



International report - Industrial Property Law comes into force

18
JAN 17

Gün + Partners - Turkey

The long-awaited Industrial Property Law (6769) finally came into force in Turkey on January 10 2017. The new law regulates all IP rights in a single code. It consists of 193 articles and six provisional articles, divided into five chapters. The first four books of the law regulate trademarks, geographical indications, designs and patent rights, respectively, while the fifth book sets out common provisions valid for all IP rights. Article 188 of the law changes the name of the Turkish Patent Institute to the Turkish Patent and Trademark Office (TPTO).

Although the new law has abolished the IP-related decree-laws, according to provisional Article 1 of the law, the decree-laws will apply to applications filed before the enforcement date of the new law. In other words, the decree-laws will apply to applications filed before January 10 2017.

Trademarks

One of the key amendments in the trademark law set out in Book 1 of the law has been made through the introduction of the co-existence principle. Article 7/1(b) of Decree-Law 556 on the Protection of Trademarks (which was in force until January 10 2017) was one of the absolute grounds of refusal of trademark applications. It prevented the registration of trademarks which are identical or indistinguishably similar to an earlier dated trademark/trademark application. Article 5(3) of the new law removes the *ex officio* refusal authority of the TPTO if the senior trademark owner submits to the TPTO a notarised letter of consent to the registration of the application. However, one major amendment is that, according to Article 19(2) of the new law, if an opposition is filed against a trademark application and the opposing trademark was registered in Turkey at least five years before the filing date of the application, the opponent must submit evidence to show genuine use of the trademark in Turkey or a legitimate reason for non-use if the applicant of the contested trademark application requests this information from the TPTO. The opposition will be refused unless sufficient evidence is submitted to prove genuine use in Turkey. The law also provides that this request can be used as a defence in invalidation and infringement actions. From now on, the applicant of the opposed application will most likely assert this provision and thus, if a

GÜN+PARTNERS



**Selin Sinem
Erciyas**



**Güldeniz
Doğan Alkan**

senior trademark cited as grounds for the opposition is not used in Turkey or there is no justification for non-use, the opposition will be rejected. Therefore, rights holders should be aware of this amendment and consider carefully whether to oppose an application if they do not use their marks in Turkey.

Further, the TPTO will be authorised to evaluate the non-use of a trademark under Article 26(1)(a) of the law. In the first published version of the draft law, the competent IP courts had the right to repeal a trademark due to non-use if the subject trademark had not been used without good reason for the goods and services covered by the registration within five years of publication of registration or if use had been suspended for an uninterrupted period of five years. After the TPTO consulted with stakeholders, a provision giving this right to the TPTO was added to the law. However, the enforcement date of the relevant provision has been postponed for seven years by Provisional Article 4 of the law.

The new law also introduces several minor amendments related to trademarks. The protection of well-known trademarks under the Paris Convention is foreseen as a relative opposition and invalidation ground, and a bad-faith claim is regulated as a separate opposition and invalidation ground. The law also provides that a sign that contains a geographical indication cannot be registered as a trademark.

Article 25(6) of the law introduces a specific provision for the principle of the loss of right by remaining silent, stating that:

"In case a trademark owner has remained silent for the five consecutive years where he knows or should know that the later dated trademark is used, he cannot allege its trademark as an invalidation ground unless the subject trademark registration was filed in bad faith."

Therefore, the law accepts a five-year period as the timeframe for this principle and excludes trademarks filed in bad faith from its scope. The five-year term for filing an invalidation action is also regulated under a separate provision. The opposition period has been reduced from three months to two months. Rights holders must note this important shift, as the opposition period is definite and there is no recovery mechanism. According to Article 155 of the new law, in an infringement action filed by a priority rights holder a trademark, patent or design right holder cannot assert its registered right as a defence. Therefore, no registration results directly as no infringement is created.

Design rights

One of the major amendments to the design rights regulated in Book 3 of the new law is that novelty examination is foreseen for the registration of designs. The new law provides for the protection of unregistered designs for three years after they have become publicly available in line with Article 11 of the EU Community Designs Regulation (6/2002).

Patents

Book 4 of the new law introduces relatively new provisions regarding the Turkish patent system which bring the national law in line with the European Patent Convention (eg, Articles 53/(c), 54/(3), 56, 57, 88/(1), (2), (3) and (4), 101 and 122, and Rule 136).

The law also introduces clearer provisions on prior user rights, the use/work requirement and service inventions.

Another key improvement is the introduction of a post-grant opposition system in line with the system regulated in Article 101 of the European Patent Convention. As a reflection of the post-grant opposition system, the law also governs what happens if an invalidation action is filed before the IP courts while an opposition is pending on the same patent. The law states that the court cannot issue a decision on the invalidation action until the outcome of the opposition has been published in the *Official Bulletin* or it has been confirmed that no opposition has been filed against the patent.

However, one key feature of the post-grant opposition system has not been included in the new law. The law prohibits the amendment or limitation of the patent after the conclusion of TPTO proceedings. In other words, a patent can be amended or limited only during examination or opposition procedures before the TPTO. This provision explicitly precludes the possibility of amending or limiting a patent during invalidity proceedings. As well as being inconsistent with Article 138/(3) of the European Patent Convention and creating bifurcation between European patents validated in Turkey and national filings, this provision renders the post-grant opposition system useless, or at least vulnerable to being used in bad faith. However, it is inevitable that third parties will prefer to challenge the patent via an invalidation action, where the patent holder will have no right to amend or limit the patent, rather than via an opposition, where the patent holder may maintain its patent through amendments or limitations

The law also omits to regulate some substantial issues. It includes no clear provision regarding the novelty requirement for second or subsequent uses of a known substance or its composition. Although this was the perfect opportunity to introduce Articles 54/4 and 54/5 of the European Patent Convention into national law, the legislature strongly resisted such provisions. The same situation applies to the definition of 'biotechnological inventions' and the conditions required to obtain patents for such inventions.

In addition to missing provisions, some provisions raise serious issues for patent holders. Article 130 of the new law sets out the situations where a compulsory licence can be granted if the subject patent is not used or worked. Article 130(2) states 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 need". 'Public interest' is not a pre-condition for granting a compulsory licence under Article 130 of the law. Rather, a compulsory licence in case of public interest is

included in Article 132 of the law as a separate situation for compulsory licences. Therefore, the arguments against this provision focus on the fact that the idea of satisfying 'national market need' points to a specific quantitative amount of production or marketing of a patented product. It is important to emphasize that any patented product is covered in this provision, even luxury goods, as there is no public interest condition.

Another drastic change introduced by the new law is the application of the international exhaustion principle for any kind of IP right, including patent rights. The most important threat to a patchy umbrella of protection is the international exhaustion of rights in a single jurisdiction that is capable of defeating all territorial protections. Once goods are sold in one jurisdiction, which exhausts them for all jurisdictions, it is near-impossible for the rights holder to interfere with the import of those goods to other jurisdictions based on local registrations. Further, the international exhaustion of IP rights expressly conflicts with Turkey's obligations under the EU-Turkey Customs Union Agreement.

Comment

It is expected that decisions of the IP courts will soften many aspects of the new law, particularly in controversial areas.

For further information please contact:

Selin Sinem Erciyas

Gün + Partners

www.gun.av.tr

Email: selin.yalincakli@gun.av.tr

Tel: +90 212 354 00 00