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Patents in Europe **2018/2019**

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Turkey



By Selin Sinem Yalıncaklı and Tuğçe Avcısert Geçgil, Gün + Partners

Q: What options are open to a patent owner seeking to enforce its rights in your jurisdiction?

A patent can be enforced before specialised IP courts by filing a patent infringement action according to Article 149 of the Industrial Property Law.

According to Article 159 of the Industrial Property Law, persons who have commenced or will commence legal proceedings under the law can request a preliminary injunction in order to ensure the effectiveness of the infringement action, provided that they bring evidence of the actual use of the patent in Turkey or serious and effective preparations to use the patent in question. Preliminary injunction requests are accepted when any delay might cause irreparable and significant damage.

to arbitration in order to resolve the dispute. However, these situations are rare in practice.

Q: Are there specialist patent or IP courts in your jurisdiction? If not, what level of expertise can litigants expect from the courts?

Yes, Article 156 of the Industrial Property Law regulates which courts are competent to deal with patent disputes. If there is no IP court in the relevant city, a patent can be enforced before non-specialised civil courts of first instance in that city.

In the years immediately following the establishment of the IP courts, judges were given specific training in IP law, but since they have no technical background, they refer files to expert panels for technical evaluation.

Q: Are parties obliged to undertake mediation/arbitration before bringing a case before the courts? Is this a realistic alternative to litigation?

No, the parties are not obliged to undertake mediation or arbitration before bringing a case before the courts. It is possible for the parties to settle regarding an infringement before or after an action has been filed, or the parties can apply

Q: Are validity and infringement dealt with together, or does your country have a bifurcated system?

There is no bifurcated system in Turkey. All IP courts may deal with validity or infringement cases. It is possible for the patent owner to file an infringement action and the counterparty to file an invalidation action as a counteraction before

the same court or as a separate action before a different IP court. In practice, courts tend to merge invalidity actions with infringement actions even if they are filed separately, since any invalidation decision has a retroactive effect.

Q: Who may represent parties engaged in a dispute?

The parties are represented by attorneys registered with the Bar Association. Attorneys representing parties in IP-related matters need not have a technical background or be patent or trademark attorneys. However, patent or trademark attorneys who are not attorneys at law are not entitled to represent parties before the Turkish courts. That said, on the request of an attorney at law, a patent or trademark attorney may be heard in IP litigation as a private technical expert.

Q: To what extent is pre-trial discovery permitted?

As per Turkish procedural law, discovery of evidence can be requested as pre-trial discovery. If the IP court accepts the request, all steps can be taken to have the material status of evidence determined and recorded at the court's discretion. For example, in relation to disputes over pharmaceutical patents, the licence dossiers of the generic product may be examined if so ordered by the court in the course of considering an evidence discovery application. In this case, the parties' attorneys, along with experts, examine the dossiers at the premises of the Ministry of Health. This examination is limited to the extent of the application (ie, to determine that infringement occurred).

Q: Is cross-examination of witnesses allowed? If so, what form does this take?

Yes, pursuant to Article 281 of the Civil Procedure Code, cross-examination of witnesses is allowed. The parties' attorneys are entitled to directly question witnesses, experts and other persons joining the hearing.

Q: What use of expert witnesses is permitted?

Since the lawyers and judges do not have technical backgrounds, expert witnesses are crucial to explain the technical points of the infringement and invalidation actions. The courts appoint experts *ex officio* from a list, who will then submit

a report on the technical points of the dispute in question. The findings of these expert reports are important, since the courts render final decisions based on them. The parties may object to the findings of the report and submit further reports to the court (parties are allowed to work with private experts in this regard).

Q: Is the doctrine of equivalents applied by courts in your jurisdiction? If so, what form does this take?

As per Article 89/5 of the Industrial Property Law, at the time of an alleged infringement, in determining the scope of protection conferred by a patent application or a patent, all elements that are equivalent to the elements as expressed in the claim(s) are also considered (ie, the doctrine of equivalents). To be considered equivalent, the substitute element must match the function, method and result of the claimed element.

Q: Are there problems in enforcing certain types of patents relating to, for example, biotechnology, business methods or software?

The Istanbul First IP Court recently issued a notable decision relating to a second medical use patent, finding that second medical use claims granted by the European Patent Office (EPO) before European Patent Convention (EPC) 2000 amendments were validated in Turkey should be deemed null and void, because:

- there were no legal grounds under the EPC to grant such claims; and
- the relevant decisions were based on case law of the Enlarged Board of Appeal, which – according to the First IP Court judge – is not binding on Turkey.

This decision initially created uncertainty over the enforcement of second medical use claims granted by the EPO before the EPC 2000 amendments entered into force. However, the Court of Appeal has since overruled the decision of the First IP Court, finding that Turkish IP law allows second medical use claims to be patented. Other than this, there have been no problems in enforcing patents before the Turkish courts.

Q: To what extent are courts obliged to consider previous cases that have covered issues similar to those pertaining to a dispute?



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She represents numerous multinational pharmaceutical companies before the Ministry of Health in relation to regulatory issues and assists them in regulatory examinations before the ministry.

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She has broad experience in life sciences and advises clients across all phases of the business cycle of life sciences products, including clinical trial regulations, marketing authorisation and registration procedures, pricing and reimbursement regulations as well as promotion practices.

She has led numerous patent infringement and validity actions against generic pharmaceutical companies.

She serves as a counsel to the Association of Research-Based Pharmaceutical Companies in Turkey and advises on many regulatory policy papers and drafting regulations proposed to the Turkish governmental authorities.

If the subject of the action (ie, the relevant patent) is the same as that of a previous action heard by the court and a final invalidation decision has been issued, the courts are obliged to take into consideration the final judgment pursuant to Article 114/1(i) of the Civil Procedure Code.

However, if the subject matter of the action is similar but not the same, there is no obligation for the courts to consider previous cases. In practice, the courts do consider the decisions of the Court of Appeal in similar cases.

Q: To what extent are courts willing to consider the way in which the same or similar cases have been dealt with in other jurisdictions?

Are decisions from some jurisdictions more persuasive than those from others?

Turkey is a party to the EPC; therefore, decisions rendered by the EPO Opposition Division or the Board of Appeal are usually submitted to the court as persuasive evidence if the Turkish validation of an EPC patent is the subject of the dispute. Although the Turkish courts do not follow EPO decisions, depending on the corresponding patent and the prior art submitted in the present dispute and the EPO dispute, the courts are sometimes affected by these decisions.

In practice, if the subject patent is a validation of a European patent, depending on the status of the EPO proceedings, the courts may decide to wait for the outcome of the EPO procedure if it

seems that it will soon be finalised. Apart from this, the IP courts generally do not prefer to wait for the EPO proceedings, considering the lengthy timeframe of such procedures.

Further, any other decision rendered on a patent that is related to the patent in the present dispute is usually submitted by the patentee as persuasive evidence.

Decisions on similar points of law which concern entirely different patents are unlikely to have any effect on the Turkish courts.

Q: What realistic options are available to defendants seeking to delay a case? How might a plaintiff counter these?

The most realistic option is to file an invalidation action against the infringement action in order to delay or jeopardise it. In this case the plaintiff of the invalidity action may ask the court dealing with the infringement action to delay the infringement proceedings until the conclusion of the invalidity action, considering the retroactive effect of any invalidity decision. Some courts do accept such requests and delay the infringement action. Both actions are usually consolidated. Another option is to ask the court to delay the invalidity or infringement action pending in Turkey on the grounds of pending EPO proceedings. The Turkish IP courts rarely accept pending EPO proceedings as a ground to delay the national proceedings. Only for invalidity actions is the most realistic option to ask the court to wait for the EPO decision.

Q: Under what circumstances, if any, will a court consider granting a preliminary injunction? How often does this happen?

According to Article 159 of the Industrial Property Law, persons who have commenced or will commence legal proceedings under the law can request a preliminary injunction in order to ensure the effectiveness of the infringement action, provided that they bring evidence of the actual use of the patent in Turkey or serious and effective preparations to use the patent in question. Preliminary injunction requests are accepted when any delay might cause irreparable and significant damage.

The success of a preliminary injunction request depends on both the quality of evidence that the delay might cause irreparable and significant damage and the strength of the patent.

Q: How much should a litigant budget for in order to take a case through to a decision at first instance?

The main costs arising in a typical patent case are judicial costs (ie, expert fees) and fixed attorneys' fees. The courts establish a panel comprising three experts. The fee for each expert examination is around TL3,000 (approximately €900). A second panel of experts is likely to be appointed if the first panel's report is found to be unsatisfactory. The attorneys' fee, which is determined in line with the annual tariff declared by the Turkish Bar Union, is TL2,600 (€665). Therefore, the total cost for such litigation is around €3,000 to €4,000. The losing party bears judicial costs and the fixed attorneys' fee.

These are the official expenses and do not cover the professional fees of the attorney at law.

Q: How long should parties expect to wait for a decision to be handed down at first instance?

The time that it takes for the defendant to be served with the action depends on whether it is foreign or domestic. Whereas domestic service takes around one month, international service may take several months.

On service, the defendant has two weeks to respond to the action. In IP disputes the procedure is such that the parties may submit two petitions each during the first stage of the case, with two weeks as of the service of the latest petition allowed to respond to that petition. After the exchange of petitions, the court holds a preliminary examination hearing, decides on the points of dispute and moves to examine the case. During the examination stage, the court resorts to technical experts and the timeframe for this stage accordingly depends on how many times the file is sent to the court, as the experts usually deliver the file with their report in six months. On conclusion of the examination, the court schedules an oral hearing two weeks later and renders a decision. With one expert examination only, it would take around one-and-a-half years to obtain a first-instance decision.

Q: To what extent are the winning party's costs recoverable from the losing party?

The winning party's judicial costs (ie, costs for filing the action and expert fees) are recoverable from the losing party. However, the attorneys' fees of the winning party (except for the official

fee of TR2,600) will not be imposed on the losing party.

Q: What remedies are available to a successful plaintiff?

The successful plaintiff of a patent infringement action obtains vindication of its patent rights, usually accompanied by (if requested) an injunction against infringing acts.

The successful plaintiff of a negative declaratory action obtains the benefit of knowing that an infringement action cannot be filed against it, unless circumstances change (ie, it begins to act in an infringing manner that was not the subject of the declaratory action).

The successful plaintiff of an invalidation action obtains invalidation and deregistration of the patent, effective retrospectively. This means that the patent will never have existed and the successful plaintiff is thus free to file a damages action for the time that it was barred (if barred by an injunction) from acting as it wished because of the non-existent patent.

Q: How are damages awards calculated? Are punitive damages available?

Article 151 of the Industrial Property Law provides three bases on which to calculate damages:

- the income which the patent owner might have generated had the infringement not occurred. The court-appointed expert panel will examine the patent owner's and the infringer's commercial books and records to determine the lost profits;
- the income generated by the infringer from use of the patent. In this case, the expert panel will examine the infringer's commercial records; or
- the fee that the infringer would have paid had it lawfully used the patent under a licensing contract.

Punitive damages are not available.

Q: Under what circumstances might a court grant a permanent injunction? How often does this happen?

Under Turkish patent law, preliminary injunctions mostly stay in force until the judgment in the main action becomes final. However, the court may lift the injunction if the conditions change and such

change is brought to its attention by the enjoined party.

A preliminary injunction may last for a long time; it may be granted before the filing of the main action or at any point where the applicant decides to ask for an injunction. If the final decision confirms the infringement, the injunction will not be lifted.

In any case, the injunction will be lifted on expiry of the patent term.

Q: Does the losing party at first instance have an automatic right of appeal? If not, under what circumstances might leave to appeal be granted?

Yes. Turkey adopted a new appeal system which entered into force on July 20 2016. The new system introduced a three-tier court system: first-instance courts, the Court of Cassation and the courts of appeal. In principle, all final decisions of the first-instance courts can be appealed. However, interim decisions can be appealed only along with the final decision. The Court of Cassation examines judgments including those regarding preliminary injunction requests and those on the merits of the case. Decisions of the Court of Cassation can be appealed before the courts of appeal.

Q: How long does it typically take for the appellate decision to be handed down?

It usually takes around one-and-a-half years from the appeal date until the delivery of the appeal judgment.

Q: Is it possible to take cases beyond the second instance?

Yes (please see above).

Q: To what extent do the courts in your jurisdiction have a reputation for being pro-patentee?

In practice, the Turkish courts tend to be protective of domestic industry and therefore we cannot say that they are 100% pro-patentee.

Q: Have courts in your jurisdiction handled cases relating to standard-essential patents and fair, reasonable and non-discriminatory licensing since the ECJ's *Huawei v ZTE* decision? If so, what have they decided?

As far as we know, no such case has yet been handled by a Turkish IP court. However, we assume that such a dispute would once again be resolved through court-appointed experts.

Q: If they have not handled such cases, how would you expect them to approach the issue?

Since Turkey is not an EU member state, *Huawei v ZTE* is not directly applicable in Turkey, nor are the Turkish courts required to handle similar cases in a similar manner. Further, competition law is within the sole jurisdiction of the Competition Board; therefore, the judiciary – unless hearing an administrative action for the cancellation of a Competition Board decision – does not concern itself with competition law. Although any court judgment should not conflict with statute, when faced with a dispute on the licensing of patents, the IP courts will not analyse the matter from a competition law perspective.

Q: Has your jurisdiction signed the Agreement on the Unified Patent Court? If so, when do you expect it to be ratified?

Turkey is not a signatory.

Q: Will your country play host to one or more divisions of the Unified Patent Court?
Not applicable.

Q: Are there any other issues relating to the enforcement system in your country that you would like to raise?

In a recent patent invalidation action where the IP court decided not to wait for the conclusion of EPO proceedings before rendering its final decision, as a last attempt to save the patent, the patent owner applied to limit the claim set under Article 138/3 of the EPC. The limitation was based on the claim as allowed by the Opposition Division.

Surprisingly – but fairly – the court and the Turkish Patent Institute accepted the patent owner's claim limitation request. Crucially, the patent owner emphasised to the court that the claim set had become identical to the limited set of claims before the EPO.

This decision may usher in a new era characterised by greater harmony between EPC and Turkish patent legislation and application/grant procedures, resulting in greater consistency between the claims of Turkish and referred European patents. **iam**



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