AN OVERVIEW OF THE PATENT PROTECTION IN TURKEY UNDER THE NEW IP LAW

Industrial Property Law numbered 6769 (“IP Law”) has come into force after being published in the official gazette on January 10, 2017 and numbered 29944.

Some of the most notable changes brought by IP Law in the new Patent system are as following:

- **Post-grant opposition proceedings:**
  
The notable improvement is that a post-grant opposition system is brought by the new IP law in line with the system ruled in Article 99 EPC. The existing Decree Law numbered 551 was not providing a post-grant opposition to the granted patents and third parties therefore had have to file a nullity action before the Courts to challenge the validity of a granted patent. This practice has now been changed and the third parties will have a right to file an opposition instead of costly litigation within six months as of the date of publication of the grant in official bulletin.

- **Abolition of seven-year patent system:**
  
  Abrogating the “unexamined” patent system is one of the other significant improvements brought by the new IP law. The existing Decree Law has been criticized as it leads up to potential bad faith patent registrations without substantive patentability examination. Now, this practice of granting the unexamined patent is abandoned and from now on, the novelty or inventive step of the invention will be examined.

- **Search requirement is brought for obtaining Utility Model Protection**
  
  According to the existing Decree Law, inventions that are novel and industrially applicable can be protected by utility models for a period of ten years starting from the filing date of the application and an inventive step is not a prerequisite under this system. The new IP law still keeps these requirements for obtaining Utility Model protection, but issuance of a search report is included as an additional requirement in the new IP law. This means that obtaining Utility Model Protection becomes more difficult than before and this new arrangement will reduce the number of easily obtained registrations with bad faith that are made to be used as a shield in possible infringement allegations, to some extent.

- **Improvement in the defense to infringement based on prior commercial use**
  
  The prior user rights defense is already well covered in most countries’ laws to balance the interest of the prior user and the patentee. According to this principle, the patentee is not eligible to initiate a patent infringement action to those who has prior user rights due to the fact that they have been using the patented innovation as a trade secret before filing/priority date of a patent. The existing decree law also covers the prior user rights defense, but this right can only occur if the use took place between the filing date and priority date. In other words, the defense to infringement based on prior commercial use was not available for the use of third parties which took place earlier than priority date of patent. However, the new IP law makes an amendment on the period which is taken into account for conferring the prior use right. According to the wording of new IP Law, the prior use defense will be available for the use of third parties took place before filing date of a particular patent. The prior use defense can be raised by third parties acting in good faith only, and its scope is limited with Turkey’s territory.
Compulsory Licencing

According to the former Decree Law No: 551, the grounds for compulsory licensing were limited to non-working of the invention, interrelation of technologies and public interests. This list has been broadened now with the grounds that:

- exporting pharmaceutical products to the countries where an urgent need exists for public health,
- plant breeders’ needs for improving a plant variety in situations where such improvement is not possible without infringing a patent protecting the said variety, and
- Patentee’s activities distorting a fair competition.

However, further provisions are brought also in order to safeguard patentee’s rights for removing any compulsory license granted before, in the event that grounds for the compulsory licensing are removed and will likely not repeat.

Process Patents

The former legislation was unclear and it was including inconsistent provisions relating to the onus of proof in the case of an infringement of process patents. The new IP law makes it clear that onus of the proof lies with the defendant if the product obtained by the patented process is “new”. In other cases, the burden of proof shifts to the claimant or the Court may ask to the defendant to prove that the patented process would not be infringed.

The improvements brought by the new IP law are not limited to those mentioned above. However, there are also some aspects which are not fully harmonized with EPC. One of them is the issue of patentability of second medical use and biotechnological inventions.

The discussion revolving around whether it is compulsory to send a notice to the patent owner before filing an action for a declaratory judgment of non-infringement is now over

The abrogated Patent Decree-Law used to include a provision setting forth that prior to initiation of an action for a declaratory judgment of non-infringement, a notice shall be served to the patent owner to demand its observations on whether the requesting party’s manufacturing activities or manufacturing preparations constitute infringement or not. Serving such a letter was not deemed compulsory to initiate this action according to interpretations of some judges due to wording of the provision in the law whereas some judges considered it as a pre-cause of action. The new IP law now clearly states that making this notification is not compulsory. Thus, the discussions on the necessity of serving such letter have come to an end. However, the Courts may still consider the absence of such letter as a reason for not imposing patent owner to pay the litigation expenses even if the case is accepted in favour of the plaintiff.

The prevention of a potential infringement is now available and the possible impact of this new rule in interpreting the scope of Bolar Exception

The new IP Law keeps the patentee’s right in case of infringement regulated under the former legislation, but new Law specifically mentions the prevention of a “potential” infringement. Implementation of this new rule will be shaped in future by court precedents; however, one of its impacts would be expected in interpreting the scope of Bolar Exception. In Turkey, market access consists of two main steps, namely obtaining marketing authorization and a
sales permit from the Ministry of Health. Per the established COA’s decisions; marketing authorization applications are not accepted as an act of patent infringement. However, the Turkish IP courts have followed different interpretations to determine the scope of the exemption in Turkey in relation to the sales permit stage. Although most of IP courts tend to interpret sales permit stage under the exemption, Court’s interpretation on determining the scope of Bolar Exemption may now change and applying for a sale permit at MoH may be evaluated as a potential infringement under this new provision. We will see how it will be decided in future decisions of the courts.

Still uncertainty out there for the patentability of second medical use claims and biotechnological inventions

Neither the existing Decree Law nor the new IP law includes a clear provision regarding the patentability of second and further medical indications and it cause serious problems in practice in Turkey.

Moreover, some IP Courts have a tendency to even not accept the second medical use claims granted by the EPO and validated in Turkey if they have been registered before the date of December 13, 2007 when EPC 2000 came in force by basing on the article 1/3 of the decision of the Administrative Council. Indeed, according to the subject article of the decision of the Administrative Council, Article 54(5) EPC allowing patentability of second medical use claims as prescribed by EPC 2000, shall apply to the European patents pending at the time of its entry into force, in so far as a decision on the grant of the patent has not been taken. By taking into account of this decision of Administrative Council, the IP Courts do not even examine the patentability conditions in terms of the novelty and inventive step, since such patents are considered as null and void. The courts do not consider the decision numbered G-5/83 of The Enlarged Board, which acknowledge the second medical use patent in the format of “Swiss type claim” because the decisions of the EBA are not binding on the national courts. Although the CoA reversed the first instance of Court’s decision outlined above, the Court insisted on its previous decision and now the matter is under the examination of the General Assembly of Civil Chambers, a higher Court of CoA. We will see the approach of the General Assembly of Civil Chambers on that matter.

As the new IP Law also remains silent on the patentability of second and further medical indications, these discussions are likely to continue. By any means, it is obvious that Turkey has failed to harmonize its local legislation with EPC provisions by not including the clear provision on patentability of second and further indications.

This uncertain situation is the same in terms of the patentability of biotechnological inventions excepting “microbiological” products and processes. The new IP law includes provisions for the protection of biotechnological inventions but the protection is restricted with “microbiological” products and processes.

Accordingly, pharmaceutical companies had better to obtain European Patents instead of national patents especially for the inventions relating to secondary indications and biotechnological inventions as this would be safest route to protect such inventions.

Despite the failure in harmonization of national law in terms of some aspects, it is hopeful that the IP rights will be eventually protected by a law instead of decree law. Per the Constitution, any restriction on “property rights” has to be regulated by laws issued by the Parliament. But in Turkey, all IP Rights were previously regulated by Decree Laws issued by the Board of Ministries. In the recent years, demanding the annulment of articles of decree laws had become a common practice among the
defendants who want to delay the trial or get rid of the consequences of their act if possible. Several provisions related to IP rights including the ones within the Patent Decree Law were taken to the Constitutional Court and all of them were annulled by Constitutional Court on the ground that these articles are within the scope of the property right and according to the article 91 of Constitution, the right of property cannot be regulated with the Decree Law. In fact, Constitutional Court has a set mind that IP rights cannot be regulated in Decree Law and keep annulling provisions in Trademark and Patent Decree Laws when such demand is raised and taken to the Constitutional Court. Accordingly, the new IP Law will serve for such good purpose.

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