

## Protection of the Rights to an Invention in the New Turkish Patent Law\*

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A new decree on patents and utility models recently came into force in Turkey. This is the Decree, having the force of law, Concerning the Protection of Patent Rights, no. 551 of 24 July 1995<sup>1</sup>. The Patent Decree which was slightly amended by Law no. 4128 of 7 November 1995<sup>2</sup> replaced the Act Concerning Patents of 23 March 1879<sup>3</sup>.

The following is an explanation of the system whereby the Patent Decree, nearly all of whose provisions are new and in no way resemble those of the Old Act, protects the rights to an invention.

1. In terms of the intellectual property rights to an invention and consequently to a patent, the Patent Decree is based upon the EPC and the *doctrine of true entitlement*<sup>4</sup> that constitutes the basis of the national

\* Materials cited in an abbreviated form: BGH: Bundesgerichtshof (German Supreme Court, Ordinary Jurisdiction); EEA: European Economic Area; EPC: European Patent Convention; GRUR: Gewerblicher Rechtsschutz und Urheberrecht (a German periodical); O.G.: Official Gazette (Resmi Gazete); Old Act: The Act Concerning Patents of 23 March 1879; OLG: Oberlandesgericht (Court of Appeal); RG: Reichsgericht (German Imperial Supreme Court); RGZ: Entscheidungen des Reichsgerichts in Zivilsachen (Reports of Civil Cases decided by the RG in Germany); Rn: Randnummer; Patent Decree: The decree, having the force of law, Concerning the Protection of Patent Rights, no. 551 of 24 July 1995; Preparatory Material: Governments Draft and Commissions Reports (1/495), no. 756; TPI: Turkish Patent Institute; USC: United States Code.

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1 Patent Haklarının Korunması Hakkında Kanun Hükmünde Kararname, Karar Sayısı: KHK/551, O.G. no. 22326 (June 27, 1995) ve Patent Kanunu Tasarısı ile Adalet, Sanayi ve Teknoloji ve Ticaret, Sağlık ve Sosyal İşler, Plan ve Bütçe Komisyonları Raporları (1/495), TBMM, S. Sayısı 756 (=Preparatory Material)

2 O.G. no. 22456 (November 7, 1995).

3 İhtira Beratı Kanunu, [T.C. Mer'i Kanunlar (Legislation in force of the Republic of Turkey), 5/A, 649 et seq.].

4 This principle is known in German academic texts as "Erfinderprinzip" (See Georg Benkard/Karl Bruchhausen, *Patentgesetz, Gebrauchsmustergesetz, Kurz-Kommentar*, 9. Auflage, München 1993, §6 Rn. 2; Bernhart/Kraßer, *Lehrbuch des Patentrechts*, 4. Auflage, München 1986, 1987; Karl Bruchhausen, *Patent-, Sortenschutz- und Gebrauchsmusterrecht*, Heidelberg 1985, 58; Heinrich Hubmann, *Gewerblicher Rechtsschutz*, 5. Auflage, München 1988, 101; Rainer Schulte, *Patentgesetz*, Kommentar, 5., neubearbeitete und erweiterte Auflage, Köln, Bonn, Berlin, München 1994, § 6 Rn. 1). This principle is known in Switzerland as the "principle of application and its correction - Das Anmeldeprinzip und seine Korrektur" (See Mario M. Pedrazzini, *Patent und Lizenzvertragsrecht*, 2. Auflage, Bern 1987, 89). For English law, see W.R. Cornish *Intellectual Property*, 2nd Edition, London, 4-08; and for Austrian law, see Fritz Schönherr, *Gewerblicher Rechtsschutz und Urheberrecht, Grundriß Allgemeiner Teil*, Wien 1982, Rn. 109.

5 The EPC was born and entered into force in October 1977. Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom have all now ratified the EPC. Furthermore, EEA member countries are obliged to accede to the EPC as part of their duties under the EEA Agreement.

patent laws of most European countries<sup>5</sup>. As a result, the new Turkish patent law departs from the *principle of application* that the Old Act hitherto had embodied<sup>6</sup>. Under the application principle system, the patent is granted to the first applicant. A person who claims to be the authentic inventor (or his successor) of the invention, may only file a suit for a declaration that the patent is invalid. Only if the patent is declared invalid, may such a claimant apply to obtain a patent for himself for the same invention. He is not entitled to a patent vindicatio. In other words, he hasn't any right to claim the assignment, of either the patent application or the patent. The doctrine of true entitlement grants rights of ownership to a patent to the inventor or to his successor(s). Unlike the U.S.A., in Turkey, as in certain member states of the EPC, such as Austria, Germany, Switzerland and U.K. and as in the EPC system, the TPI does not investigate whether the applicant is the authentic inventor, nor demands an attestation of real ownership, i.e. the TPI does not undertake investigation of true entitlement. According to the U.S.A. system, when a patent application is made, the patent office either investigates whether or not the applicant is the real owner of the invention, or demands a declaration or attestation from the applicant that he is the real owner. If it is proven that the declaration or attestation is false, the patent is subject to cancellation or transfer, whilst the applicant may be convicted for making a false declaration or attestation<sup>7</sup>.

2. The reason of the doctrine of true entitlement is that patent rights are held to arise *ipso iure* in favor of the inventor-upon his invention or upon the disclosure of the idea of his invention to the public-without the need for any other action whatsoever being taken. For this reason, the new legal system protects the inventor or his successor against any person or his successor who unjustly applies for a patent and also enables him to initiate private suits against those (and their successors) who have unjustly obtained such a patent, even if they did so in good faith. Some commentators are of the opinion that the doctrine of true entitlement

6 See Nusin Ayiter, *İltira Hukuku* (Patent Law), Ankara 1968, 62; Ernst E. Hirsch, *Fikrî Sây* (Intellectual Work), First Volume, Istanbul 1942, 125.

7 See United States Code, Title 35-Patents, Sec. 115: oath of application. The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent. Such oath may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any officer having an official seal and authorized to administer oaths in the foreign country in which the applicant may be [Manual of Patent Examining Procedure, Original Oath or Declaration (R-1), 35 U.S.C. 25(A), 600-18, 600-19]. Whenever such written declaration is used, the document must warn the declarant that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001) [Manual, 35 U.S.C. 25(b), 600-18]; See A.R. Miller/M.H. Davis, *Intellectual Property*, St Paul, Minn. 1983, 98 and 99, and R.H. Brown/B.A. Lehman, *General Information Concerning Patents* (U.S. Department of Commerce, Reprinted November 1994, 12 and 13).

arises from natural law and that, for this reason, an inventor's rights to his invention stem not from legislated law but rather from natural law and the concept of justice<sup>8</sup>.

3. Invention is not an *act in law* but rather a *fact in law* (Realakt)<sup>9</sup> and for that reason, there is no need for there to be any will to be entitled to a right to an invention. Thus it is not essential that the inventor be a subject of rights. Until such time as invention has been publicly disclosed, it remains a purely personal right. With public disclosure it comes under the protection of patent law and it also is protected in accordance with patent law even before a patent has been obtained. The disclosure of an invention to the public means acquainting the world at large with the idea of the invention. The public disclosure of the idea of an invention could mean its revelation at a conference or at a meeting or indeed in the course of any encounter whatsoever; the dissemination of verbal or visual information about it; the exhibition or display of a physical expression of the idea as in the form of a machine, a fluid, or a substance for example. The communication of the idea of an invention even to just one person who is capable of understanding what is involved could, in some instances, be regarded as a public disclosure. Because invention is the product of intellect—that is, because it is the consequence of a creative act—only natural persons can acquire the distinction of "inventor". A corporate entity cannot be an inventor; it can only be the legal successor of an inventor. Service or company inventions must be approached in this way. If a corporate entity can obtain a patent for a company invention, the reason for it is that, if certain conditions are fulfilled as provided for in law, this right is acquired legally by the company from the inventor—that is, the legal right to seek and obtain a patent has passed to the company. As it happens, the Patent Decree refers to such inventions as "employees' inventions" or "workers' inventions", indicating that the inventor is in fact a natural person<sup>10</sup>.
4. That the right to an invention belongs to the inventor is made obvious by the provisions of articles 11.1 and 11.4 of the Patent Decree. Under article 11.1, "the right to seek patent belongs to the one making the invention or to his successor and can be assigned to others. If an invention has been made jointly by more than one person acting together, the right to seek the patent belongs to them jointly unless the parties have decided otherwise". That the inventor or his successor holds the right to an invention is also stated explicitly in article 11.4 of the Patent Decree and this matter

8 Bernhardt/Bruchhausen, *supra* note 4, § Rn. 1.

9 Bernhardt/Kraßer, *supra* note 4, 189; Hubmann, *supra* note 4, 11; Schutte, *supra* note 4, § 6 Rn. 5.

10 See Patent Decree, *supra* note 1, art. 16 et seq.

is also attested to in the provision, according to which, "the first person applying for a patent is the one who has the right to seek a patent until and unless the contrary has been proven<sup>11</sup>". As may be seen, the Patent Decree includes a presumption that the one applying to obtain a patent is the inventor or his successor and that this is the reason he has the right to receive the patent; that, in other words, the applicant is the one to whom the patent will be issued. Nevertheless, the true inventor (or his successor) is also granted a right to refute this presumption. That the presumption is wrong can be proven only by bringing suit in court however. That is, no claims can be brought before the TPI without a court decision, no demands may be made of TPI to recognize any rights whatsoever of the "true (authentic)" inventor; nor, unless a court has ordered the taking of precautionary measures while a patent examination is in progress, is there any recourse to having such an examination halted. While the examination process is in progress, the true inventor or his successor may bring suit against the false (wrongful) inventor, against his successor, or against any person who may have applied as successor when he was not legally entitled to do so; in the event that any one of the latter actually receives a patent, the true inventor may still bring suit against him; someone who has assumed a right from someone who was not authorized to assign cannot mount a defense on the grounds of having acted in good faith<sup>12</sup>. The possessor of an invention cannot initiate such a suit however. A situation of naked possession is something that may occur frequently where inventions are concerned. Suppose that a professor has discovered polyurethane, for example, and has given a sample of the substance to an assistant for study. The assistant, in this case, is the possessor of the invention. If a machine has been invented and the inventor has entrusted his technical drawings for it to a technician who will actually build the machine, that technician becomes a possessor of the invention<sup>13</sup>. Were a possessor to apply for a patent, the suit would certainly be brought against him; however because a possessor is not a successor, he has no right to bring suit himself. To be sure there are, in Germany, those who hold that a possessor is entitled to certain rights<sup>14</sup>. Under article 12.1 of the Patent Decree, if suit is initiated during examination and the claim of ownership is decided in favor of the plaintiff, the plaintiff may elect one of three options within three months of the date on which final judgment is handed down by the court: (1) that the application for the patent under dispute be treated as if the plaintiff had made it; (2) that the wrongful application be considered invalid and

11 This provision has been adopted from the article 60.3 of the EPC.

12 See Preparatory Materials 9, 10.

13 See RGZ 123, 57; RG GRUR 42, 209, 211, BHG GRUR 60 60, 546, 548.

14 See Patentgesetz § 8 OLG München GRUR, 51, 157 and Bernkardt/Bruchhausen, *supra* note 4, §8 Rn. 3; Contary opinion: Hubmann, *supra* note 4, 121.

that the new application that the plaintiff makes be accepted retroactively as of the date on which the wrongful application was made; (3) that the application be rejected on the grounds of usurpation. If the one making the wrongful application has already been granted a patent however, then the person who is properly entitled to the patent may bring suit demanding that the patent be assigned to him, with all rights and claims arising from the patent being reserved. This suit may also be initiated by the inventor's successor. Successorship may arise from the transfer of the right to seek patent through a contract, a result of execution, or through inheritance. The true inventor cannot initiate such a suit against anyone who has legally acquired the right to seek patent from the true inventor himself.

Looking at the matter in greater depth now, it appears that there are a number of points at which the Turkish system differs from articles 60 and 61 of EPC, on which that system is based and that it incorporates a number of ambiguous statements that invite dispute on many grounds.

5. First of all, article 12.1 of the Patent Decree, which is entitled "The usurpation of the right to seek patent" governs the suit that the rightholder may initiate during the course of a patent examination, and the options from among which he may choose in the event he wins the suit, makes reference to article 129- a reference not found in article 61 of EPC. This creates certain problems. According to this provision "A person claiming, pursuant to the provisions of the first paragraph of article 11 during the course of patent-issuance procedures, to be the person properly entitled to the right to seek patent may initiate suit against the entitlement of the applicant pursuant to the provision of article 129". The 129th article referred to indicates the grounds on which a suit may be initiated for a "judgment holding that a patent is invalid". In point of fact, since the patent examination is still in progress -in other words, since the patent has not yet been issued- *it is impossible to demand a "judgment holding that a patent is invalid"*. Even if one takes the approach that the "application be held invalid", not even that construction is in accord with the provision because, as listed above, only one of the three alternatives provided for in article 12 leads to the consequence of the "invalidity of the application"; the others are incompatible with the application's being invalid. Furthermore, clause 1 (d) of article 129 clearly stipulates that, if it is proven that a patent-holder did not have the right to seek patent pursuant to article 11, the court will rule that the *patent* is invalid.

Although the second paragraph of the same article stipulates that, in a situation where a claim is made that the patent-holder did not have the right to seek patent under article 11, the provisions of article 12 will ap-

ply and the court will issue a judgment allowing selection of one of the options in article 12 rather than a judgment holding the patent to be invalid, this still does not resolve the problem. The reason is that the harmonization of articles 129 and 12 provided for by 129.2 is only partial: the meaning and intent of the reference that article 12 makes to article 129 are incomprehensible and ambiguous.

Furthermore, the suit provided for in article 12 is in the nature of a declaratory action: the phrase "suit initiated to determine the right to seek patent" in the last clause of the article makes it clear that this is so. This is also borne out in the Preparatory Material<sup>15</sup> for article 12 in which it is explicitly stated that the article "is intended to establish rights in a suit initiated by the person who is properly entitled to the right to seek patent in the stage prior to patent issuance". Since this suit is a suit for declaratory action, the reference to article 129 becomes meaningless. The interpretation that lawmaker's reference to article 129 is intended to ensure on the one hand that the true right-holder is ascertained and on the other that a wrongful application is invalidated and that the meaning of this reference is that the application will be considered invalid if the plaintiff fails to exercise one of his options within three months' time is also unacceptable because of the last clause of article 12 of the Patent Decree. According to the final sentence of the last clause of article 12, if the plaintiff's petition has been accepted, patent-issuance proceedings will be suspended by the court for a three-month period commencing on the date that final judgment is handed down. This provision makes it clear that what is being held invalid by the court's decision is *not* an existing patent application.

Under these circumstances it appears that the interpretation that is best in accord with the provision and intent of the law is the one that holds that the reference made to article 129 serves the purpose of making it possible for the suit referred to in article 12.1 to be initiated at any time whatsoever until the date on which the patent is issued.

6. The final paragraph of article 12 of the Patent Decree is also vague. According to this clause, if a suit has been initiated to determine the person entitled to the right to seek patent, a patent application cannot be retracted without the plaintiff's consent until the suit has been adjudicated. The purpose of this is to ensure that the plaintiff will be able to exercise one or the other of the three optional rights available to him should the judgment be in his favor -this is especially pertinent with respect to retroactive rights as they apply to the application date. According to the last sentence of this clause: "Patent-issuance proceedings shall be suspended

<sup>15</sup> (Art. 12), 9.

by the court from the announcement of application until the date of final adjudication if the plaintiff's petition is rejected or, if the court finds in favor of the plaintiff, for a three-month period as of the date on which the judgment is finalized." It is not clear whether or not this suspension is supposed to be mentioned in the court's decision or whether a separate ruling to this effect is required. Furthermore, the law does not make it clear what will happen if the plaintiff, having won the suit, does not elect one of the three options within the subsequent three-month period. One could arrive at the conclusion that the application will, in such an event, be brought to conclusion and that the wrongful applicant or successor will be awarded the patent. The wording is such that one could assert, albeit in a roundabout way, that the law actually supports such a resolution though such a construction is weak on moral grounds insofar as it would result in a court's bestowing a patent on a false inventor—that is on someone whose theft had been established in the form of a court decision. In my own opinion, if a plaintiff who has won such an action fails to elect one of the three options during the period available to him, the invention would enter the public domain. If, on the other hand, the suit is rejected, it is not altogether clear whether the patent application is to be suspended from its "announcement" until the date on which the court's decision is finalized. Whatever stage an application may be at, its suspension should be effective as of that moment. If an announcement has not yet been made, it cannot be right that proceedings should be pushed forward to the point of announcement, for the announcement to be made and for the proceedings then to be put on hold. Similarly if the suit is initiated after announcement has taken place, suspension should result in proceedings being frozen at whatever stage they may currently be.

7. The plaintiff is to notify TPI which of the three options he has elected. Even if the court's decision makes no mention of these options, the plaintiff can still exercise his right to petition TPI and choose an option, since the plaintiff's right to make such a choice arises from the law itself.
  - a) The first option is; *"the patent application adjudged to have been wrongfully made shall be regarded as if it were (the plaintiff's) own and shall be treated accordingly"*. What is involved here is not an assignment of an existing patent application to the plaintiff: the one who made the original application never makes a statement of assignment concerning the application nor is there a court order that might take the place of such a statement. To be sure, there is a court decision; however that decision does not provide for a transfer of the application: it simply determines who the person properly entitled to the patent is. It is at this very point that the Patent Decree diverges from the German *Patentgesetz* that inspired it. In

paragraph 8 of the latter, a plaintiff initiates a suit to have a patent application transferred to himself if a patent has not yet been granted; if the court upholds this petition, its judgment is the equivalent of the defendant's willing assignment<sup>16</sup>.

If the plaintiff elects the first alternative, TPI will continue with the patent examination as of the date on which action was last taken—which is, to say under the last paragraph of article 12, the date on which the court-ordered suspension was issued. If conditions are fulfilled, TPI will issue the patent in the name of the plaintiff.

- b) If the plaintiff notifies TPI that he has elected the second option, he also has the choice of submitting another patent application and, additionally, of doing so effective another date (so long as he remains within the three-month window). The plaintiff's application must in this case fulfill all the formal and material requirements of a normal patent application.

This application assumes the date of the old (existing) application that has been ruled invalid and takes advantage of all preemptive rights that the other might have enjoyed.

- c) The third option involves a petition on the part of the plaintiff for a rejection of the existing application on the grounds that usurpation is involved. In the Preparatory Material for this article it is stated that such a petition implies a waiver of the right to seek patent and that should the patent be rejected, the invention would consequently fall into the public domain<sup>17</sup>. The language of the Patent Decree however does not support the "waiver" construction.

8. Under the provisions of article 13.1 of the Patent Decree, if a patent has been issued to someone other than its true right-holder, the person claiming to be the true right-holder may demand the patent be turned over to him with all his other rights arising under the patent being preserved. The action involved in such a suit is the transfer of the patent. If the court rules in favor of the suit, the court decision will state that the patent has been "turned over" to the plaintiff. Even if the judgment does not explicitly call for such a transfer, there is no need to obtain the defen-

16 For the Swiss system see, Pedrazzini, *supra* note 4, 89. A similar view was expressed by Cornish on the British system: "If challenger shows that he, and not an applicant is properly entitled to a patent, for all or some part of the subject-matter covered by the specification, the tribunal has a wide discretion to do what it thinks fit. The proper claimant may be allowed to join in, or take over, the existing application; or, if the patent has already been granted, to be registered as proprietor. Or he may be allowed to start afresh, taking for himself the date of filing of the displaced application (provided that he does not add to its disclosure); but after grant this course is open only if proceedings are begun within two years. There is also power to grant and transfer licences, and to register transactions and instruments relied upon by the claimant (see, Cornish, *supra* note 4).

17 See, Preparatory Material (art. 12), 10.



dant's consent to it. The reason is that the court's decision is the equivalent of such a declaration on the defendant's part.

This suit is in the nature of an action *in rem*. For that reason it resembles an "action for recovery of property" in civil law, which is to say, *rei vindicatio*. In German court decisions<sup>18</sup> and academic texts<sup>19</sup> it is called *Patent vindikation*, however this is criticized by some commentators<sup>20</sup> on the grounds that it leads to misunderstandings. This suit can be initiated not only by the real inventor and his successor but also, if possession stems from the inventor, by the possessor of the invention as well. This suit may be initiated against someone who has applied for a patent, against someone who has taken over the application from him, and even against persons acting in good faith who may have acquired the patent from someone else. Neither a patent nor a patent application can be acquired simply as a result of acting in good faith. The suit may also be initiated against the possessor of the invention: article 77 of the Patent Decree does not prevent the initiation of such a suit. Even if only a partial right to a patent is being asserted, the suit may be initiated with the aim of establishing joint-ownership in any assignment of the patent.

Suits may be initiated within two years of the date on which a patent is announced; if malice is involved however, the suit can be brought at any time before the patent's protection expires.

18 BGH (20.2.1979), BGHZ (73) 342, BGH (6.10.1981), BGHZ (82) 13 vd.

19 See Bernhard/Kraßer, *supra* note 4, 187 *et seq.*; Hubmann, *supra* note 4, 121; Schulte, *supra* note 4, § 8.

20 Bernhardt/Brauhhausen, *supra* note 4, § 8.