

# Intellectual Property & Technology Law Journal

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## Parallel Track Proceedings: Determining Whether to Stay Litigation . . . . . 3

The expansion of post-grant proceedings provided by the America Invents Act presents new considerations for parties involved in patent litigation. Parties must now consider two mechanisms for challenging the validity of patents they have been accused of infringing: (1) validity challenges in district court, and (2) the new covered business method and *inter partes* review proceedings by the Patent Trial and Appeal Board of the Patent and Trademark Office. In this article, **Jeffrey A. Miller** and **James M. Lyons**, of Kaye Scholer LLP, discuss the parallel track proceedings.

## Federal Circuit Finds Claim Reciting Both Apparatus and Process Limitations May Be Definite . . . . . 7

The U.S. Court of Appeals for the Federal Circuit recently issued a decision in *UltimatePointer, LLC v. Nintendo Co.* One of the issues decided by the court was whether UltimatePointer's claims, including apparatus and process recitations, are indefinite. The Federal Circuit overturned the district court finding of patent claim indefiniteness. In their article, **William C. Rowland** and **David W. Leibovitch**, attorneys at Buchanan Ingersoll & Rooney PC, explain the decision and its implications.

## Retroactive Damages in Light of a Post-Issuance Terminal Disclaimer . . . . . 9

When a claim of a patent is an obvious variation of a claim of another commonly owned patent, the latter-filed patent is invalid. This situation is called "obviousness-type double patenting." To keep a patent from being invalidated under a finding of obviousness-type double patenting, a patent owner can file a terminal disclaimer on the latter-filed patent. **Kevin Ahlstrom**, an associate at Baker Botts L.L.P., discusses retroactive damages and terminal disclaimers.

## Lights, Camera ... No Unauthorized Disclosure! Taking "Action" to Protect Patient Privacy When the Media Appear . . . . . 11

**Kimberly C. Metzger**, a partner at Ice Miller LLP, explores a recent civil lawsuit brought by the widow and family members of a man who was filmed by a major television network without his knowledge or permission while receiving emergency treatment at a hospital. The article also discusses the Office for Civil Rights investigation of the hospital for alleged violations of the HIPAA Privacy Rule and the subsequent settlement.

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E-commerce in China is developing rapidly and there have been many varying approaches to regulating it. **Yongpei Liu**, an attorney at the Chinese law firm Yingke Law, provides foreign companies with a brief overview on the new Chinese E-Commerce Law and how to protect their intellectual property rights in China.

## How Will the New Turkish IP Code Affect IP Practice in Turkey? . . . . . 17

**Hande Hançar Celik** and **Mutlu Yıldırım Köse**, attorneys at the Istanbul-based law firm Gün + Partners, examine Turkey's new Draft Intellectual Property Code, a single code covering trademarks, geographical indications, designs, utility models, and patents.

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# How Will the New Turkish IP Code Affect IP Practice in Turkey?

By Hande Hançar Celik and Mutlu Yıldırım Köse

A new Turkish intellectual property (IP) code has been touted since the mid-2000s and although several drafts have been prepared, none of them have been enacted despite some changes made in the legislation already in force. Finally, this year, the Draft IP Code, a single code covering trademarks, geographical indications, designs, utility models, and patents, was prepared.

On February 24, 2016, The Ministry of Science, Industry and Technology opened the Draft Code for public opinions on the web site of the Turkish Patent Institute (TPI). After having collected the opinions and made some changes the Draft Code was sent to Parliament on April 6, 2016, to be discussed in and voted on by the Grand National Assembly. It is expected that the New Turkish IP Code will enter into force before the end of 2016.

## Why a New IP Code?

It would be fair to say that the strength and financial importance of intellectual property rights (IPRs) have been well recognized in Turkey since 1995, the year of the “Turkish IPR revolution.” In 1995, Turkey signed the Customs Union Agreement, which came into force on December 31, 1995, and to fulfill the obligations arising from this Agreement, Turkey had to harmonize its national laws, including the IP Laws with EU regulations. To this end, Turkey quickly enacted decree laws pertaining to the protection of trademarks, industrial designs, patent, utility models, and geographical indications. The new IP legislation was almost fully compatible with EU regulations and at that time the government preferred the form of decree laws, which are administrative regulations in the power of laws, not enacted by the Parliament,

as the procedure for introducing decree laws is less cumbersome, faster, and have the power of law.

During the years since, while the decree-laws served fairly well and provided a good legal basis to protect the rights and efforts of IP right owners, the constitutionality of the decree laws has been problematic. This is because, according to the Turkish Constitution, any individual rights, including the right of property, shall be regulated only by Law. In 2014 and 2015, the Constitutional Court, upon demand, cancelled some of the provisions of the Trademark and Patent Decree Laws by considering that the right of property, which is one of the individual rights, cannot be ruled by decree laws.

Accordingly, with the legitimacy of the decree laws at issue, the Draft Code has been prepared to update, streamline, and modernize the current IP legislation.

## The Draft Code

The Draft Code, when enacted, will be replacing the decree laws pertaining to the protection of trademarks, patents, geographical indications, and designs. The Draft Code consists of five chapters and approximately 200 provisions with definition provisions at the beginning and common provisions at the end. It mainly incorporates the provisions already contained in the existing decree laws while introducing some new provisions as well.

The first chapter of the Draft Code is trademarks. Many provisions that were lacking in Turkish Trademark Law have been introduced in this Draft Code, and will become almost fully compatible with respective EU legislation upon the enactment of the Draft Code.

One of the major changes is that the Draft Code introduces the principle of co-existence into Turkish trademark law. Accordingly, letters of consent from the senior trademark/trademark application owners or co-existence agreements shall be acceptable in overcoming the citations of earlier senior identical or indistinguishably similar

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trademarks by the TPI as an *ex officio* refusal ground. This is an important change for overcoming the present *ex officio* refusals, which prevents the registration of many new trademarks.

Another change that will affect IP practice directly is that during the opposition proceedings before the TPI, opponents will have to prove genuine use or produce justified reasons for non-use within the last five years of their trademarks that they cite as grounds for the opposition, if so requested by the applicant. Accordingly, if the opponent cannot prove genuine use or produce justified reasons for non-use, the opposition will be rejected. There is a similar provision for infringement actions as well, thus, non-use of a trademark cited as grounds for an infringement action also can be cited in defense in an infringement action.

The Draft Code also entitles the TPI to invalidate a trademark on the basis of non-use. But the enforcement date of this provision has been postponed for seven years.

What is more, bad faith has been added as a separate ground for opposition and cancellation and the five-year period for filing a cancellation action has been regulated under a separate provision.

With respect to criminal provisions, the Draft Code changes the definition of trademark infringement crime and extends the scope of infringing acts to *storage, importation, and exportation* as well. Because of the “typicity” (typicalness) of the act principle in criminal law, the current provision does not clearly list the acts creating problems during the enforcement proceedings. So the Draft Code seems to eliminate such problems as the draft text exactly covers storage, exportation, importation etc.

Another positive development is that the Draft Code introduces a new system that hopefully will help to eliminate the practical problems raised during raid actions. The Draft Code states that the objections against the decisions of General Criminal Courts should be filed to the Specialized Criminal IP Courts, which will ensure that the objections will be reviewed by a specialized body.

The Draft Code also introduces accelerated destruction of the counterfeiting items system and states that the seized counterfeiting products may be destroyed after the expert examination stage if there is the risk that the goods may be harmed or may lose significant value or if the storage of these products would create serious burdens.

It is important to note that the term for opposition for the trademarks has been shortened to two months from three months. It also is worth noting at this point that the TPI’s Trademarks and Industrial Design Bulletins will now be published twice monthly, not once, following a recent decision by the TPI.

The second chapter of the Draft Code relates to designs and also includes changes which achieve greater compliance with the relevant European Union directives.

First, the name of the chapter has been changed from Industrial Designs to Designs and whether industrial or not, all designs will be protected. Further, the provisions regarding spare parts have been harmonized with the EU law. Accordingly, unseen parts/devices (*e.g.* parts of an engine) cannot be registered as designs.

Another important change is that an *ex-officio* novelty examination is introduced for design applications. Therefore, the TPI will review the novelty of design applications and will decide to publish or note.

The criteria for distinctiveness have been changed to “*difference*” from “*significant difference*.” The opposition term also has been shortened to three months from six months.

The fourth chapter relates to patent and utility models. Here, there are many improvements. Indeed, the Draft Code contains a number of provisions that align with the European Patent Convention (EPC), notably EPC Articles 53(c), 54(3), 56, 57, 88(1—4), 101, 122, and EPC Rule 136.

The Draft Code introduces a *post-grant opposition system*, which nearly mirrors the system provided for under EPC Article 101. Further, the time limitation for divisional patents has been removed.

The criminal remedies for patent infringement cases have been removed by the Draft Code. However, the provisions allowing patent applications to enjoy the same protection as granted patents is an important gain.

### **Missing Provisions**

Despite these positive developments, there are still some missing provisions. For instance, unlike Article 52 and Articles 54/4 and 54/5 of EPC, there are no explicit provisions governing the patentability of biotechnological inventions and second or subsequent use of a known substance or its

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composition. There is not a provision prohibiting the patentability of such inventions, and the lack of an explicit rule creates confusion. In addition, unlike Article 138/(3) of EPC, the Draft Code does not contain a provision allowing the patent owner to defend its patent by limiting its patent claims in an invalidation action against a granted patent.

In addition to these missing provisions, the provisions relating to compulsory licensing are risky. Indeed, Article 130/2 of the Draft Code states that the compulsory licensing can be demanded *even in cases in which the patent is used but “the use is not sufficient to cover the needs of the national market.”* This additional ground is too vague and definitely would create an attack against the business priorities of the patent holder while at the same time can be abused by competitor third parties.

The common provisions at the end of the Draft Code also include positive and negative changes. One of the major changes that will affect the current practice is that in contrast to the precedents of the Turkish Supreme Court, trademark, patent, or design right holders cannot allege their registered

right as a defense in the infringement action filed by a priority right holder. This means that having a registration does not necessarily mean that there has not been an infringement.

On the other hand, the Draft Code changed the “national exhaustion” principle to “international exhaustion” principle, which could create serious problems for the trademark owners as it limits the right to decide in which market the product would be launched.

### **Conclusion**

The Draft Code is deemed as a favorable development in general and it is expected to resolve some major issues for IP right holders. In trademarks and designs, many provisions which were lacking in Turkish IP legislation have been introduced in this Draft Code and the systems will become almost fully compatible with respective EU legislation upon the enactment of the Draft Code. Concerning patent regulations, although there are many improvements, there are still some areas in need of further amendment.