PATENT PROVISIONS OF TURKEY'S NEW IP LAW

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Turkey's new IP Law brings important changes to patents, including clarification of some concepts and the introduction of post-grant oppositions. Selin Sinem Erciyas and Özge Atilgan Karakulak of Gün + Partners explain

The long-awaited Industrial Property Law numbered 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 trade marks, geographical indications, designs and patent rights respectively. The name of the Turkish Patent Institute has changed to the Turkish Patent and Trademark Office (TPTO) with Article 188 of the Law. The fifth book rules on common provisions valid 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.

Patent reforms

The fourth book of the Law introduces relatively new provisions regarding the patent system in Turkey which bring the national law into line with the European Patent Convention (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 also be 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.

Prosecution changes

In terms of prosecution, the number of requirements for filing an application is reduced for ease of access to have a filing date. Now for a request for a patent or utility model, the identity and contact information of the applicant and the description or a reference to an earlier application are sufficient to obtain a filing date. The abstract, claims, figures (if any) and the fee for filing the application can be completed without further notification within two months and the description can also be amended within same two-month period following the filing date. To speed up the granting procedures, the search request must be filed within 12 months from the filing date or at the time of filing by paying the search fee without any notification.

The so-called non-examined patent system which allows grant of patents without a substantive examination for a protection period of seven years has been removed entirely. However, these patents were considered to be abusive of IP rights since they were granted without a substantive patentability examination.

The substantive examination procedure for patent applications before the TPTO has also been amended with the new IP Law providing only one examination report instead of three in the previous system and limiting the communication between patent applicant and examiner to three times, which we found quite insufficient especially considering EPC does not limit the number of communications between examiner and applicant.

The rights of the applicants are supported with provisions providing further processing and re-establishment of rights in case of any non-compliance with a certain deadline during procedures. The vast majority of the non-compliance results from the late payment of annuity fees. Therefore, a compensation fee is introduced in the IP Law allowing the revival of an application or a patent, the protection period of which is deemed to be ended due to the lack of an annuity fee (Article 101(4)). Accordingly, an annuity fee which is not paid by the due date can be paid within the following six months with a surcharge. However, if it is also not paid in that six months, then the patent right is terminated and the decision is published in the Official Patent Bulletin. The compensation fee for such an application can be paid within two months from the publication of the termination of the patent right and the patent can be re-established. The same is valid for patent applications.

Another major change relates to annuity fees. Accordingly the payment of the renewal fees will first be due in the third year, instead of the second year, and each subsequent year. In line with this, continuation of suspended procedures is also described in the IP Law. Accordingly, the applicant must submit a request for continuation within two months of the notification about the consequences of non-compliance with a certain deadline upon payment of the respective fee. If such a request is accepted, the legal consequences of non-compliance with the deadline are considered not emanated. However, despite full compliance with all conditions of the application procedure, if an applicant is faced with rejection of the patent application or if the application considered as withdrawn or if the patent is considered as invalid, or any other loss of rights due to not obeying certain deadlines, then it is still possible to file a request for re-establishment of rights. This request must be filed within two months of removal of the obstacle causing the non-compliance, but not later than one year after the initial failed deadline along with the payment of a fee. If such a request is approved, then the legal consequences arising from not obeying the deadlines are considered not effecive at all.

Post-grant oppositions

Another important improvement is the introduction of a post-grant opposition system in line with the system regulated in Article 101 of the EPC. Third parties can oppose a patent within six months as of publication of the grant decision on the Bulletin. The scope of the objections includes:

- lack of patentability criteria according to Articles 82 and 83;
- lack of enough information about the invention with respect to Article 92, paragraphs 1 to 3;
- exceeding the scope of the initial application.

If any third party files an opposition against a patent, the opposition is notified to the patentee. This opposition procedure allows the patentee to amend the patent after grant and state his opinion within three months as of the notification date of the objection. Oppositions are examined by the Board in view of the submissions of the patentee and amendments in the patent, if any, and the Board comes to a conclusion. If the Board decides that the patent, in its current or amended state, conforms to the IP Law, the patent is maintained in its current or amended state. On the contrary, if the Board decides that the patent, in its current or amended state, does not conform to the IP Law, then it is declared null and void, which has a retroactive effect.

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 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.

In fact this is a routine scenario for European patents validated in Turkey after first grant decision of the examining division of EPO. Referring to the fact that a patent subject to invalidity proceedings in Turkey may be

revoked or amended before the EPO and that this will be directly binding on a European patent validated in Turkey, the Turkish IP courts are often asked to delay the invalidation proceedings until completion of the opposition. However, as the law makes no explicit provision for this, the delay is at the discretion of the IP courts. As the Draft Code does not cover European patents validated in Turkey for which the post-grant opposition is conducted before EPO; it is still possible for an invalidation action to take place at the same time as a post-grant opposition for a European 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 EPC 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 by an invalidation action, where the patent holder will have no right to amend or limit the patent, rather than in an opposition, where the patent holder may be able to maintain its patent through amendments or limitations.

Last but not least, the new IP law has another important amendment in the prosecution of the utility model applications which now obliges a novelty search for grant. This new implementation can also strengthen the content of the utility model applications and prevent arbitrary filings. It is important to note that there is no post-grant opposition system for utility models.

Unanswered questions

There are some substantial matters that are not regulated in the law.

The Law does not include a clear provision regarding 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 the EPC into the national law, the legislator strongly resisted such provisions. The same situation is valid for the definition of biotechnological invention and the conditions required to obtain patents for such inventions.

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 licence 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 precondition for granting a compulsory licence as per Article 130 of the Law. Compulsory licences in cases of public interest are addressed in Article 132 of the Law as a separate situation for a compulsory licence.

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 the international exhaustion principle for any kind of IP rights, including patent rights. The most important threat to such a patchy protection umbrella is the international exhaustion of rights in one single jurisdiction that is capable of defeating all territorial protections. Once goods are sold in one jurisdiction are 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. Indeed, how could the rights owners, on the one hand having exhausted their rights globally, argue on the other hand, that their rights should be protected? Given the similar case law in South Africa, Canada and Switzerland that allow for parallel imports of goods first sold in other jurisdictions

although the rights may not have been internationally exhausted, it would be very difficult for rights owners to exercise IP rights on goods once sold in the Turkish market exhausting rights internationally.

Besides, "international exhaustion of IP rights" is explicitly in conflict with Turkey's obligations under the Customs Union Agreement between EU and Turkey.

Apparently court decisions will lighten many aspects of the provisions of law especially in questionable areas. We will be following up these decisions and the case law in Turkey in the light of the new law.

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Selin is a partner in the IP department of Gün + Partners, specialising in patent law and life sciences issues. Selin has been involved in a number of advisory and litigation matters in all fields of IP, and has handled hundreds of both contentious and non-contentious administrative oppositions, and court actions involving patents and trade marks. Selin has taken responsibility in a number of patent infringement actions, declaration of non-infringement actions, and nullity actions.

She represents a number of multinational pharmaceutical companies before the Ministry of Health in relation with regulatory issues and assists these pharmaceutical companies in regulatory examinations before the MOH.

Selin also served as a counsel to the Association of Research-Based Pharmaceutical Companies (AIFD). She represented the AIFD at the commission meetings of the Turkish Parliament on the draft Patent Law in Turkey.

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With the combination of her advisory and litigation expertise and in-depth knowledge of the life sciences industry, she advises clients across all phases of the business cycle of life science products, such as registration/authorisation procedures, promotion practices, pricing and reimbursement regulations, distribution relationships and co-marketing deals, as well as on issues of merger control, vertical restraints and abusive conduct. In addition to corporate clients, Özge advises the most prominent industry associations which are active in the Turkish medical device, diagnostics and pharmaceuticals industries.

Özge has been involved and leading numerous patent infringement and validity actions against generic pharmaceutical companies. She was involved in the first ever pharmaceutical data exclusivity actions in Turkey. She has been a member of the Turkish and Istanbul Bar Unions, International Bar Association (vice-chair Patent Sub-committee, Co-chair World Life Sciences Conference), AIPPI, INTA, and LES.

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