

Examining the implications of EPO opposition proceedings

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Since Turkey became a member of the European Patent Convention (EPC), the question of whether Turkish validation and enforcement of a European patent applies while proceedings before the European Patent Office (EPO) are pending has become a hot topic.

The owner of a European patent (EP) is normally concerned about how the pending opposition/appeal proceedings before the EPO will impact the enforceability or validity of the national patent in Turkey.

The strength of a patent may seem questionable in an enforcement attempt at national level because of pending EPO proceedings. The matter is much more complicated and risky if the patent owner is faced with an invalidation action at national level as well.

Interaction between national law and EPO proceedings

Once an EP is validated in Turkey, which has to be done within three months of the first grant decision of the Examination Board of the EPO, it becomes a national patent. National law rules that a granted patent can be subject to invalidity proceedings before IP Courts. Patent owners might fear that the patent may be maintained with amendments/limitations before the EPO but the national proceedings that focus on the scope of protection taking into account the first grant decision may finish in a shorter span of time and render the patent invalid. This is quite a routine scenario. The final decision in a patent



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invalidation action may be given in around four years whereas the EPO proceedings may take much longer. The mechanisms available to patent owners are demanding the court to delay the invalidity proceedings until the end of the EPO proceedings and/or demanding the national court to apply Article 138/3 of the EPC and permit the patent owner to limit the patent for national invalidity proceedings.

Before analysing these options, it is important to note that the new IP law came into force in January 2017 and introduced the post-grant opposition system for national applications for the first time. The legislator was able to see the risks of parallel proceedings run by the Turkish Patent and Trademark Office (TPMO) and the local IP court. It solved the problem by ruling in Article 138/2 of the country's IP law that the court should not decide on an invalidation demand about a patent on the grounds of lack of patentability criteria, insufficient disclosure and exceeding scope of application, before the decision on post-



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grant opposition or expiry of the opposition term is published on the official bulletin.

Although the legislator was asked to include in this provision pending EP applications that involve Turkey, it has chosen not to cover these and leave the matter to the discretion of the local court's judge. Unfortunately, explicitly excluding EP applications from this national provision may mean the judge believes that the legislator thinks that it is not necessary to delay national invalidity proceedings because of pending EPO oppositions.

Local courts mostly reject requests to delay the invalidation action due to the length of EPO proceedings. We observed that the IP courts only accepted waiting for EPO proceedings to finish in exceptional cases, if the EPO proceedings are at appeal level and above. It is also not clear yet how long it will take for the TPMO to deal with a post-grant

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opposition. Due to the nature of the law, any IP Court will have to wait for the outcome of the post-grant opposition proceedings of the TPMO.

Issues and solutions for EP holders

The implementation of Article 138/3 of the EPC may be the only tool for the EP holder in most cases in order to survive national invalidation. Article 138/3 of the EPC is binding on the national court, allowing the EP holder to limit the patent and to have the limited version of the patent taken into consideration for the invalidity proceedings. Although EP holders succeeded in recent attempts to have IP courts apply Article 138/3, it is quite new in Turkish law. IP Courts used to reject demands for the application of EPC 138/3 on the grounds that the IP Court was not capable of confirming that the EP holder's limitation was in line with the law and admissible. It is not clear how many times the IP Courts may allow the EP holder to limit the claims of the patent. It is known that one of the IP Courts in Istanbul allowed such limitation three times in the same invalidation action. However, this may not be a flexibility employed by all IP Courts.

Apart from all of these discussions the application of EPC 138/3 may not be the most appropriate or sought after solution for the patent holder. The patent holder faced with an invalidation action at national level will be forced to limit the claims before the EPO decides if such a limitation is really needed. Once the claims are limited at national level and then the EPO decides that the patent should be maintained without limitation, there will be no chance for the patent holder to go back to the first granted claims at national level. Furthermore, a local court applying Article 138/3 will only accept or reject the claim limitation without considering if it is really necessary to limit the claims. Once the claims are limited, the local court will continue with the evaluation of the invalidation action. If no limitation is done at the national level, the patent may be revoked entirely and the patent holder may lose the opportunity for it to be maintained at least with limitations. Consequently, the national invalidity proceedings, while the EPO proceedings are pending, will force the patent holder to limit the claims in a rush and perhaps unnecessarily. Whether this action was needed will only be known after the evaluation of the opposition and appeal by the EPO.

Therefore maybe another mechanism should be considered. When we look at Article 14 of the regulation on the

implementation of the EPC in Turkey with reference to Articles 11, 12 and 13, it states that an EP that is amended/limited due to the oppositions before the EPO is deemed as a national patent in Turkey as a result of a provision of the Turkish translation of the claims and publication of these on the official bulletin of the TPMO. This provision is apparently silent about the scenario where the TR validation of the EP is invalidated before the patent is limited at the EPO proceedings. The wording of the provision can be interpreted as stating that the limited EP – with a different scope of protection from the first granted version – can perfectly be protected in Turkey.

Invalidation decisions and limited claims

With this in mind, we considered if the court's invalidation decision regarding the first granted scope of the patent is a true obstacle to the protection of limited claims in Turkey. Our interpretation is that limited claims will not interfere with the court order, regardless of the nature of the court's invalidation order about the first granted, wider scope of protection of the patent. Indeed the Court did not make any evaluation on the validity of the limited claims and/or the decision of the court cannot be binding for the limited claims as the judgment of the court is about a different subject matter. Consequently, in our view, there may be room for validating the amended/limited claims of an EP in Turkey although an IP court decided on the invalidity of the previous, wider claims.

Enforcement actions

The national enforcement actions are also impacted by the pending EPO proceedings but certainly not as much as the national invalidation actions. However, the defendant of an enforcement action can come up with arguments challenging the strength of the patent by pointing to the ongoing EPO opposition on the patent. As a defence the patent holder mostly argues that the patent will only be protected for a certain time period and the enforcement proceedings should not be delayed for an unknown period. This lost time cannot be restored by adding to the patent term. When considering enforcement actions, local IP courts do not consider an ongoing EPO opposition procedure as much as they consider a national invalidation action. As a very common tactical act, the defendant of an enforcement action immediately files an invalidation action against the patent to jeopardise the enforcement action. It should be stated that precautionary injunction demands are not much impacted by invalidation actions filed after the precautionary injunction demand. However, the actions on merits are mostly consolidated due to the retroactive effect of the possible invalidation action.

Precautionary injunctions

Here arises another problem for the patent holder who demanded a precautionary injunction decision to prevent the irreparable harm of possible patent infringement and/or to

secure the outcome of an enforcement action on merits. The EP as granted or as amended in opposition, limitation or revocation proceedings shall determine retroactively the protection conferred by the application. The invalidation decision of the Turkish IP Court has a retroactive effect as well. Consequently a precautionary injunction decision may be granted depending on the existing scope of protection of the patent. However, after limitations /amendments, the scope of protection may change retroactively and it may be understood that the defendant party was not infringing the limited/amended scope of the patent. Similarly the patent may be revoked at national or EPO level and the rights arising from the patent are deemed to have never existed. As a result the party against whom the precautionary injunction was granted by the national court may come up with a compensation action depending on the retroactive character of the patent holder's limitation/amendment or depending on the revocation/invalidation of the patent at EPO or national level.

A risky scenario arises if the invalidation action (or revocation decision of the EPO) happens after a precautionary injunction is granted but before the infringement action on merits is concluded. In this scenario, the infringement action on merits is not completed yet and the court has not ruled if the patent was infringed or not. However, as the patent is already invalidated (or revoked) there is no patent right anymore and the infringement action becomes devoid of subject matter. The question is if the retroactive effect of the invalidation decision turns the granted precautionary injunction into an unjustified precautionary injunction decision and opens the route for the party against whom the injunction was made to file a compensation action for its alleged damages.

So far we have come across only one example of such a situation. One of the IP courts in Istanbul once decided that the invalidation decision on a patent does not turn the precautionary injunction granted before such a decision into an unjustified precautionary injunction and does not create room for compensation of damages. The reasoning of the judge was that at the date of the precautionary injunction decision there was a validly granted patent, which is guaranteed by the State. Consequently despite the retroactive impact of the invalidation decision, the previously granted precautionary injunction should not be deemed unjustified.

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Apart from this unique scenario there will be no such conflict. However, if the infringement action on merits is accepted before the invalidation decision, IP law states that the later given invalidation decision does not impact the finalised decisions on the patent. If the infringement action on merits is rejected then the compensation demand and the unjust character of the precautionary injunction will be based on the refusal of the infringement action and the invalidity decision will have no role.

Analysis of changes to Turkish law

Pending EPO proceedings and/or results of these have a big impact on the enforcement and validity proceedings at national level. In our opinion such an effect is quite understandable due to the nature of the EPs and the fact that the nationally validated patent is bound up with the decisions of the EPO. However, some precautions can be taken at national level in order to minimise the use of patent rights and to clear the scope of rights for any party. The new IP Law enacted in January 2017 was a chance to overcome the conflict of parallel proceedings of the patent office and national court due to the post-grant opposition system. However, EP applications are left out of the scope of the relevant provision and IP courts are therefore once again expected to come to fair and proper legal assessments regarding the gaps in the law.