

urkey began this year with a new law regulating and effecting almost all intellectual property rights, unifying them into a single code. This Industrial Property Code number 6967 ("the IP Code") came into force on 10 January 2017.

The IP Code replaces the Decree Laws which regulated the protection of trademarks, patents, geographical indications industrial designs. Turkey has a long tradition of protecting intellectual property rights and is signatory to almost all the international treaties in this field. The chief purpose of the new law's enactment was simply to replace the Decree Laws as the Turkish Constitutional Court had annulled various provisions believing that property rights should not be regulated by a code. Accordingly, while many of the provisions of the former Decree Laws are absorbed into the Code, there are several new provisions and amendments to provide compliance with recent developments in EU IP law and find solutions to the complex issues raised by stakeholders during the enforcement of old Decree Laws.

The IP Code contains five chapters and approximately 200 provisions, with introductory provisions and common provisions. It is divided into books regulating trademarks; geographical indications and traditional product names; designs and finally patents.

The launch of the new IP code, led the Turkish Patent Institute to change its name to the 'Turkish Patent and Trademark Office' ("the office").

Despite its 10 January launch, the

prosecution of national and international trademark and desian applications, geographical indication applications and national patent applications filed before that date will be finalised as per the regulations in force at the filing date of the applications, as per Provisional Article 1. Thus, the Decree Laws relating to the protection of trademarks, patents, geographical indications and industrial designs will still be correct for all applications filed before 1 January. IP rights owners will only be entitled to enjoy the developments and amendments introduced to Turkish IP Law with the IP Code for applications filed after 10 January.

Trademarks

While regulating the signs to be registered as a trademark, the graphical representation criteria for signs to be registered as a trademark have been changed to "signs capable of being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor".

Under the previous regulation; the office was accepting only one representation from a single dimension for the national trademark applications, but this amendment will enable three dimensional trademark samples to be prepared with more than one representation from different angles.

Further, "colours" and "sounds" have been explicitly stated under "signs" that can be qualified as a "trademark" for the first time. It was still possible to register them under the former legislation through interpretation, but it is good that now it is clearly mentioned in the Code.

One of the major amendments in the IP Code is the co-existence provision regulated under Article 5/3. Per the Article 7/1(b) of the Decree Law relating to the Protection of Trademarks, a later dated application which is identical or indistinguishably similar from an earlier dated application or registration, would be rejected by the office ex-officio. Since it is common in Turkey to file trademark applications for broader goods and services classifications than their actual usage, the later dated applications were blocked. Furthermore, as letters of consent were not accepted by the office, the only way to overcome the rejection would be to convince the senior trademark owner to withdraw its trademark which is difficult in practice, or to file a non-use action against the cited trademark. Therefore, the co-existence provision is good news for both the trademark owners and applicants seeking new trademark registrations, as it will shorten the registration period and resolve the need for court action.

The IP Code has also brought a new approach to opposition proceedings. In Article 9/2, if requested by the applicant, opponents will be obliged to provide significant use of their trademarks as the basis to an opposition which are registered for at least five years, or a justified reason for non-use of their trademark(s). This article will also be applicable for invalidation and infringement actions.

In addition, the five-year period for filing an invalidation action, which was previously

Spotlight on Middle East

applied based on established precedents, has now been regulated in the IP Code under a separate provision. A remarkable change is the regulation as to no time limit in cases of bad faith. Previously, the only way to overcome the five-year period was to prove well-known status of the trademark(s) together with the bad faith of the applicant. Before the IP Code, foreign companies especially would have difficulty protecting its trademark rights against their prior distributors or commercial representatives whom registered the trademarks in the name of themselves in bad faith. With the new provision in the IP Code, proving the bad faith of the counterparty will be considered as a legitimate ground to overcome the time limit of five years.

The "international exhaustion" principle has been accepted by the IP Code. Although "national exhaustion" principles were also accepted in the Decree Law, a trademark would be considered as exhausted in case of its use on a registered product. This would especially affect companies active in manufacturing technological products since the same trademark is used on the same product but for different models.

Therefore, the Decree Law was inadequate to prevent parallel imports since it was interpreted that the trademark was exhausted with the use of the trademark on the first product irrelevant from its model. This wording has changed in the IP Code by limiting the scope of the exhaustion with the "products" instead of the trademark on the registered goods. Nevertheless, as Turkey now accepts "international exhaustion", parallel import will be legitimate for all products served to the market by the trademark owner somewhere in the world. As a result, companies will not be able to prevent parallel import of their products served to the market even if they do not introduce them into the Turkish market yet.

Regarding the other amendments in the trademark law, the opposition time has been shortened to two months, the protection of well-known trademarks within the meaning of the Paris Convention, which was recently cancelled by the Constitutional Court, has been re-introduced as a relative opposition and invalidation ground while the bad faith is set forth as a separate opposition and invalidation ground. Moreover, as will be effective from 10 January 2024, the revocation actions due to non-use will be dealt by the office.

Designs

As the third part of the IP Code which regulates "designs", previously known as "industrial designs" one of the most important amendments has been the novelty examination foreseen for design applications.

Per Article 64/6(d) of the code, the office will ex-officio examine the design application in terms of novelty character before its publication and reject those that do not fulfil these criteria. Since lack of novelty examination would result with the registration of designs to legitimate illegal uses, this provision is expected to have a very positive effect and restrict design registrations filed in bad faith.

Another major change regarding the designs is the recognition of "unregistered design rights" as Article 69/2. Since there was no regulation in the Decree Law concerning unregistered designs, they were only protected by the terms of unfair competition. Now, the design owners will have explicit grounds to prevent illegal use. This provision will strengthen the rights for the designs of the products whose lifecycle is short, such as fashion clothing and other industries where fashion prevails.

"The IP Code is welcomed by key stakeholders as it includes various remedies to some problematic areas stemming from the implementation of the law over the years."

A minor design change is that the opposition term has been shortened to three from six months, the criteria for distinctiveness have been changed to "difference" from "significant difference" and unseen parts/ devices (eg, parts of an engine) have been prevented from obtaining design registrations. Moreover, the "bad faith" argument and "unauthorised use of an IP right" have also been added as opposition grounds. In addition, an "international exhaustion" principle has been accepted for designs as well.

Patents

The final part of the IP Code regulates the patent law and one of the most important amendments is the introduction of the postgrant opposition system to the law. According

to Article 99 and 100, third parties will be entitled to file an opposition to the decision granting the patent within a six-month period and the patent owner will be entitled to submit his opinions or make amendments on the patent within a three-month period starting as of the notification date of the opposition. This was a much-anticipated provision and a positive improvement as it finally entitles the patent owners to amend their patent upon opposition.

In addition, the grounds for compulsory licensing have been broadened. Article 130 of the IP Code regulates the situations where a compulsory licence can be granted if the patent in question is not used. In particular, the Code introduces the provision that compulsory licensing can be demanded even in case the patent is used but "the use is not sufficient to cover the needs of the national market". Although the article is expected to determine the conditions for the compulsory licence, the expression "need of national market" creates a risk for the patent owners since its definition is not clear and implementation of this article remains blurry.

Besides the amendments mentioned above, the vague provisions of the Decree Law on prior user rights, use/work requirement of a patent and service invention have been improved and all criminal penalties in case of patent infringement have been removed. Moreover, the "international exhaustion" principle accepted in the IP Code covers patents as well.

As an overall impression, the IP Code is welcomed by key stakeholders as it includes various remedies to some problematic areas stemming from the implementation of the law over the years. Although there are some controversial topics, we expect the IP courts to resolve and enlighten the implementation of these issues in the near future.

Authors





Uğur Aktekin is a partner and Berrin Dinçer is a senior associate at Gün + Partners.