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Turkey



By Selin Sinem Erciyas and Zeynep Çağla Üstün, Gün + Partners

Q: What options are open to a patent owner seeking to enforce its rights in your jurisdiction?

Article 149 of the Industrial Property Code 6769 (IP Code) sets the legal framework for claims that can be asserted by the rights holder and the scope of the injunctions that can be granted by the court.

Accordingly, a person can request the court to:

- determine whether the third party infringes the patent;
- decide on the prevention of the infringement;
- decide to stop the action that constitutes infringement;
- decide for material and immaterial compensation;
- decide to impound the products whose manufacture and use are sanctioned by penalties because of the infringement of rights, as well as the devices, machines and other instruments, to the extent that the production of other products that do not infringe any rights is not obstructed;
- decide to assign the property rights to the materials impounded;
- decide to take measures that prevent a continuation of the infringement, in particular to:
 - change the form of the materials impounded; and
 - destroy the materials if unavoidable for the

prevention of industrial property rights infringement; and

- decide to publish the final ruling fully or as an abstract in a daily newspaper or similar medium, and to notify the final ruling to the interested parties,

According to Article 159 of the IP Code, persons who have commenced or will commence legal proceedings under the law can request a preliminary injunction in order to ensure the effectiveness of the infringement action, provided that they bring evidence of the actual use of the patent in Turkey or serious and effective preparations to use the patent in question. There are also border measures that can be applied by a patent owner, as per Article 159/2.

Q: Are parties obliged to undertake mediation/arbitration before bringing a case before the courts? Is this a realistic alternative to litigation?

The Code on the Process of the Follow-up of Money Receivables from the Subscription Agreement 7155 (published in the *Official Gazette* on 19 December 2018), as well as Articles 20 and following of the code, amend Article 5 of



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Ms Erciyas has been involved in a number of advisory and litigation matters in all fields of intellectual property and has handled hundreds of contentious and non-contentious administrative oppositions and court actions involving patents and trademarks. She has been responsible for a number of patent infringement actions, declaration of non-infringement actions and nullity actions. She represents numerous multinational pharmaceutical companies before the Ministry of Health in relation to regulatory issues and assists them in regulatory examinations before the ministry.

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Ms Üstün's practices are mainly focused on representing clients before the civil courts for industrial and IP rights and commercial courts in patent, utility model, trademark and design invalidation actions, infringement actions and unfair competition actions. She offers legal consultancy and assists clients through the application and opposition procedures before the Turkish Patent and Trademark Office.

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the Commercial Code to foresee a mandatory mediation for commercial actions regarding compensation and claims for payment of a certain amount of money as a cause of action. Articles 20 and 21 of the newly published code entered into force on 1 January 2019 and are not applicable to actions which are already pending before the first-instance court, district courts and court of appeals.

Q: Are there specialist patent or IP courts in your jurisdiction? If not, what level of expertise can litigants expect from the courts?

Yes, there are specialised civil and criminal IP courts in Turkey. The specialised IP courts are

located in Ankara, Istanbul and Izmir. For other cities, the first-instance civil court deals with IP-related disputes. The judge of the first-instance civil court has a basic knowledge of intellectual property; however, most cases are referred to a court-appointed expert panel due to the expertise and technical knowledge required for the dispute.

Q: Are validity and infringement dealt with together, or does your country have a bifurcated system?

There is no bifurcated system in Turkey. All IP courts may deal with validity or infringement cases. It is possible for a patent owner to file an

infringement action and for the counterparty to file an invalidation action as a counter-action before the same court or as a separate action before a different IP court. In practice, courts tend to merge invalidity actions with infringement actions and hear the invalidity action *a priori* even if they are filed separately, since any invalidation decision has a retroactive effect. Validity issues are not considered by the court unless the other party comes up with an invalidation action.

Q: Who may represent parties engaged in a dispute?

The parties are represented by attorneys registered with the Bar Association. Attorneys representing parties in IP-related matters are not required to have a technical background or to be patent or trademark attorneys.

Q: To what extent is pre-trial discovery permitted?

According to Article 400 and following of the Code of Civil Procedure, if there is a risk that evidence may be changed or destroyed, the plaintiff can apply for discovery and to secure the evidence. If the IP court accepts the request, all steps can be taken to have the material status of evidence determined and recorded at the court's discretion. Such procedure does not cover an examination on the merits of the dispute.

Q: Is cross-examination of witnesses allowed? If so, what form does this take?

Yes, pursuant to Article 152 of the Code of Civil Procedure, cross-examination of witnesses is allowed. The parties' attorneys are entitled to directly question witnesses, experts and other persons joining the hearing.

Q: What use of expert witnesses is permitted?

As per Article 266 of the Code of Civil Procedure, the courts can refer to expert witnesses only in respect of the files regarding disputes which require technical or special knowledge. Since the lawyers and judges do not have technical backgrounds, expert witnesses are crucial to explain the technical points of the infringement and invalidation actions. In practice, the experts have a drastic effect on the course of action, especially patent actions which have a highly technical nature.

Q: Is the doctrine of equivalents applied by courts in your jurisdiction? If so, what form does this take?

As per Article 89/5 of the IP Code, at the time of an alleged infringement, in determining the scope of protection conferred by a patent application or a patent, all elements that are equivalent to the elements as expressed in the claims will be considered (ie, the doctrine of equivalents). To be considered equivalent, the substitute element must match the function, method and result of the claimed element.

Q: Are there problems in enforcing certain types of patents relating to, for example, biotechnology, business methods or software?

The enforcement hurdles are experienced not because of the types of patent, but mostly because of the industrial sector affecting patent protection. As 99% of the Turkish pharmaceutical market is reimbursed by the Social Security Institute, drug expenses are a huge part of the public budget. This expense is a hurdle in the effective enforcement of secondary pharmaceutical patents; mostly against second medical use claims.

Q: To what extent are courts obliged to consider previous cases that have covered issues similar to those pertaining to a dispute?

If the parties that are subject to the previous action (ie, the relevant patent) and the request section of the latter action are the same, and a final decision has been issued, the courts must consider the final judgment pursuant to Article 114/1(i) of the Code of Civil Procedure. However, if the subject matter of the action is merely similar, there is no obligation for the courts to consider previous cases. In practice, the courts take appeal court decisions in similar cases into consideration.

Q: To what extent are courts willing to consider the way in which the same or similar cases have been dealt with in other jurisdictions?

The courts mostly do not consider the way in which the same or similar cases have been dealt with in other jurisdictions. The exception is European Patent Office (EPO) decisions on patents that have been validated in Turkey and have become the subject of a national action.

Q: Are decisions from some jurisdictions more persuasive than those from others?

As Turkey is a party to the European Patent Convention (EPC), and the decisions of the EPO on European patents are valid and binding for a Turkish validation of that European patent under the European Patent Convention 1973, the decisions rendered by the EPO Opposition Division or its board of appeal are usually submitted to the court by the parties as persuasive evidence if the Turkish validation of an EPC patent is the subject of the dispute.

Further, any other decision rendered on a patent that is related to the patent in the present dispute is usually submitted by the patentee as persuasive evidence.

Q: What realistic options are available to defendants seeking to delay a case? How might a plaintiff counter these?

The most realistic option is to file a counter-invalidation action in order to delay or jeopardise the infringement action of the patent owner. In such case, the plaintiff of the invalidity action may ask the court dealing with the infringement action to delay the infringement proceedings until the conclusion of the invalidity action, considering the retroactive effect of any invalidity decision. Some courts accept such requests and delay the infringement action and in most cases the courts consolidate the infringement and invalidation actions.

Another option is to ask the court to delay the invalidity or infringement action pending in Turkey on the grounds of pending EPO proceedings by emphasising that the decisions of the EPO on European patents are valid and binding for a Turkish validation of that European patent. However, unless the procedure is likely to be finalised in the near future, the Turkish IP courts rarely accept pending EPO proceedings as grounds to delay national proceedings.

Q: Under what circumstances, if any, will a court consider granting a preliminary injunction? How often does this happen?

According to Article 159 of the IP Code, persons who have commenced or will commence legal proceedings under the law can request a preliminary injunction in order to ensure the effectiveness of the infringement action, provided

that they bring evidence of the actual use of the patent in Turkey or serious and effective preparations to use the patent in question. Preliminary injunction requests are accepted when any delay might cause irreparable and significant damage.

The success of a preliminary injunction request depends on both the quality of evidence that can prove the delay might cause irreparable and significant damage, and the strength of the patent.

Q: How much should a litigant budget for in order to take a case through to a decision at first instance?

The main costs arising in a typical patent case are judicial costs (ie, expert fees) and fixed attorneys' fees.

In most cases, the IP court will refer the case to a court-appointed expert panel. The examination can be repeated three times to satisfy the objections or comments of the parties. Each examination costs approximately €500. Consequently, €1,500 should be budgeted for the court-appointed expert fee. Additional costs of around €200 may occur for sending writs or notifications to the parties or relevant authorities. Finally, the losing party should also bear the other party's fixed attorney fee, which is determined in line with the annual tariff declared by the Turkish Bar Union and is approximately €520. Therefore, the total cost for such litigation is approximately €2,220. The losing party bears judicial costs and the fixed attorneys' fees, but not the professional fees of the attorney at law.

Q: How long should parties expect to wait for a decision to be handed down at first instance?

The first-instance decision is usually handed down within approximately 12 to 18 months, depending on the number of court-appointed expert examinations. In complex cases, it may be as much as two years.

Q: To what extent are the winning party's costs recoverable from the losing party?

The winning party's judicial costs (ie, costs for filing the action and expert fees) are recoverable from the losing party. However, the attorneys' fees of the winning party (except for the official fee of TL3,145 (approximately €520)) will not be imposed on the losing party.

Q: What remedies are available to a successful plaintiff?

The successful plaintiff of a patent infringement action basically gains the right to have all infringing acts seized, as well as the right to claim for damages.

Additionally, the plaintiff may request:

- the products, whose manufacture and use are infringing the patent rights, as well as the devices, machines and other instruments and the assignment of the property rights of the materials to be impounded;
- the measures that prevent a continuation of the infringement, in particular at the expense of the infringing party, to change the form of the materials impounded or to destroy them if this is unavoidable for the prevention of the infringement; and
- the publication of the final ruling in full or as an abstract in a daily newspaper or similar medium, at the expense of the other party and to notify the final ruling to the interested parties if a justified reason or interest exists.

The successful plaintiff of a negative declaratory action obtains the benefit of knowing that an infringement action cannot be filed against it unless circumstances change (ie, it begins to act in an infringing manner that was not the subject of the declaratory action).

The successful plaintiff of an invalidation action obtains invalidation and deregistration of the patent, effective retrospectively.

Q: How are damages awards calculated? Are punitive damages available?

Article 151 of the IP Code provides three bases on which to calculate damages:

- the income which the patent owner might have generated had the infringement not occurred;
- the income generated by the infringer from use of the patent – in this case, the expert panel will examine the infringer's commercial records; and
- the fee that the infringer would have paid had it lawfully used the patent under a licensing contract.

Punitive damages are not available.

Q: Under what circumstances might a court grant a permanent injunction? How often does this happen?

There is no separate permanent injunction mechanism in Turkish law. Once a preliminary injunction is granted and the action on merits results in favour of the party who was asked for the permanent injunction, it then becomes a permanent injunction. Accordingly, a permanent injunction may be the outcome of an infringement action where the court acknowledges that the defendant's acts are infringing and decides to have them ceased entirely.

Q: Does the losing party at first instance have an automatic right of appeal? If not, under what circumstances might leave to appeal be granted?

The losing party has an automatic right of appeal. Accordingly, any IP court decision can be appealed before a district court within two weeks of the date of notification of the reasoned decision to the relevant party. Further, district court decisions can also be appealed before appeal courts. District court decisions on the appeal filed against a preliminary injunction decision of the first-instance court are final.

Q: How long does it typically take for the appellate decision to be handed down?

It takes approximately 12 months for the district court to hand down an appeal decision. This may be longer should the district court decide on a court-appointed expert examination.

It takes approximately two years for the appeal court to hand down its decision in an appeal.

Q: Is it possible to take cases beyond the second instance?

According to Article 361 of the Code of Civil Procedure, following the district court decision, a further appeal is possible to the appeal court, but only on points of law. Some disputes are excluded from appeal court examination; none of which are related to IP matters. However, it is important to note that district court decisions regarding preliminary injunction decisions of the first-instance court are final.

Q: To what extent do the courts in your jurisdiction have a reputation for being pro-patentee?

In practice, the Turkish courts tend to be protective of domestic industry and therefore it cannot be said that they are 100% pro-patentee.

Q: Have courts in your jurisdiction handled cases relating to standard-essential patents and fair, reasonable and non-discriminatory licensing since the ECJ's *Huawei v ZTE* decision? If so, what have they decided?

As far as it is known, no such case has been handled by a Turkish IP court. However, it is assumed that such a dispute would be resolved through court-appointed experts.

Q: If they have not handled such cases, how would you expect them to approach the issue?

There is no clear provision in the IP Code for standard essential patents or fair, reasonable and non-discriminatory licensing. Therefore, in a possible action an IP court judge may be asked to take EU applications into consideration.

However, it will be at the judge's discretion how to handle this, as there is no clear provision or case law on the matter.

Q: Has your jurisdiction signed the Agreement on the Unified Patent Court? If so, when do you expect it to be ratified?

Turkey is not a signatory of the Unified Patent Court.

Q: Will your country play host to one or more divisions of the Unified Patent Court?

Not applicable.

Q: Are there any other issues relating to the enforcement system in your country that you would like to raise?

The IP Code entered into force on 10 January 2017 and new provisions were introduced into Turkish law, including:

- a post-grant opposition system;
- the use requirement of patents; and
- international exhaustion principle.

Although almost two years has passed since the IP Code entered into effect, Turkey remains in a transition period and there is ambiguity regarding the implementation of the new provisions.

Implementation of the new provisions and systems will hopefully become clearer over the next few years in light of developing practice and court decisions. *iam*

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