

Turkey: Conversion of a Non-Examined Patent to an Examined Patent During Court Proceedings

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A Turkish company active in the automotive sector filed a patent infringement action against a German global automotive company. The Turkish company alleged that a system used in the cars of the German company was infringing its non-examined patent granted by the Turkish Patent and Trademark Office ("TPTO"). As a counter-attack, the German company and its Turkish authorized dealer filed an invalidation action against the non-examined patent in question before the same Court. Although at the filing date of the invalidation action the patent was granted as a non-examined patent, during the court proceedings, the patent owner applied to the TPTO in order to convert its non-examined patent into an examined patent. Consequently, the status of the patent in question changed from a granted non-examined patent into a pending examined patent application. Obviously the strategy of the Turkish company was to jeopardise the pending invalidation action procedure on the grounds that an invalidation action cannot be filed against a pending patent application. The court appointed expert panel concluded that the non-examined patent did not meet the novelty criteria over the prior art documents. The Turkish company objected to the expert report, stating that they applied to the TPTO to convert the non-examined patent to the examined patent application and the outcome of that process should be awaited. The German company strongly objected to the request to delay the proceedings. The German company emphasized the main procedural rule and established Court of Appeal case law which says that the conditions at the filing date of an action should be taken into consideration while deciding on the merits of the action. Consequently, the Court should consider that the patent in question was granted as a non-examined patent at the filing date of the invalidation action. The German company also pointed out that the patent owner's application to the TPTO was in bad faith as its aim was to delay the outcome of the invalidation action.

The first instance Court accepted the arguments of the German company and decided to invalidate the non-examined patent without waiting for the finalization of the examined patent application process and rejected the patent infringement action.

Upon appeal of the Turkish company, the Court of Appeal ("CoA") overruled the decision of the first instance Court. The CoA stated that the first instance Court should have taken the pending status of the patent application into consideration despite the fact that the status of the patent was "granted" at the filing date of the action. The CoA referred the action back to the first instance Court.

The first instance Court decided to comply with the reversal decision of the CoA and asked the TPTO about the latest status of the patent in question. The TPTO informed the Court that, since the annual fees had not been paid by the patent applicant, the patent had become invalid. After confirming the latest status of the patent, the first instance Court rejected the patent infringement action as based on an invalid patent and the Court decided that there was no need to render a decision in the invalidation action, considering that the patent was invalid. Although the patent owner once again appealed the decision of the first instance Court, the CoA upheld the first instance court's decision. The CoA rejected the appeal request of the patent owner by highlighting the response sent by the TPTO and confirming the latest status of the patent.

The new Turkish IP Law, which came into force in 2017, removed the non-examined patent system from Turkish patent law. However, it is still possible to request conversion of a non-examined patent to an examined patent within the protection period of 7 years of a granted non-examined patent.

In the light of the CoA decision, third parties, filing patent invalidation actions against a non-examined patent, should still be prepared for a possible conversion request of a non-examined patent holder.