



# Draft IP code before the Turkish parliament

Two decades after Turkey began adopting some EU-style IP legislation, the country is on the cusp of passing a new IP law. **Güldeniz Doğan Alkan** and **Selin Sinem Erciyas** examine the proposals

**Twenty years ago Turkey was in the process of becoming a part of the European Union-Turkey Customs Union and one of its responsibilities was to adapt its national intellectual property law to EU legislation.** For that purpose, Turkey rapidly constituted decree laws relating to IP rights in 1995. Decree laws were preferred since they require less procedure and can be brought into force faster while having the power of legislation. Normally, they would have been transformed into laws when the urgency waned, but even today they still remain in force as decree laws.

The government has finally decided to write IP rights into law with the aim of harmonising national law with international agreements, to make the national law compliant with recent developments in EU IP law and to make the current regulations clearer, more understandable and systematic. The long-awaited draft IP law that compiles all IP rights into a single act was shared for opinions by the Turkish Patent Institute (TPI) in February 2016.

The draft code contains five chapters and approximately 200 provisions. Most of the provisions in the current decree laws are included while new provisions have also been introduced. Book 1 of the code regulates trademarks, Book 2 regulates geographical indications, Book 3 regulates designs and Book 4 rules on patent rights.

The co-existence provision is one of the most important amendments proposed to trademark law. Currently, Article 7/1(b) of the decree law numbered 556 pertaining to the protection of trademarks is one of the absolute grounds of refusal, and it prevents registration of trademarks that 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 notarised 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 opposition proceedings. Accordingly, in the case that a trademark application

is opposed and the trademark shown as grounds for opposition has been registered in Turkey at least five years before the filing date of the application, the applicant of the trademark application is entitled to request from the TPI that the opponent demonstrates 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 genuine use in Turkey, the opposition will be refused. This request can also be used as a defence in an infringement action. This is an important change that rights owners should be aware of, since once the law enters into force, the owners of opposed applications will most probably allege this provision.

Finally, another major change is authorising 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 the 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 opinions 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.

Among other minor amendments, the protection of well-known trademarks in the meaning of the Paris Convention has been regulated as a relative opposition and invalidation grounds. The bad-faith claim is foreseen as a separate opposition and invalidation grounds, and a sign that contains geographical indication cannot be registered as a trademark. Regarding duration, the opposition period has been shortened to two months from three months and the five-year term for filing a cancellation action has been regulated within a separate provision. Rightsholders should pay attention to this new period of two months for oppositions instead of three in order not to miss the deadline, as there is no recoup mechanism. A trademark/patent/design rightsholder cannot allege its registered right as a defence in an infringement action filed

by a priority rightsholder. Consequently, having a registration does not naturally mean that there is no infringement. In the first version of the draft code, the national exhaustion principle was accepted. However, upon receiving opinions from stakeholders, the relevant article was amended and the international exhaustion principle was inserted in the draft before being sent to parliament.

In the section relating to design rights, one of the most important changes is that the novelty examination is foreseen for the registration of designs. Another one is the protection of the unregistered designs for three years after becoming publicly available, in line with Article 11 of the council regulation regarding community designs.

Finally, Book 4 introduces new provisions under the patent system in Turkey, bringing the national law in line with the European Patent Convention (EPC) as the 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 into 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 the patent and service invention have been improved as well.

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

On the other hand, there are some important issues that are still not tackled in the draft. Among these, an explicit provision on the 'novelty' requirement for the patentability of second or subsequent uses of a known substance or its composition, is still missing in the draft. We believe that the draft law should explicitly recognise the patentability of second (and subsequent) medical use as provided for by EPC Articles 54/4 and 54/5 and TRIPS Article 27.1.

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Also, an explicit provision indicating the definition of 'biotechnological invention' and the conditions required to patent biotechnological inventions is missing in the draft law. The draft law should include a definition of biotechnological invention as provided for by EPC Article 52 and Rules 27 and 29 of the implementation regulations. Although the draft law does not mention what a biotechnological invention is and/or what the conditions for protection are, it does list non-patentable biotechnological inventions in Article 84(3) in line with Rule 28 and Rule 29(1) of the EPC. This may not have an effect on the prosecution and/or application phase and/or validation of the biotechnological inventions, but it may give rise to serious uncertainties at the enforcement phase.

Further, 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 or limited during the procedure before the TPI. That is to say that the claims cannot be amended or limited after grant decision. However, as Turkey is a member of the EPC, Article 138/ (3) of the 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, the national patents cannot benefit from the same rights and a discrepancy arises between European patents and the rest.

Two particular provisions raise serious concerns for patent holders. The first one is Article 133/2 on compulsory licensing in case of non-use. The draft law defines the situations where a compulsory licence 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 Article 135 of the draft code, which focuses on compulsory licensing by public interest and looks at the legal grounds for such provision and, most critically, in which situations it shall be applied. Therefore, this provision may pose a 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). In fact, one of the major problems that European patent holders face in Turkey is premature invalidation actions filed against the national validation of a European patent while the opposition procedure before the EPO is still ongoing. A European patent holder faced with an invalidation action in Turkey, while EPO opposition is still ongoing, would demand the IP court in Turkey to delay the proceedings until the final EPO decision is made. This demand is quite understandable as even if the IP court continues with the action and invalidates the patent (as granted), the patent holder should be, in principle, able to revalidate the amended/limited patent after opposition/appeal procedures. Some IP courts delay the proceedings, some do not.

Therefore, the draft law should remove this discretion from IP courts. In our opinion, the draft Article 138/2 should be reworded to reflect draft European patents, the opposition phase of which is still pending before the EPO.

If the draft passes as it is, patent rightsholders should consider taking the EPC route instead of national filing before the Turkish Patent Institute, as the EPC gives wider protection to rightsholders both at prosecution and enforcement phases.

According to the first 100 day-plan of the new government, the draft IP law will be enacted in mid-2016. Parliament meetings started on 26 April. We will see if the draft will be subject to various sub-commissions in the parliament, especially the health commission, as was the case for the previous draft, which led to the drastic amendment proposals.

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