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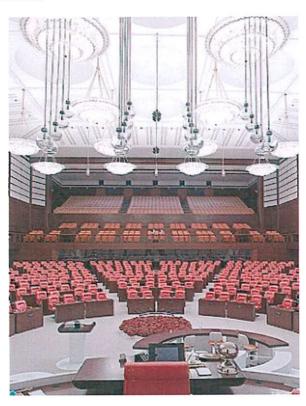


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# Draft Intellectual Property Law in Turkey

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The Turkish Parliament took the draft IP Law into its program on 6 April 2016 and plans to enact it in mid 2016. The draft law is promising as it mainly fulfils the aim to harmonize the national law with EU law and removes discrepancies between national law and international agreements of Turkey. On the other hand it appears that the legislator focused on the must provisions and refrained from ruling on any area more than necessary. The amendments brought to IP law are promising, except for the "international exhaustion of IP Rights" principle, which has been objected to by many different sectors. Another highly debated issue is the compulsory license provisions brought into patent law, which requires an explicit ruling and understanding of the conditions under which a compulsory license can be granted. The main commission meetings were to start on 26 April 2016 and the draft law may still be amended drastically upon evaluation of the parliament.



The draft IP law ruling all IP rights in a single act was shared for comments by the Turkish Patent Institute ("TPI") on 24 February 2016. The Draft Code contains five chapters and approximately 200 provisions.

The "Co-Existence" provision is one of the major amendments brought to Trademark Law. Currently, Article 7/1(b) of the Decree Law numbered 556 Pertaining to the Protection on Trademarks is one of the absolute grounds of refusal and it prevents registration of trademarks which are identical or indistinguishably similar with an earlier dated trademark/trademark application. The Draft Code finally enables the implementation of the co-existence principle and removes the *ex officio* refusal authority of the TPI if a notarized letter of consent from the senior trademark owner to the registration of the application is submitted to the Institute.

Another important amendment is brought to the trademark opposition proceedings. Accordingly, where a trademark application is opposed and the trademark shown as the ground for opposition has been registered in Turkey at least five years before the filling date of the application, the applicant of the trademark application is entitled to request from TPI that the opponent brings evidence to show genuine use of the trademark in Turkey or justified reasons for non-use. If the opponent party cannot submit evidence to prove the genuine use in Turkey, the opposition will be refused. This request can also be used as a defense in an infringement action.

Finally, one of the major amendments is authorizing the TPI to assess the non-use of a trademark. Accordingly, if a trademark has not been used without justifiable reason for the goods or services within the scope of the registration within five years following the publication of registration, or its usage has been suspended for an uninterrupted period of five years, the right to repeal a trademark due to non-use belongs to the competent court. As a result of the comments of the stakeholders, this right is given to the TPI with a provision added to the draft; however, the enforcement date of this provision will be postponed for seven years with a provisional article in the Code.

Other minor amendments that can be mentioned include that the protection of well-known trademarks in the meaning of the Paris Convention has been regulated as a relative opposition and invalidation ground. Additionally, a bad faith claim is foreseen as a separate opposition and invalidation ground and a sign which contains a geographical indication cannot be registered as a trademark. Regarding durations, the opposition period has also been shortened to two months from three months and the five-year term for filling a cancellation action has been regulated within a separate provision. Further, a trademark/patent/design right holder cannot allege its registered right as a defense in an infringement action filed by a priority right holder. Consequently, having a registration does not naturally mean that there is no infringement. In the first version of the Draft Code, a national exhaustion principle was accepted. However, upon receiving comments of the stakeholders, the relevant article was amended and the international exhaustion principle was inserted in the draft before being sent to the Parliament.

When looking at Book 3 of Design Rights, one of the most important changes is that novelty examination is foreseen for the registration of designs. Another change is the protection of unregistered designs for 3 years as of becoming publicly available, in line with Article 11 of the Council Regulation no. 6/2002 regarding Community Designs (https://euipo.europa.eu/ohimportal/en/community-design-legal-texts).

Finally, **Book 4** introduces new provisions for the **patent system in Turkey**, bringing the national law in line with EPC in the first place, as provisions of Article 53/(c), Article 54/(3), Article 56, Article 57, Article 88/(1), (2), (3), (4), Article 101, Article 122 (and Rule 136), have been introduced in to the national law in the draft.

It is also important to note that the vague provisions of the Decree Law in force on prior user rights, use/work requirement of a patent and service invention have been improved as well.

Another improvement is the introduction of a post-grant opposition system in line with the system ruled in Article 101 of EPC. It is also noteworthy that the draft removes all criminal sanctions in case of patent infringement.

On the other hand, there are some important issues that are still not ruled in the draft, such as:

- An explicit provision with respect to the "novelty" requirement for the patentability of second or subsequent uses of a known substance or its composition is still missing in the draft. It is believed that the Draft law should explicitly recognize the patentability of second (and subsequent) medical uses as provided for by EPC Articles 54/4 and 54/5 and TRIPS Article 27.1.
- 2. An explicit provision indicating the definition "biotechnological invention" and the conditions required to patent biotechnological inventions is missing in the draft law. The Draft law should include a definition of a biotechnological invention as provided for by EPC Article 52 and Rules 27 and 29 of the Implementation Regulations.
- 3. The draft law still does not bring a clear provision enabling the patent holder to amend/limit the claims upon an invalidation action against the patent. The Decree Law 551 in force, rules that claims of a patent can only be amended/limited during the procedure before the TPI. That is to say that the claims cannot be amended/limited after the grant decision. However, as Turkey is a member of EPC, Article 138/(3) of EPC is binding for Turkey in relation to European patents validated in Turkey. On the other hand as the national law does not have a similar provision, national patents cannot benefit from the same right and a discrepancy arises between European patents and national patents.

Besides the above, two particular provisions raise serious concerns for patent holders:

- The first is Article 133/2 on "Compulsory Licensing in case of Non-use". The draft law defines the situations where a compulsory license can be granted if the patent in question is not used. In particular, the second paragraph of this article provides that "relevant persons...can request the compulsory licensing due to the ...use of invention subject to the patent is not sufficient to cover the national market requirement". It is unclear how this Article differs from the Article 135 titled "Compulsory Licensing by Public Interest" of the draft Code, what the legal ground for such provision is and most critically in which situations (what criteria are used to determine that the use is not sufficient for the national market, who will make this determination and how etc.) it shall be applied. Therefore this provision may create serious risk to patent holders.
- The second is Article 138/2 of the Draft law, which rules that a competent court "cannot rule upon [patent] invalidity request" until the TPI provides a final decision on any pending opposition(s) against the same patent. Draft Article 138/2 only focuses on pending national patent applications and related oppositions. However, Turkish patentees may alternatively seek patent examination from the European Patent Office (EPO). Therefore in our opinion the draft Article 138/2 should be re-worded to capture European Patents, the opposition phase of which is still pending before the EPO.

According to the first 100 days plan of the new government the draft IP Law will be enacted in mid 2016. The parliament meetings were started on 26 April 2016. It waits to be seen whether the draft will be subjected to various sub-commissions in the parliament, especially the health commission, as was the case for the previous draft, which ended up with drastic amendment proposals.

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