

## The implications of EPO opposition proceedings on enforcement and validity actions in Turkey

Ever since Turkey became a member to European Patent Convention (EPC), the enforcement or invalidity of the Turkish validation of a European Patent (EP), while proceedings before European Patent Office (EPO) are pending, has been a hot topic. The owner of a EP is normally concerned with if and how the pending opposition/appeal proceedings before the EPO impacts the enforceability or validity of the national patent validated in Turkey.

The strength of a patent may seem questionable in an enforcement attempt at national level because of pending EPO proceedings, whereas the matter is much more complicated and risky if the patent owner is faced with an invalidation action at national level as well. Once a EP is validated in Turkey, which has to be done within a three month term as of first grant decision by the Examination Board of the EPO, it becomes a national patent. The national law rules that a granted patent can be subject to invalidity proceedings before IP Courts. The patent owner may see the danger that the patent may be maintained with amendments/limitations before the EPO. However, the national proceedings that focus on the scope of protection framed with the first grant decision may end faster with the invalidation of the patent. This is a quite routine scenario, but the final decision in a patent invalidation action may be given after around four years whereas the EPO proceedings may take much longer. The mechanisms at hand for the patent owner are demanding the Court to delay the invalidity proceedings until end of EPO proceedings and/or demanding that the National Court apply Article 138/3 of the EPC and permit the patent owner to limit the national 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, for the first time, introduced the post-grant opposition system for the national applications. The legislator could see the risks of parallel proceedings run by the Turkish Patent and Trademark Office (TPMO) and the local IP Court. They could solve the problem by ruling in Article 138/2 of the 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 or exceeding scope of application, before the decision on post-grant opposition or expiry of the opposition term is published on the official bulletin.

Although the legislator was requested to include the pending EP applications in which Turkey was designated within this provision, it was decided that these would not be covered and that the matter would be left to the discretion of the local Court's Judge. Unfortunately, explicitly excluding the EP applications from this national provision may have made the Judge think that the legislator believes it is not necessary to delay the national invalidity proceedings because of pending EPO oppositions.

However the local Courts mostly reject demands on delaying the invalidation action due to lengthy of EPO proceedings. We observed that the IP Courts only accepted to wait for the EPO proceedings in exceptional cases, if the EPO proceedings were at appeal level and above to finalise. On the other hand it is also not yet clear how long will it take for the TPMO to deal with a post grant opposition. However, due to the force of law any IP Court will have to wait for the outcome of the post-grant opposition proceedings of the TPMO.

Consequently, the implementation of the Article 138/3 of EPC may be the only tool for the EP holder in most cases to survive from the national invalidation attack. At the same time, Article 138/3 of EPC is binding for the national Court to allow the EP holder to limit the patent and to take the limited version of the patent into consideration for the invalidity proceedings. On the other hand, although the EP holder has succeeded in recent attempts to have the IP Courts apply Article 138/3, it is quite new in TR law. That is to say, the IP Courts used to reject demands for the application of EPC 138/3 on the grounds that the IP Court is not capable of controlling and confirming that the EP holder's limitation is in line with the law and is admissible. On the other hand, the number of times the IP Courts may allow the EP holder to limit the claims of the patent is not pre-determined. It is known that one of the IP Courts in

Istanbul allowed such a limitation three times in the same invalidation action. However, it is also known that this may not be a common flexibility for all IP Courts.

Apart from all of these discussions the application of EPC 138/3 may not be the most appropriate or desired solution for the patent holder. However the patent holder faced with an invalidation action at national level will be forced to limit the claims before the EPO decides if such limitation is really needed. However 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. On the other hand the local Court applying the 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 its chance 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 maybe unnecessarily, the necessity of which will be understood after the evaluation of the opposition and appeal by the EPO.

Another mechanism should perhaps, therefore, be considered. When we look into Article 14 '[t]he text amended due to opposition' of the Regulation on the Implementation of EPC in Turkey (referring to Articles 11, 12 and 13) it is ruled that the European Patent that is amended/limited due to the oppositions before EPO is deemed as a national patent in Turkey, as is the provision of the Turkish translation of the claims and publication of these on the official bulletin of the TPMP. This provision is apparently silent about the scenario where the TR validation of the EP is invalidated before the patent was limited at the EPO proceedings. However, if one only looks at the wording of the provision it may be interpreted that the limited EP – with a different scope of protection than the first granted version – can perfectly be protected in Turkey.

Keeping this in mind, we evaluated whether the invalidation decision of the Court about the first granted scope of the patent is a true obstacle in the face of the protection of the limited claims in Turkey. Looking into the matter from the perspective of obeying the Court orders, our interpretation is that this would not be acting against the court order. However, the Court's invalidation order is about the first granted, namely 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 targets a different subject matter. Consequently, in our view, there may be a room for validating the amended/limited claims of a European Patent in Turkey, although an IP Court decided on the invalidity of the previous, wider, claims.

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 does come up with the arguments challenging the strength of the patent, pointing the ongoing EPO opposition towards 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 which it would not be possible to heal by adding to the patent term. In the enforcement actions the 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, in order to jeopardise the enforcement action. It should be stated that the Precautionary Injunction (PI) demands are not greatly impacted by the invalidation actions filed after the PI demand. That said, the actions on merits are mostly consolidated due to the retroactive effect of the possible invalidation action.

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. It is known that the European patent (as granted or as amended in opposition, limitation or revocation proceedings) shall determine retroactively the protection conferred by the application. In addition, the invalidation decision

of the Turkish IP Court has a retroactive effect as well. Consequently, a PI 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 be deemed to never have existed. As a result the party against whom the PI was granted by the national Court may come up with a compensation action depending on the retroactive character of the limitation/amendment done by the patent holder, or similarly depending on the revocation/invalidation of the patent at EPO or national level.

The risky scenario happens if the invalidation action (or revocation decision of EPO) results after a PI is granted but before the infringement action on merits has taken place. In this scenario, the infringement action on merits is not-yet completed 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 PI into an unjustified PI decision and opens the route for the party who has received an injunction to file a compensation action for its alleged damages.

We have so far 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 PI granted before such a decision into an unjustified PI, and does not create room for compensation of damages. The reasoning of the Judge was that, at the date of the PI 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 PI should not be deemed unjustified.

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

As seen the pending EPO proceedings and/or results drastically impact enforcement and validity proceedings at national level. In our opinion such impact is quite understandable due to the nature of the European Patents and the fact that the nationally validated patent is bound with the decisions of the EPO. However, some precautions may be taken at national level in order to minimise the effective 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 this has only been partially accomplished: the European Patent applications have been left out of the scope of the relevant provision. Consequently, the IP Courts are once again expected to provide the most fair and proper legal assessment on the gaps of the law.