public prior user who, although he has not disclosed the invention to the public, should have the personal right to exploit the invention regardless of the existence of the patent.

15) What is the perceived value of prior user rights in your country?

The Belgian group holds the view that the value of prior user rights depends strongly on the specific circumstances of each case and, in particular, on the value of the patented technology. The limitation to the (rather small) territory of Belgium is perceived as a severe limitation of the value of prior user rights.

16) Are there certain aspects that should be altered or changed with regard to the existing implementation of the prior user right in your country? In particular, are there certain measures or ways that could lead to an improvement and/or strengthening of your current system?

The material and territorial scope of prior use rights should be clearly defined. Given the scarcity of case law on the matter, the lack of clarity on prior use rights prevents companies from taking clear and straightforward business decisions on prior use.

3. PROPOSALS FOR HARMONIZATION

17) Is harmonization of “prior user rights” desirable?

To a certain extent, yes. For instance, territorial restrictions on prior use would be an issue that is ideally decided on an EU-level, if not internationally.

18) What should be the standard definition of “use” in relation to prior user rights? Must the use be commercial?

The Belgian group believes that a definition on the basis of complete and practical enabling knowledge, i.e. a level of knowledge equivalent to that required for an enabling disclosure in a patent application, is appropriate.

19) What should be the definition of “date” (or “critical date”) for prior user rights? (i.e. when must the invention have been used to establish a prior user right?)

The Belgian group holds the view that the priority date, to the extent that it is valid, should be the relevant date to establish prior use.

- 20) Should a prior user right persist in the event that the use and/or preparation for use of the invention has already been abandoned at the time of the patent application/priority date or should the prior user right lapse upon the termination of the use and/or preparation of use?**

According to the Belgian group, this question is or becomes irrelevant if enabling (complete and practical) knowledge is accepted as the criterion to establish prior use.

- 21) What should be the territorial scope of a prior user right? In particular, if a party has used the patented invention before the decisive date in a foreign country, should it then be entitled to claim a prior user right?**

This issue is controversial. While Article 30 BPA requires prior use *in Belgium* to obtain prior user rights, the Belgian group holds the view such territorial restriction may be irreconcilable with the principle of free movement of goods in the European Union¹². It would be beneficial to obtain clear guidance on this matter to enable a level playing field between EU Member States as locations to conduct R&D activities¹³. A reference for a preliminary ruling to the European Court of Justice of the EU may ultimately lead to harmonization on this issue.

- 22) Should there be a provision that excludes prior user rights for those who have derived their knowledge of the invention from the patent holder and/or the inventor? If yes, should it be necessary that the prior user has acted in good faith to be granted a prior user right?**

No, a requirement of prior use in good faith should suffice. If the inventor/patentee has disclosed the invention to third parties before applying for a patent, he is to bear the consequences of such disclosure.

¹² On patent exhaustion, the Court of Justice of the European Union held in case 15/74 *Centrafarm v Sterling* that “the exercise, by the patentee, of the right which he enjoys under the legislation of a Member State to prohibit the sale, in that state, of a product protected by the patent which has been marketed in another Member State by the patentee or with his consent is incompatible with the rules of the EEC Treaty concerning the free movement of goods within the common market”. While clearly, the patentee’s consent is not at issue in the case of prior use, it is difficult, taking into account the purpose of the EU Internal Market, to conceive why prior use in Belgium would lead to a right of prior use in Belgium, whereas use in Spain or other Member States would not. Regrettably, Article 28 of the Agreement on a Unified Patent Court provides no guidance on the issue as it simply refers to Contracting Member States’ national patent laws.

¹³ Suppose EU Member State A accepts that prior use in Member State B is sufficient to establish prior user rights in Member State A; but Member State B does not accept that prior use in Member State A is sufficient to establish prior user rights in Member State B. This could make Member State B a more attractive location to establish research facilities, because prior use in B would generate prior user rights in A and B, whereas use in A would only generate rights in A, but not B.

- 23) Should there be material limitation with regard to prior use rights? In particular, if someone has used an embodiment of a patented invention before the filing/priority date of the patent, should he then be entitled to claim a prior user right to anything covered by the patent?**

Determining a fair scope of a prior user's rights is a balancing act. On the one hand, a very strict interpretation is likely to unduly restrict the business of a party having legitimately used an embodiment or process within the scope of the patent because minor variations after the priority date of the process/product would lead to loss of prior user rights to the modified process/product. On the other, the patentee would be bereft of fair protection if a prior user would be allowed to improve his existing product/process on the basis of the disclosure of the patent, without any compensation.

A possible position between these extremes could be to extend the prior user right to all products/processes the person skilled in the art would, taking into account the common general knowledge, consider to be obvious or equivalent variations of the embodiment or process practiced or known to the prior user before the priority date.

- 24) Should a prior user right be transferable and/ or licensable?**

The Belgian group believes it is appropriate to tie in the prior use right to the business wherein the activity giving rise to the right occurred.

On the other hand, it is probably appropriate to adapt current legislation to contemporary business, in particular taking into account the reality of corporate groups comprising several legal entities. The competition law concept of a "*single economic entity*" could perhaps be useful in that regard.

Also, the Belgian group would find it interesting to further examine whether the rights of a prior user could or should include "have made" rights.

- 25) Should there be any exceptions for any specific fields of technology or types of entity with regard to prior user rights?**

No.

- 26) The Groups are also invited to present all other suggestions which may appear in the context of the possible international harmonization of "prior user rights".**

The Belgian group has no specific suggestions other than those elaborated upon hereinabove.

Summary:

The standard to obtain prior user rights according to Article 30 §1 of the Belgian Patent Act is complete and practical knowledge of the invention, to the extent that the alleged prior user was able to practice the invention before the priority date. According to the Belgian Patent Act, only prior use in good faith *on Belgian territory* qualifies, but the Belgian group questions whether this requirement can be reconciled with the EU law principle of free movement of goods. The scope of prior use rights is not clearly defined, which leaves a lot of leeway for discussion.

Résumé:

En application de l'article 30, §1^{er} de la loi belge sur les brevets d'invention, afin de pouvoir invoquer, et bénéficier, de l'exception d'utilisation personnelle antérieure, l'utilisateur antérieur présumé devra démontrer avoir une connaissance complète et pratique de l'invention, de sorte qu'il était en mesure de l'appliquer avant la date de priorité. Conformément à la loi belge sur les brevets d'invention, seule la possession personnelle antérieure de bonne foi *sur le territoire belge* peut être prise en considération en vue de bénéficier de l'exception correspondante, mais le groupe belge se demande si cette exigence est conforme au principe de droit européen de la libre circulation des marchandises. L'étendue de l'exception de possession personnelle antérieure n'est pas clairement définie, ce qui laisse la porte ouverte à la discussion.