



FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

Industrial Property Law Comes into Force in TURKEY

The long awaited Industrial Property Law (“The Law”), numbered 6769, finally came into force in Turkey on 10 January 2017. The new law regulates all IP rights in a single code. It consists of 193 articles and 6 provisional articles divided into five chapters. The first four Books of the law regulate trademarks, geographical indications, designs and patent rights respectively. The name of the Turkish Patent Institute has changed to the Turkish Patent and Trademark Authority (“TPTA”) with Article 188 of the Law. The fifth Book covers common provisions for all IP rights.

Even though the Law abolished the IP related decree-laws, according to provisional Article 1 of the Law, provisions of the Decree-Laws will be implemented for applications filed before the enforcement date of the Law. In other words, the provisions of the decree-laws will be applied to applications filed before January 10, 2017.

According to the general preamble of the IP Code, it is intended to;

- Comply with recent developments in EU IP Law,
- Bypass the annulment decisions of the Constitutional Court,
- Render the current legislation clearer, more understandable and systematic.

Currently, the TPTA conducts ex-officio preliminary examination on a trademark application once it is filed and rejects the application if it falls into the scope of one of the absolute grounds for refusal. Article 7/1(b) of the Decree-Law no. 556 (which is one of the absolute grounds for refusal) prevents registrations of trademark applications which are identical or indistinguishably similar with an earlier dated trademark registration/application. It is known that such a provision does not exist in many jurisdictions and in the jurisdictions where it exists; this obstacle is at times lifted by submitting letters of consents or co-existence agreements. The Decree-Law no. 556 did not permit a similar solution and a refusal of the TPTA blocked registration of many trademark applications. The IP Code no. 6769 enables the implementation of the co-existence principle. According to Article 5-(3) of the IP Code, the TPTA cannot ex-officio refuse a trademark application if a notarised letter of consent from the senior trademark owner to the registration of the application is submitted to the TPTA. Even though refusal authority of the TPTA is not totally excluded, the co-existence possibility is still a welcomed amendment.

According to Article 19-(2) of the IP Code, during opposition proceedings, if the applicant of the opposed trademark application requests, and the opponent’s trademark has been registered in Turkey at least five years before the application date of the opposed application, the TPTA has to demand evidence from the opponent to prove either genuine use of its trademark in Turkey for the five years prior to the application date of the opposed application, or justified reasons for non-use. If the opponent cannot prove genuine use of its trademark, the opposition will be refused. If the opponent proves genuine use for only some goods/services, the TPTA will examine the opposition for those goods/services only. The TPTA may now refuse an opposition if the genuine use of the trademark in Turkey cannot be proven. This can also be used as a defense in invalidation and infringement actions.

According to Article 26-(1) (a) of the IP Code, the TPTA has the right to revoke a trademark if, within a period of five years following publication of registration, the trademark has not been put to use without justifiable reason for the registered goods or services, or its use has been suspended for an uninterrupted period of five years. However, the enforcement date of this provision is postponed for seven years, with



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the Provisional Article 4 of the IP Code. Until that time, the right to revoke a trademark due to non-use will lie with the IP Courts.

There was no specific provision for “Loss of right by remaining silent” principle in the Decree-Law no. 556. The Court of Appeals has accepted that the genuine right holder may lose his rights by remaining silent for a length of time, even if the counterparty is acting in bad faith. However, the timeframe of this principle was unclear and different time periods were accepted by the Court of Appeals in different decisions. It is widely agreed in Turkish trademark practice that this period has to be determined by taking into consideration the conditions of each case and the “Principle of Honesty”. Article 25-(6) of the IP Code finally brings clarity to the issue by stating that “In case a trademark owner has remained silent for five consecutive years where he knows or should know that the later dated trademark is used, he cannot allege his trademark as an invalidation ground unless the subject trademark registration was filed in bad faith”. Therefore, the new IP Code accepts 5 years period as a timeframe of this principle and excludes trademarks filed in bad faith from its scope. The five-year term for filing an invalidation action is regulated under a separate provision.

According to Article 163 of the IP Code, where seized counterfeit products are subject to damage or substantial loss of their value, or their preservation constitutes a serious burden, the Court can order their destruction, following expert examination, before a final decision on the merits of the case is rendered. This is called as “fast destruction procedure” and is considered to be a positive amendment.

Another new provision is description of designs to be registered as trademarks. Article 4 of the IP Code brings a new condition for designs to be registered as trademarks, which is “can be shown in the Registry ensuring that the subject of the protection provided to the trademark owner is clearly and explicitly understandable”. This condition was not given in Article 5 of the Decree-Law no. 556. Article 4 of the IP Code also changes the examples given for designs capable of being a trademark from “all kinds of designs being represented graphically such as words, including personal names, figures, letters, numbers, “shape of the goods” or “the packaging thereof” and similarly descriptive means capable of being published and reproduced by printing” to “all kinds of designs such as words, including personal names, designs, colors, letters, numerals, sounds and shape of the goods or their packaging.”. The terminology for the designs to be registered as trademarks is now in line with the terminology given in Article 3 of Directive (EU) 2015/2436 of the European Parliament and of Council of 16 December 2015.

According to Article 5-(i) of the IP Code, designs which contain registered geographical indications cannot be registered as a trademark. According to Article 6-(4) of the IP Code, trademark applications which are identical or similar with well-known trademarks, within the meaning of Article 6bis of the Paris Convention, shall be rejected by the TPTA upon opposition by the genuine right owner in respect of the same or similar goods or services within its scope. This is also regulated as a relative invalidation ground. Article 7/1-(i) of the Decree-Law no. 556 related to the protection of well-known trademarks in the meaning of the Paris Convention was cancelled by the Constitutional Court in 2015. ¹

A claim of bad faith is regarded as a separate ground for opposition and invalidation in Articles 6-(9) and 25-(1) of the IP Code. The opposition period has been shortened to two months from three months within

¹ Please refer to the article “Protection of ‘Well Known’ Trademarks Which are not Registered in Turkey Within the Context of Article 7/1-(i) of the Decree Law No. 556” by Uğur Aktekin and Hande Hançer, Mondaq, 04.11.2010.



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Article 18 of the IP Code. According to Article 7-(5) (c) of the IP Code “A trademark owner cannot prevent third parties from using its trademark especially in case of accessories, spare parts or equivalent parts, where it is necessary to specify the purpose of use of the goods or services, provided that such usage is compliant with the principles of good faith and commercial life.” This exception was not clearly stated in Article 12 of the Decree-Law no. 556 which regulates exceptions to the scope of the rights arising from a trademark registration. The IP Code is now in line with the terminology of Article 14 of EU Directive no. 2015/2436.

One of the major amendments in **Design Rights** regulated in **Book 3** of the new law is that novelty examination is provided for the registration of designs. Protection of unregistered designs for 3 years of becoming publicly available is found in line with Article 11 of the Council Regulation no. 6/2002 related to Community Designs.

Lastly, **Book 4** of the Law introduces relatively new provisions regarding the **patent system** in Turkey which bring the national law into line with EPC. For instance, Article 53/(c), Article 54/(3), Article 56, Article 57, Article 88/(1), (2), (3), (4), Article 101, Article 122 (and Rule 136) of the law are among such new provisions.

It should be also mentioned that the Law introduces more clear and understandable provisions on prior user rights, use/work requirement of the patent and service invention which were too vague in the previous Patent Decree law.

Another important improvement is the introduction of a post-grant opposition system in line with the system regulated in Article 101 of EPC. As a reflection of post-grant opposition system, the Law also governs what happens if an invalidation action is filed before the IP courts while an opposition on the same patent is pending. The Law rules 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.

On the other hand one key feature of the post-grant opposition system has not been included in the Law. The Law prohibits any amendment or limitation of the patent after the conclusion of the patent office proceedings. In other words, a patent can be amended or limited only during examination or opposition procedures before the patent office. 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 makes 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 be able to maintain its patent through amendments or limitations

Further, there are some substantial matters that are not regulated in the law.

The Law does not include a clear provision regarding to the “novelty” requirement of second or subsequent uses of a known substance or its composition. Although it was the perfect opportunity to introduce Articles 54/4 and 54/5 of EPC into the national law, the Legislature strongly resisted against such provisions. The same can be said for the definition of “biotechnological invention” and the conditions required obtaining patent for such inventions.



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In addition to missing provisions, there are also some provisions causing serious concern for patent holders.

The Law specifies in Article 130 the situations where a compulsory license can be granted if the subject patent is not used/worked. Indeed, it is stated in the second paragraph of the article 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”*.

It is important to note that “public interest” is not a pre-condition for granting a compulsory license as per Article 130 of the Law. Compulsory License in case of Public Interest is ruled in Article 132 of the Law as a separate situation for compulsory license.

Therefore, the arguments against this provision focused on the fact that the expression of “satisfying national market’s needs” points to a specific quantitative amount of production/marketing of a patented product. It is important to emphasise that any patented product is covered in this provision, even luxury goods, as there is no public interest condition.

Another drastic change brought by the Law is the introduction of an International Exhaustion Principle for any kind of IP rights, including patent rights. The most important threat to such patchy protection umbrella is the international exhaustion of rights in one single jurisdiction that is capable of defeating territorial protections. Once goods are sold in one jurisdiction having exhausted for all jurisdictions, it would be almost impossible for the rights owner to interfere with the importation of those goods in other jurisdictions based on his local registrations. In addition, “International Exhaustion of IP Rights” is explicitly in conflict with Turkey’s obligations under the Customs Union Agreement between EU and Turkey.

Court decisions will enlighten many aspects of the provisions of law, especially in questionable areas. We will be following up with these decisions and the case law in Turkey in the light of the new law.

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