

Use Requirement, Evidence on Use and Compulsory License in New IP Law

The Industrial Property Law, came into force on 10 January 2017 and abolished the Decree Law Pertaining to the Protection of the Patent Rights, created a new environment for “use/work requirements of patents” and also created some uncertainty.

However the Decree Law had a clear provision on “*Use Requirement of Patents*” ruling that the patentee is under obligation to use the patent. The obligation to use must be realized within three years as of the date of publication in the relevant bulletin of the announcement related to the issue of the patent. Additionally the Decree Law was also ruling about “Evidence on Use” by stating that the patentee must prove the use of the patent by an official certificate to be filed before the Patent Office. The certificate (of use) is issued at the conclusion of the inspection of the manufacturing in the industrial premises where the invention is being put to use/worked. The certificate (of use) should confirm the fact that the patented invention is being implemented or that the (goods) object of the invention is offered for sale. Finally the Regulation on the Implementation of the Decree Law was ruling that when assessing the use, market conditions and conditions under the control of the patent owner as well as outside the control of the patent owner should be considered.

Depending on these provisions the patent holders, who did not start to use its patents or had to suspend the use for some reason, were filing a declaration on use with evidence OR a declaration explaining the legitimate reason for not using the patent.

However the new IP Law abolished the provisions on “Use Requirement of Patents” and “Evidence on Use”. Instead of this, the IP Law mentions about the use requirement within the provision on Compulsory License, considering that the only consequence of non-use of a patent can be a compulsory license over the patent.

As per to the relevant provision; “A patent owner must use the patented invention. When assessing the use, market conditions and conditions under the control of the patent owner as well as outside their control are considered. At the end of three years after publication of a patent grant in the Bulletin or at the end of four years after the patent application date, whichever expires later, any interested party can request the issue of a compulsory licence on the grounds that at the date of demand for compulsory license the patented invention is not being used or no serious and real measures have been taken to make use of the patented invention or the level of current use does not satisfy domestic demand. The same applies to an uninterrupted cease of use of patent more than three years without justified reason”.

The fact that the new IP Law does not explicitly rule about *Use Requirement of Patents* and *Requirement of Evidence on Use* created some confusions on the necessity and usefulness of filing a declaration on the use of the patent with evidence on use or filing a declaration explaining the legitimate reason for not using the patent before the TPO.

The only provision in Turkish Law ruling about results of not filing evidence on use of a patent is in the Regulation on the Implementation of the IP Law which rules that “*the declaration related that the patent is used or not used is submitted to the Institute within a certain period and then published in the Bulletin. The patents that have not been notified of their use within this period shall be published in Bulletin*”. The mentioned publication is a kind of announcement to third parties that the patent is not used (without a justified reason) and therefore a license over the patent may be requested from the patent owner.

On the other hand, this publication does not have a direct consequence or benefit. However it can only bring about a compulsory license demand. In case of a compulsory licence demand of a third party from a patent holder, there is a fixed legal procedure to be followed and the evidence filed before the TPO before this procedure starts can only be an indication of use of the patent.

That is to say that the evidence of use filed before TPO does not automatically prevent the third party from demanding a compulsory licence. However the patent holder may refer to this document/evidence while claiming that it does use the patent or there is a legitimate reason for non-use of the patent.

The lack of such document or evidence does not easy or fastens or removes the fixed legal procedure to be followed by the third party demanding the compulsory license. However the third party's have to apply to the Courts for a compulsory licence and must furnish proof that it has tried in vain to obtain from the patent owner a contractual licence on reasonable commercial terms and within a reasonable period of time. The patent holder is given a 1 month period for filing its defence and especially for filing evidence indicating the patent was used or there were legitimate reasons for not using the patent.

Accordingly, it can be concluded that even document/evidence on use were filed before the TPO or not, the compulsory license issue –due to non use of the patent- has to be brought to the IP Courts and the IP Courts should evaluate if the conditions for compulsory license due to non-use of the patent are fulfilled in the light of evidence and statements of the parties.

Consequently we think that in the light of the IP Law provisions filing evidence on use of patent or filing a statement before TPO explaining about the legitimate reason of not using the patent is optional. On the other hand we are of the opinion that such a filing may have a role to wean a third party from demanding a compulsory license by alleging non-use of the patent without a legitimate reason.

Finally in cases where use of the patent starts after three years as of publication of a patent or after four years as of patent application date, it is still useful filing evidence of use once the evidence becomes available; however in addition to non-use of patent within prescribed terms, the compulsory license provision seeks non-use of the patent **at the date of demand for compulsory license**.

Therefore filing evidence on use whenever it has become available may prevent a compulsory license demand/decision.



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