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TPI finally publishes new draft IP law

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On February 24 2016 the Turkish Patent Institute (TPI) published its long-awaited draft IP Law proposing amendments to patent rights in Turkey. The government has decided to regulate all IP rights in a single act: Book 4 of the act covers patent rights, while Book 5 covers common clauses for all IP rights (ie, trademarks, geographical indications, designs and patents).

Improvements

The draft appears to be promising, particularly in comparison to the previous proposals to amend the law. In regard to patents, the draft includes many new provisions to bring national law into line with the European Patent Convention – in particular, the draft implements Articles 53/(c), 54/(3), 56, 57, 88(1)-(4), 101 and 122 and Rule 136 of the convention.

The draft also improves the rather vague provisions of the existing Decree-Law 551 on prior use rights, the patent use/work requirement and service invention.

Another improvement in the draft is the introduction of the post-grant opposition system in line with the system set out in Article 101 of the European Patent Convention. As well as the TPI being able to rule on the revocation or maintenance of the patent as filed or amended, it can also rule on the partial maintenance of the patent. Thus, if the TPI is of the opinion that the patent as filed or amended at the opposition phase, can be protected partially, it can grant that part only.

The draft removes all criminal penalties in case of patent infringement. However, the new draft re-institutes the civil rights conferred on the patent applicant; thus, the patent applicant will enjoy all of the same rights conferred on the patent holder.

Issues

The draft fails to deal with some key issues and introduces some new limitations on the rights of patent owners.

For instance, the draft does not define the term 'biotechnological invention'. The existing Decree-Law 551 contains no definition of biotechnological inventions or conditions for patenting such inventions. As Turkey joined the European Patent Convention in 2000, all patents granted by the European Patent Office (EPO), including biotechnological inventions, are validated in Turkey and protected via a national patent granted by the TPI. However, the lack of a definition and patentability conditions for such invention creates uncertainty during the enforcement phase of biotechnological inventions before the IP courts.

Although the draft law does not define a biotechnological invention or the conditions for its protection, it does list non-patentable biotechnological inventions in Article 84(3) of the draft in line with Rules 28 and 29/(1) of the European Patent Convention. This may also not affect the prosecution, application phase or validation of a biotechnological invention, but may give rise to uncertainty during the enforcement phase.

Similarly, the draft law still lacks clear provisions on the novelty of the second or subsequent medical use of a known substance or composition. The European Patent Convention 2000 amendments introduced Paragraphs (4) and (5) into Article 54 of the convention. The aim of the amendment was to make clear that the patentability of a substance or composition comprised in the state of the art for use in a method should not be excluded, provided that its use for any such method is not comprised in the state of the art. As a member of the European Patent Convention, Turkey follows Articles 54(4) and 54(5) in relation to European patents granted by the EPO and validated in Turkey. However, in the past some IP courts have interpreted the lack of clear national law provisions as a lack of protection for these kinds of patent at the enforcement phase. Therefore, the new draft law was expected to remove this discrepancy and bring national law into line with the European Patent Convention.

Another issue is that the definition of 'patentable invention' in Article 84 of the draft is not in line with Article 52 (1) of the European Patent Convention. The new draft law defines 'patentable inventions' in Article 84(1) as “inventions that are new, inventive and industrially applicable”. However, it is important to emphasise that in principle, inventions from all fields of technology can be patentable provided that they fulfil the patentability criteria and do not fall within the scope of non-patentable inventions. This is also important to clarify the

patentability of biotechnological inventions.

The draft limits the scope of acts that constitute patent infringement – for example, extending the scope of a patent licence agreement without the patent owner's consent is no longer an infringing act. There is no explanation as to why this act has been removed from Article 144 of the draft. As mentioned above, the draft provides a single law covering all IP rights. The provisions introduced for trademarks, designs and geographical indications include the act of extending the scope of a licence agreement as an act of infringement. Therefore, it is difficult to understand why this act has been explicitly deleted for patents, thus limiting the acts constituting patent rights infringement.

Further, the draft does not clearly enable a patent holder to amend or limit claims on an invalidation action against the patent. Decree-Law 551 provides that patent claims can be amended or limited only during proceedings before the TPI (ie, not after the decision to grant). However, as Turkey is a member of the European Patent Convention, Article 138(3) of the convention applies in relation to European patents validated in Turkey. On the other hand, as national law makes no similar provision, national patents cannot benefit from the same right and thus a discrepancy arises between European and national patents.

A major problem faced by European patent owners in Turkey is caused by premature invalidation actions filed against the national validation of a European patent while the EPO opposition procedure is ongoing. Following the decision of the EPO Examining Division to grant a European patent application, the European patent enters the national phase in Turkey and is granted as a final national patent. Accordingly, the national validation of the European patent is open to invalidation actions in Turkey, even though the EPO is still evaluating the patent. The EPO's decision on the opposition or appeal procedures is binding in Turkey and the national validation is amended in due course.

Therefore, a European patent owner faced with an invalidation action in Turkey while EPO opposition or appeal proceedings are ongoing can request the Turkish IP court to delay the proceedings until the final EPO decision. This request is understandable as even if the IP court continues with the action and invalidates the patent as granted, the patent owner can in principle re-validate the amended or limited patent following the opposition or appeal proceedings. However, this request is not always accepted and most of the IP courts continue with an invalidation action without waiting for the outcome of the EPO procedures.

As mentioned, the draft introduces the post-grant opposition system. In addition, the legislature foresees the possibility of premature invalidation actions after the first grant decision while the opposition is ongoing before the TPI, and therefore Article 141(2) provides that “the court cannot rule upon an invalidity request before the opposition before the TPI is concluded.

It is a welcome change in the draft that the court should wait for the outcome of opposition proceedings before making a decision about the invalidity claim. However, this regulation applies only to national patent applications. Thus, for European patents, third parties will be allowed to file invalidation actions before national courts while the EPO is dealing with issues of patentability.

As the draft provides that the court must await the TPI's final evaluation for national applications, the conclusion of the prosecution proceedings before the EPO should also be awaited for European patents. Therefore, the draft should introduce a specific rule into Article 141(2) to prevent invalidation actions against European patents while opposition or appeal proceedings are ongoing before the EPO.

Finally, the draft deals with the issue of compulsory licensing in Articles 132, 133 and 134. However, certain major issues relating to compulsory licensing may create serious barriers for patent owners.

The first is the limited time period granted to the patent owner in Article 132(2) to file counter opinions and evidence in case a third party demands a compulsory licence before the courts. The time given to the patent owner (less than one month) is unnecessarily short, even limiting the right to defence granted by the Constitution and the Procedural Law.

In addition, Article 133(2) of the draft rules that a compulsory licence can be granted if the patent is not used for three consecutive years following publication of the grant decision. In fact, the same provision exists in Decree-Law 551. However, Article 133(2) of the draft provides that compulsory licensing can also be demanded if the patent is used but “the use is not sufficient to cover the needs of the national market”. This provision has nothing to do with public interst, as compulsory licences for public interest are already regulated in Article 132/1(c). Therefore, this additional ground is too vague: it will damage patent owners' business priorities and be liable to abuse by competitor third parties.

Comment
The draft law is open for comment via the TPI website. According to the new government's first 100 days, the new IP Law will be enacted in mid-2016. However, the draft may be amended by various parliamentary sub-commissions, as was the case with the previous draft, which was then drastically amended.

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