

Does my company
own intellectual
property rights?



A. A crucial question

When exploiting intellectual property rights it is crucial for a company to ensure that it is the owner of the intellectual property rights of its business.

A company should thereby realise that the intellectual property rights protecting works or inventions that are originally made by natural persons (employees or contractors) do not, as a rule, automatically belong to the company that ordered them or employs the persons who made them.

If there is no agreement, the law determines who is the beneficiary of the intellectual property

rights. In general, this is the **natural person** who created or invented the object of the intellectual property. Only in **exceptional and limited** situations does the law **assume** that the creator or inventor transferred certain rights to the employer or the commissioning party.

Moreover, it is also relevant to note that the **same creation** may be protected by **different intellectual property rights**. However, due to the different legal regimes governing the various types of intellectual property rights, the **beneficiaries** of these different intellectual property rights will **not always** be **the same**.

B. Who is entitled to intellectual property rights?

01. Patents

a. General rule

According to Belgian law the right to a patent belongs to the **“inventor or the assignee”**:

- The **inventor** is the person who makes a substantial contribution to the realisation of the invention by means of an effective, creative and intellectual contribution. Recently, the EPO confirmed that an inventor must be a natural person.¹
- The **assignee** is the person to whom the inventor has transferred his ownership of the patent. It should be noted that the inventor will not be able to transfer his moral right of paternity, i.e. the right to be named as the inventor of the patent. This right is inalienable and cannot be transferred.

Neither the Belgian Intellectual Property Office nor the European Patent Office examine whether the applicant filing a patent application is the inventor or his assignee. The law **presumes** that the applicant is entitled to apply for the patent.

The presumption of ownership can be **refuted**: the rightful owner may claim the ownership in a patent (application) if he proves the patent applicant/owner is not the rightful applicant/owner and he is. The rightful owner will thereby request that the ownership of the patent (application) is transferred to him. Such proceedings are called **revendication “proceedings”**. As an alternative to revendication, the rightful owner may claim the **nullity** of the patent.

If the rightful owner is entitled to only part of the patent (application), he will become joint owner of the patent (application).

Except in case of bad faith, a revendication procedure must be initiated within **two years** after the grant of the patent.

The Belgian and European patent systems are governed by the **first-to-file principle**, which means that the first applicant for a patent will be the patent holder, even if the applicant is not the first to have invented the invention in question.

Also, the **inventor always retains the moral right** to be named as the inventor of the invention in the patent. The transfer and assignments only concern the economic (exploitation) rights of the patented invention.

b. Rule for inventions created by employees

There are some **exceptions** to the principle that the right to a patent belongs to the inventor (or his assignee), namely in case of inventions created by employees. Depending on the circumstances, those employees are presumed to have transferred their patent rights to their employers. These exceptions do not have a legal basis in the law but are generally accepted in case law and by legal doctrine.

Three types of inventions are distinguished in this context: “service inventions”, “mixed/dependent inventions” and “free inventions”.

- A **service invention** is an invention which is a **direct result of the performance of the re-search duties** with which the employee was entrusted by the employer. In that situation, the employee is **deemed to have transferred** all exclusive economic rights to the employer, including the right to file a patent application. It is assumed that the salary received by such an employee is appropriate remuneration for the creation of the invention.
- A **mixed or dependent invention** is an invention made by an employee that is **‘related’ to the tasks performed by the employee or to the activities of the employer**. The exact scope of this ‘relation’ is unclear, but a certain input on the part of the employer seems to be required. There is a lot of **legal uncertainty** and discussion about these types of inventions.

¹ Find out more at: <https://www.cape-iplaw.com/news/646/Hallelujah-the-EPO-affirms-only-humans-can-be-inventors.html>.

- A **free invention** is an invention made by an employee during his free time, with his own resources and on his own initiative, with no relation to his employer. The patent rights to such invention belong exclusively to the employee.

Despite these assumptions and given the uncertainty with respect to the mixed category, it is **certainly advisable to make proper contractual arrangements in the employment contract** regarding the rights arising from inventions made by employees in order to avoid unnecessary discussions.

c. Rule for inventions created by contractors

In case of inventions created by contractors, the general rules apply (see above).

02. Trade marks

As regards trademarks, the rights, and thus **ownership derive from** their **registration**. Therefore, the person **who registers** the trade mark will be considered the original holder of the trade mark.

Once the trade mark has been registered, however, it is always possible to **transfer** the trade mark to a third party. As a result of this transfer, the person who initially registered the trade mark will no longer be the owner of the trade mark, but the third party to whom the trade mark was transferred will be.

Ownership relating to a trade mark **will therefore in principle, not cause problems in the employee-employer relationship** as the ownership is linked to the registration of the trade mark. This said, it might still be the case that the employee can claim another intellectual property right, especially copyright, in the trademark (cfr. *infra* cumul of intellectual property rights).

03. Designs

a. General rule

The right to register a design in principle belongs to the **actual designer**, his **legal successors** or his **assignee**. The actual designer is the natural person whose effort brought the design into being.

If a design is filed without the consent of the actual designer (or his assignee), the ownership or the nullity of the design (application) may be claimed by the person who proves he is the actual designer. The revindication action (i.e. claiming the ownership of the design) must be introduced within five years after the date of registration for Benelux designs, and within three years for a registered Community design.

b. Rule for designs created by employees

The law provides that in case of a **Benelux or Community design** is **created by an employee “in the performance of his duties”**, the **employer** shall be regarded as the **designer** (and will thus have the right to register the design in question) unless stipulated otherwise. The employee retains the moral right to be named as the designer of the design in the registration. The requirement of ‘**in the performance of his duties**’ should be interpreted restrictively and entails a clear link between the design and the employee-designer’s job (to be inferred from the employment contract).

c. Rule for designs created by contractors

The **same exception** as for employees applies to Benelux designs in a **contractor-relationship, if and in as far as the commissioning party** commissioned the design for **commercial or industrial use** of the product in which the design is embodied. In such case, the commissioning party will in principle be considered to be the designer unless stipulated otherwise. An order for a design to be used but not commercialised by the commissioning party will not be sufficient for the commissioning party to be considered the designer. In such case, an assignment and transfer by agreement is necessary.

There is no **exception** for Community designs in the **contractor-relationship**. In such case, the general rule applies and an assignment or transfer by agreement is necessary.

04. Copyright

a. General rule

The original owner of a copyright will always be a **natural person**, namely the creator/author of the work. If several natural persons have jointly contributed to the creation of the work and all these contributions fulfil the two necessary conditions for copyright protection, **co-ownership** arises.

In principle a **company** can thus never be the (original) author of a work, but can only obtain the copyright by assignment or transfer from the author to the company (by law or by contract). In such case, **only the economic rights of a copyright** are transferred. The moral rights are inalienable and will always remain with the original author (natural person).

The rules for transfer of copyright from the author are very severe: a writing is necessary to prove the transfer. This written agreement of the work should be drafted in a clear manner, and has to include the various ways of exploitation of the work **subject to the transfer**, the author's remuneration for each way of exploitation and the duration for which the exercise of the rights to the work is granted.

b. Copyright protected works created by employees and contractors

Under Belgian copyright law, the **employer and commissioning party are not automatically** owner or **deemed** to own the copyright that were made by their employees or contractors.

Only if the **transfer** of the employee's rights to the employer is contractually agreed upon, the employer will be regarded as the owner of the copyright.

There are **two exceptions** to this main principle:

- The economic rights relating to **software** created by employees in the course of their employment are **automatically deemed** to have been **transferred** from the employee **to the employer**. In this case, no contractual transfer is necessary. This **refutable** presumption applies not only to the situation where an employee creates a computer program in the execution of his employment contract, but also to the situation where an employee creates a computer program because his employer asked him to do so independently of his duties under his employment contract. To avoid any discussions, it is nevertheless advisable to have this transfer contractually established. It should also be noted that this presumption does not apply in relation to managers or directors of a company.
- The same applies to the economic rights associated with copyright on **databases created in the non-cultural industry**. There is a **refutable** presumption that only the **employer** is deemed to be the acquirer of the rights relating to databases created in the non-cultural industry by one or more employees in the performance of their duties, or according to the instructions of their employer. The term 'non-cultural industry' should be understood to mean the '**non-cultural sector**'.

05. Sui generis database rights

The original holders of the sui generis rights in databases are the **producers** of those databases, not the creators. The law defines the producer of a database as the natural or legal person who **initiates and bears the risk of the investments** which led to the creation of the database. The producer is thus the person who has made the necessary investments in order to obtain, control or present the contents of the database, i.e. **the investor**. This can be proven by all means of law.

Since in an **employee-employer or contractor relationship**, the employer will bear the risks of the investment, the **employer** will be the owner of the *sui generis* database right.

06. Trade secrets

Even though trade secrets are not considered as intellectual property rights in Belgium, they deserve mentioning considering their importance.

The **initial holder** of a trade secret is any natural or legal person who lawfully exercises control over the secret information.

Information will only be a trade secret if it:

- is secret, meaning it is not generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- has commercial value because it is secret; and
- it has been subject to reasonable steps given the circumstances, by the person lawfully in control of the information, to keep it secret.

It is highly recommended, in case of an **employee-employer relationship**, to make proper contractual arrangements such as implementing non-disclosure clauses in the employment contract regarding trade secrets developed by employees in the performance of that contract.



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