

# Counterfeit remains seized despite expiration of patent, decides Antwerp Judge

Kluwer Patent Blog  
February 19, 2015

Kristof Roox (Crowell & Moring)

Please refer to this post as: Kristof Roox, 'Counterfeit remains seized despite expiration of patent, decides Antwerp Judge', *Kluwer Patent Blog*, February 19, 2015, <http://patentblog.kluweriplaw.com/2015/02/19/counterfeit-remains-seized-despite-expiration-of-patent-decides-antwerp-judge/>

By Jan-Diederik Lindemans, Crowell & Moring

7 of the IP Enforcement Directive (measures for preserving evidence) was implemented in Belgium in Article 1369bis/1 et seq. of the Belgian Judicial Code. These *ex parte* proceedings, called (counterfeit) search and seizure proceedings, allow the competent Belgian court to grant the holder of an intellectual property right not only descriptive measures, but also conservatory seizure measures to safeguard the intellectual property rights that are at stake, pending the outcome of the proceedings on the merits. This is a powerful weapon as a stock can be 'frozen' and market launch prevented.

In 2008, Ajinomoto, the Japanese producer of animal food and feed, executed a search and seizure order and seized 4 565 ton of lysine (an additive for animal feed) stored in a Belgian third party's warehouse. The lysine was produced by a Chinese manufacturer. The main reason for the seizure was to prove that this lysine had been produced with Ajinomoto's patented method and to gather information concerning the parties involved in the trading of the counterfeit.

According to the defendants, the seized lysine was to expire in late 2009. They therefore attempted several times, in vain, to have the conservatory seizure lifted. Today, the proceedings on the merits are still pending. Ajinomoto's patent, however, expired on 28 November 2014. As there is no IP right anymore, the defendants requested the unconditional lifting of the conservatory measures as of 29 November 2014. As Ajinomoto only agreed to lift the seizure on condition that the lysine be destroyed, the defendants sued Ajinomoto before the judge that had granted the counterfeit search and seizure in 2008 on the basis of 'changed circumstances'. On 3 February 2015, the President of the Antwerp Court of Commerce rejected their plea.

In his ruling, the President of the Antwerp Court of Commerce first of all emphasized that a counterfeit seizure is intended primarily to obtain and secure evidence of the counterfeit in relation to proceedings on the merits. In addition, the effective seizure component protects the relevant intellectual property rights by imposing seizure measures on the alleged infringer of the patent.

Secondly, the President decided that in case of changed circumstances, he must reassess whether the conditions which led to the counterfeit seizure were still fulfilled. In this respect the President made a distinction between descriptive and conservatory measures. Descriptive measures (based on Article 1369bis/1 §3 Jud.C.) are a "snapshot" of a particular situation. To obtain these measures, the conditions (the existence of a *prima facie* valid patent as well as a *prima facie* infringement) must be fulfilled at the time of filing the seizure request. If, however, the patent had already expired at the time of filing, descriptive measures could still be obtained, according to the President, as long as the description concerned an infringement committed when the patent was still valid.

He held, however, that contrary to descriptive measures, conservatory measures were continuous measures which required, besides the *prima facie* infringement of a *prima facie* valid patent, a balancing of the interests of the parties and even consideration of public interest. As in the case of descriptive measures, the assessment of these first two conditions occurs at the time of filing the request. In other words, when the existence of an infringement of a valid subjective right has been established, no changed circumstances whatsoever could later affect this assessment. However, the third condition, that of the balance of interests, is not at all invariable.

According to the President of the Antwerp Court of Commerce interests evolve constantly. Hence, a balance of interests must be maintained not only when the conservatory measures are granted, but also when a decision is required concerning the confirmation or the lifting of the seizure measures. A changed circumstance could therefore affect and shift the balance of interests thus giving rise to the lifting of the seizure measures.

In this case, the President of the Antwerp Court of Commerce took the following relevant interests and elements into account when confirming the counterfeit seizure:

- The existence of a genuine claim to destroy the goods in the proceedings on the merits, which claim was filed at the start of the proceedings and had been upheld on appeal. In other words, the claim was not an opportunistic, last-minute claim made in order to block the lifting of the seizure;
- The potential unlawful competitive advantage for the alleged infringer were he able, immediately after the patent expiry, to dispose of goods which were manufactured on the basis of an allegedly patented method and imported into the territory during the period of protection of that patent;
- The potential health risk related to the re-entry into the market of animal feed additives that, according to the seized parties, expired in 2009; and
- The fact that maintaining the seizure had not caused additional damage to the warehousing company, as it had been systematically indemnified by GBT since 2008.

According to the President, it was therefore clear that, even today, the interests of the seized parties did not outweigh the other interests that were at stake. To our knowledge, this is the first time that a Belgian Court has tackled this question. The answer of the Antwerp judge is clear: once the *prima facie* infringement of a *prima facie* valid subjective right is established, the descriptive component of a counterfeit search and seizure will not be affected once the patent expires. However, with respect to the conservatory component, the judge has considerable discretion to take into account any changed circumstance and all (commercial and non-commercial) interests when deciding whether or not to lift the seizure after the expiry of the patent.