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Turkey

PATENT LITIGATION

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This country-specific Q&A provides an overview of patent litigation laws and regulations applicable in Turkey.

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TURKEY PATENT LITIGATION



1. What is the forum for the conduct of patent litigation?

All patent cases are handled by the specialised Intellectual and Industrial Property Rights Civil Courts ("IP Courts"), which only exist in Istanbul, Ankara, and Izmir. In other cities, the 3rd Civil Court of General Practice is authorized to deal with patent disputes. All first instance courts, including the IP Courts, consist of one judge, and not a panel of three judges. Although judges do not have a technical background, the judges of IP courts generally have a good understanding of intellectual property law. According to the general jurisdiction rules of the Civil Procedural Law numbered 6100 ("CPL") and specific rules of the Industrial Property Rights Law numbered 6769 ("IP Law"), several courts are authorized to handle disputes: - The court of the domicile of the defendant - The court of the domicile of the plaintiff - The court of the place where the infringing act was carried out - The court of the place where the act of infringement produced its effects In case the defendant resides in Turkey, the courts where the defendant is domiciled have jurisdiction. If the defendant does not reside in Turkey, the court of jurisdiction is the court in the location of the business of the plaintiff's agent. If the agent's record has been deleted from the registry, the court of jurisdiction is the specialised IP courts of Ankara, where the Turkish Patent and Trademark Office ("TPTO") is located. Generally, both the plaintiff and the defendant would prefer the dispute be handled by the IP Courts as long as the jurisdiction rules allow the action to be filed in Istanbul, Ankara or Izmir since these courts have extensive knowledge about IP disputes.

2. What is the typical timeline and form of first instance patent litigation proceedings?

The patent litigation proceedings are handled in written format. The language of the proceedings is Turkish, and it is not possible to choose another language. It is not a pre-requisite for the plaintiffs to send a warning letter to

defendants before filing the patent infringement or invalidation actions. Turkey does not have a bifurcated system meaning that invalidation and infringement procedures are separated. Invalidation actions can be filed either separately or as a counteraction within the time frame to respond to the infringement claim in an infringement proceeding. If the invalidation is filed as a counteraction, both the infringement and the invalidation claim are handled by the same court regardless of the jurisdiction rules. However, in both cases, these actions are considered to be closely associated since the outcome of an invalidation action is retroactive and when a patent is invalidated, it shall be deemed to never be registered. As a result, even if the invalidation action initiates separately, the outcome of invalidation is awaited in the infringement action or the cases may be combined. As for the civil actions, there are a set of regulations on how to proceed at each stage. Even though some steps may change based on the nature of the dispute, the phases of a civil action in general are as follows: - If there is a preliminary injunction request, such request is initially examined. The court conduct such examination before or during a hearing. - Once the plaintiff's petition is duly served to the defendant, the defendant is obliged to submit a response within two weeks. Following the defence notification, the plaintiff is also obliged to respond within two weeks. Subsequently, the defendant can submit his second response to the plaintiff's counter-arguments within two weeks as of the receipt. The defendant's submission to the plaintiff's counter-statement concludes the exchange of petitions phase. The exchange of petition phase usually takes three months. After this phase, the judge determines a hearing date. - Upon the end of the exchange of the petition phase, the preliminary examination phase begins. In this phase, the court examines the conditions of the conflict between the parties. This examination is considered as a preparation for the analysis of the merits of the case. - The parties should file their evidence and arguments by the preliminary examination hearing. After that, new evidence and arguments may only be filed with the consent of the counterparty. - After the preliminary examination phase, the investigation phase begins. The

court evaluates evidence submitted as well as investigating the accuracy of the facts alleged by the parties. In order to examine the submitted documents' accuracy, the court decides to confer with an expert witness. – After the expert witness report gets delivered to the parties, the parties are entitled to file comments or objections against the report. Prior to the decision, the court evaluates the report and comments. If the court finds the report adequate, it does not ask an explanation and concludes the investigation phase. However, if the report is considered inadequate, further explanation can be requested from the expert, or another expert panel can be assigned. – If there is a request for compensation, the file is also conferred to an accounting expert for calculation. – Following the conclusion of the investigation phase, the judgement phase begins. In this final phase, the judge renders a decision after examining the accuracy of the claims. The judge then prepares the reasoned judgement, which is then served to the parties upon request – According to the Turkish Procedural Law, the plaintiff bears the costs of the proceedings. Once a final verdict has been proclaimed by the court, legal proceedings' official expenses are paid by the losing party to the adverse party – If there is a compensation claim regarding damages caused by infringement, the case has to be referred to the mandatory mediation, see Q19. Generally, the proceedings before the first instance courts take around 18 to 24 months. On 26 March 2020, a new law, the Law on Amending Several Laws numbered 7226 has been published in the Repeated Official Gazette dated 26 March 2020 and numbered 31080 ("The Law") to address the concerns of professionals missing and/or meeting any legal deadlines during this pandemic. According to The Law, in order to prevent any loss of rights amid COVID-19 spread, all deadlines have been suspended as of 13 March 2020 retrospectively until 15 June 2020 for all civil, criminal and administrative legal proceedings with limited exemptions. During this period, the hearings were not held, and hearings had simply adjourned. Therefore, we expect the periods before all instances to take longer than usual.

3. Can interim and final decisions in patent cases be appealed?

Yes. In general, there is a two-stage appeal system in Turkey. The first stage is the examination before the regional courts. Then, a further appeal may be filed before the Court of Appeal. Neither the regional courts nor the Court of Appeal judges have a technical background, yet there are special chambers dealing with intellectual property disputes. The relevant chambers in the regional courts consist of three judges, whereas the those in the Court of Appeal consists of five. The first

instance courts' final decisions can be appealed within two weeks as of the receipt of the reasoned judgement before the regional courts. The regional courts' examination takes around six to 12 months, depending on the workload. Thereafter, a further appeal may be filed before the Court of Appeal within two weeks as of the receipt of the regional courts' decision. The Court of Appeal is the third and final judicial authority and its decisions are expected within one to two years. For preliminary injunctions, the appeal procedure is different. Indeed, if a preliminary injunction decision is granted by the first instance courts, the counterparty should first object to the same court. In case the court insists on its previous decision, the requesting party is entitled to appeal this decision before the regional courts within two weeks as of the receipt of the judgement. Alternatively, in case a preliminary injunction request is refused, the requesting party may directly apply to the regional courts. The regional court's decision will be deemed final and cannot be further appealed before the Court of Appeal. The appeal procedure of the preliminary injunction decision does not suspend the main proceedings. The appeal of the preliminary injunction decision is rather quick, and it takes around one to two months for the regional courts to grant decision on the preliminary injunction decisions.

4. Which acts constitute direct patent infringement?

The following actions are considered patent infringement under Turkish Law (Article 141, IP Law): Imitating an invention by producing the product in whole or in part, without the patent holder's consent. Where the person knows (or should know) that such products are imitations in whole or in part, but is regardless involved in: Selling, distributing, or commercializing products in any other way (as well as importing for such purposes). Possessing products for commercial purposes. Using by applying products which were manufactured as a result of an infringement. Offering to engage in an agreement with respect to the products. Without the patent holder's consent: 1. Using the patented process. 2. Where the person concerned knows (or should know) that the method is being used without consent, but is regardless involved in: Selling, distributing, or commercializing the product directly obtained through the patented process in any other way (as well as importing for such purposes). Possessing the product directly obtained through the patented process for commercial purposes; or Using by applying products the product directly obtained through the patented process Offering to engage in an agreement with respect to the products. Entrenching upon the right of another to file the patent or utility model application. Extending the scope of the

rights granted by the patent holder based on a license agreement or granted by compulsory license or transferring such rights to third persons without permission.

5. Do the concepts of indirect patent infringement or contributory infringement exist? If, so what are the elements of such forms of infringement?

The indirect patent infringement is not explicitly set forth under the infringement rules in the IP Law. Instead, according to Article 86 of IP Law, The patentee has a right to prevent the factors or equipment regarding a part which makes the practice of the invention subject to a patent possible and constitutes the basis of the invention from being released third parties to parties who do not have an authority to use the invention subject to a patent. To apply this article, the third party must know: - such elements and means are sufficient to apply the invention. - such elements and means shall be used for infringement purposes. - these issues should be reasonably clear.

6. How is the scope of protection of patent claims construed?

The scope of protection of patent is determined by its claims. The description and drawings are also taken into account when interpreting the claims. The claims are not interpreted word by word, but also the scope of protection cannot be extended to the features that are obvious to an expert yet not clearly written in the claims. When determining the scope of protection, all elements equivalent to those defined in a claim are considered. If an element performs the same function and provides the same result as the one specified in a claim, that element is accepted as equivalent. Moreover, to determine the scope of the patent, the statements of the patent owner made during the prosecution history and the validity term of the patent, are also considered.

7. What are the key defences to patent infringement?

The most common strategic defence is to request the invalidation of the patent. Even though there is no a bifurcated system in Turkey, invalidation proceedings still affect infringement actions (see Q2). The Bolar Exemption is a common defence, especially in pharma litigation. Pursuant to this exemption, the patent owner cannot prevent third parties' experimental activities. These activities include doing experiments with an

invention subject to a patent, licensing of pharmaceuticals, performing all necessary tests and experiments. Another defence might be the exhaustion of rights principle. Turkish Law adopts the international exhaustion principle; that is, if a product is sold anywhere in the world, the right to first sell exhausts, and the original product can be sold by anyone. Personal or experimental use of the invention may be brought forward as defence in an infringement action, as such actions are clearly excluded from the scope of protection of the patent. According to Article 87 of the IP Law, prior use may also be used as a defence against infringement claims. If third persons have been using the patent in Turkey or taken real and serious measures in good faith at or prior to the time of the application date, the patent holder cannot prevent such activities. Such activities should always be proportionate and cannot be extended to harm the rights of the patentee. Additionally, farmers are allowed to use production materials resulted from production performed on land in case they have themselves cultivated with a patented product that is:

- sold by the patent owner
- used with its permission
- obtained through other commercial means.

Farmers can also use patented breeding or other animal reproduction materials sold by the patent owner or used with its permission or obtained through other commercial means for agricultural purposes.

8. What are the key grounds of patent invalidity?

Accepted grounds for invalidation include (Article 138, IP Law):

- The invention's subject matter does not meet the patentability criteria (not being novel, involving inventive step and being applicable to the industry)
- The invention's subject matter has not been described in a sufficiently explicit and comprehensive manner to enable a person skilled in the technical field concerned to re-create the invention.
- The patent's subject matter exceeds the scope of the first formed of the application and the patent covers several inventions, which should have been the subject of separate patent applications.
- The patent holder has been proven not to have the right to a patent.
- The extent of protection of the patent is exceeded.

9. How is prior art considered in the context of an invalidity action?

According to the IP Law, any invention surpassing the state of the art is considered novel. Prior art is described as any information available to the society and disclosed verbally, in writing, through use or any other way in the world before the priority or application date of the patent. Under these circumstances, it goes without a doubt that prior art also covers any patent applications which were published before the application date of the subject patent. A patent, which cannot be accepted to be novel, does not involve inventive step as well. As an exception to the general description of the prior art definition in the law, the first version of a national patent application, predating the subject application and not yet published at the application date, may still be considered within the scope of prior art. This rule also applies to the applications entering to the national phase through Patent Cooperation Treaty or validations of the European patents. Even though these applications are considered within the scope of the prior art, by law, the content of such applications are deliberately left out when considering the inventive step. Moreover, grace period is also accepted in Turkish law and determined as 12 months before the application or priority date. Accordingly, Article 84 of the Intellectual Property Act defines the disclosure types made within 12 months before the application or priority date that do not affect novelty as follows:

- disclosure by the inventor.
- disclosures by an office authorised to receive patent applications if:
 - the disclosed information was in another application by the same inventor and the information was required to be disclosed; and/or
 - a third party discloses information directly or indirectly obtained from an inventor without their approval or knowledge; or disclosures by a third party which directly or indirectly obtains information from the inventor.

10. Can a patentee seek to amend a patent that is in the midst of patent litigation?

The legislation does not allow the patent owners to amend their patents during patent litigation. Amendment is only allowed under the following articles: According to Article 99/4 of the IP Law, the patent holder is entitled to amend his/her patent after the publication of the patent grant decision in the Official Gazette as a response to post grant opposition. These amendments

are examined by the TPTO, and if they are approved, the patent is published in the Official Gazette. No further opposition procedures against the amendment is available. If TPTO, has the opinion that the patent or the changed version complies with IP Law, it shall decide for the patent or the changed version, if any, to maintain the position. Likewise, in line with the Article 103/1 of the IP Law, the patent holder is entitled to amend his/her patent application during the prosecution proceedings before the TPTO, including the opposition periods, in a manner that the first scope of the application is not exceeded. Moreover, Turkey became a party to the European Patent Convention (“EPC”) on 29 January 2000, and once this agreement is duly approved by the Grand National Assembly of Turkey and published in the Official Gazette, any provision of the EPC has the power of national law by constitution. According to Article 138/3 of the EPC, in proceedings before the competent court or authority relating to the validity of the European patent, the proprietor of the patent shall have the right to limit the patent by amending the claims. However, the practice of this article and the precedents whereby such requests accepted are very few.

11. Is some form of patent term extension available?

There is no patent term extension (“PTE”) under Turkish Law.

12. How are technical matters considered in patent litigation proceedings?

While the judges in the specialised IP courts have a significant understanding of the IP Law, they do not have a technical background and commonly appoint experts ex-officio to better understand the technical merits of a case. This is also derived from the precedents of the Court of Appeal, which underlines that for technical issues the courts must confer to experts. In patent litigation, generally, the court appoints a panel consisting of three experts. The judges appoint experts ex-officio, yet parties are entitled to oppose to this choice by arguing that the appointed expert does not have the relevant expertise. Alternatively, it is also possible for the parties to agree on a panel of experts and such panel may be suggested to the court. Experts are prohibited from declaring an opinion on the legal issues being decided on by the court. They are expected only to declare their technical opinion on the questions posed to them. As a rule, experts submit their opinion in writing as a report. If the judge deems it necessary, further questions may be addressed to the experts in order to enlighten the technical merits of the case or

remove the contradiction. Even though the experts have to attend the examination hearing, if the judges decide on, cross examination or giving oral statements at the hearings are not common in practice.

13. Is some form of discovery/disclosure and/or court-mandated evidence seizure/protection (e.g. saisie-contrefaçon) available, either before the commencement of or during patent litigation proceedings?

Article 400 of the CPL describes the procedures of determination of evidence. Accordingly, any party is entitled to request the court to conduct a site visit, expert examination or hear a witness on the condition that the requesting party has a legal benefit in filing such request. The condition of the legal benefit is deemed to be met, if the evidence may be lost or very difficult to set forth unless it is immediately secured. The determination of evidence should be requested through a petition before filing or during the action. If the request is filed before filing the action, it should be filed before the competent court of jurisdiction to handle the main action. As to the timeline, the determination of evidence is preliminary measure and therefore is conducted immediately. The counter party has the right to oppose to the determination of evidence decision of the court within one week as of the notification date of the court. If the counter party does not oppose, one week after the request, the determination of evidence is performed. Generally, the judges give around one month to the expert to prepare his/her report. The report should not include any conclusions as to the merits of the case, but the report should simply assess the existing situation or secure the evidence. It is important to underline that during the determination of evidence procedure, no evidence, such as infringing products, are seized. In order to seize the evidence, a preliminary injunction decision should be granted by the court, as such seizure directly affects the property rights (see Q23). Additionally, under Article 288 of CPL, the judge may decide to be conducted of the discovery ex-officio or upon the claim of one of the parties in the courts or in the place of the dispute. Within the scope of the discovery, the judge can also decide to have expert assistance regarding the technical aspects of the dispute.

14. Are there procedures available which would assist a patentee to determine infringement of a process patent?

Yes, indeed several provisions are allowing the holder of a process patent can rely on during the proceedings. According to Article 141/2 of the IP Law, if the subject of a patent is related to a process for obtaining a product or material, the court may request the defendant (instead of the plaintiff) to prove the process used for obtaining the same product or material was different from the patented process. Furthermore, if the product obtained using the patented method is new, it is assumed that the same product or material is produced by the patented method. Anyone who claims otherwise shall be obliged to prove it.

15. Are there established mechanisms to protect confidential information required to be disclosed/exchanged in the course of patent litigation (e.g. confidentiality clubs)?

Normally, all documents submitted to the court file are open to the counterparty, and parties are entitled to obtain copies of the documents. If a party has a request of confidentiality, the judge takes this request into consideration initially. In case such request is accepted, the relevant document is kept in the court's safe, and may only be examined by the counterparty with the judge's permission at the court's premises limited to the scope of due process, i.e. for ensuring the right to defence.

16. Is there a system of post-grant opposition proceedings? If so, how does this system interact with the patent litigation system?

The IP Law introduces a post-grant opposition system, whereby third parties can oppose a patent within six months of publishing the decision stating that the patent is granted. The grounds for such a patent opposition are:

- The patent does not meet the patentability criteria.
- The invention is not disclosed in a sufficient manner.
- The patent exceeds the scope of the initial application.

Upon TPTO notifying the patent owner about an opposition, the patent owner can file a response or amendments to the patent within 3 months as of the date of the TPTO's notification. If the Re-examination and Evaluation Board examines the opposition and finds that the patent conforms with the IP Law, it will refuse the opposition. If the Board concludes that the patent

partially conforms to the law, it will confirm the partial validity. It will inform the patent owner accordingly, requesting the amendment of the patent in line with partial approval. If no amendments are filed (or the amendments are not approved), the patent will be invalidated. The post opposition grant system is highly associated with infringement claims, as by law, infringement claims cannot be settled until the post grant opposition proceedings are finalized.

17. To what extent are decisions from other fora/jurisdictions relevant or influential, and if so, are there any particularly influential fora/jurisdictions?

The Turkish courts and judges are not bound by the decisions of the foreign courts, even if the foreign precedent relates to the relevant issue or equivalent of the patent subject to dispute. However, since Turkey is party to EPC, the decisions of the European Patent Office influence the Turkish courts to some extent. In other words, it is at the discretion of the IP Court to detain the infringement action in cases where there is post grant opposition proceeding before European Patent Office.

18. How does a court determine whether it has jurisdiction to hear a patent action?

The procedural issues of civil judgement are governed by the CPL. Moreover, there are specific rules in the IP Law with respect to intellectual property disputes. Accordingly, several courts are authorized to handle disputes:

- The court of the domicile of the defendant
- The court of the domicile of the plaintiff
- The court of the place where the infringing act was carried out.
- The court of the place where the act of infringement produced its effects.

The courts mentioned above are entitled to hear both infringement and invalidation claims. As to the authorised courts, specialised IP courts, where available, handle the dispute. Otherwise, the 3rd Criminal Court of General Practice is authorised to settle the conflict. The foreign patents, i.e., European patents and patents entered into the national phase through PCT, are considered no different than national patents. Meaning that the general authorisation and jurisdiction rules also apply for these; no special courts handle these disputes. As to anti-suit injunctions, such injunctions are not granted in Turkey, as filing an action is deemed as the exercise of a fundamental human right, i.e., the right to

due process. The cancellation of the patent protected in Turkey, either national or European patents validated in Turkey or patents entered into the national phase through PCT, should be requested from and such decisions should be granted by the Turkish courts to be enforceable in Turkey. In this context, foreign court decisions are not binding for Turkish courts. The same applies to infringement cases; the prevention of infringement actions carried out in Turkey, along with other requests available to the patent holder should be examined and granted in Turkey.

On a separate note, during the COVID-19 pandemic, developing the relevant infrastructure to hold the meeting online through National Judicial Network Information System (UYAP) is under discussion.

19. What are the options for alternative dispute resolution (ADR) in patent cases? Are they commonly used? Are there any mandatory ADR provisions in patent cases?

The parties are always entitled to settle the issue amicably at any stage of the proceedings. As to the arbitration, it is widely accepted that the disputes regarding the invalidation of a patent cannot be subject to arbitration since the results of ADR are only binding for the parties but such dispute relates to the official registry and the TPTO is not a party of the invalidation action. On the other hand, it is accepted that declaratory action for non-infringement or infringement actions may be subject to ADR. However, ADR is still not as effective as the court proceedings. Moreover, Turkey has recently adopted new legislation requiring application to mandatory mediation for monetary claims arising from trade law disputes, including intellectual property disputes. With the new amendments, mediation became a prerequisite for filing lawsuits concerning commercial disputes with monetary claims. Consequently, if a lawsuit is brought before the court without applying to mediation first, the case will be dismissed ex-officio on procedural grounds without any further examination of the merits of the case. Further to that, during the period between the application to the mediation bureau and the preparation of the final report by the mediator, the statute of limitations and lapse of time will be suspended.

20. What are the key procedural steps that must be satisfied before a patent action can be commenced? Are there any limitation periods for commencing an

action?

The actions are filed through the recordal of the plaint petition, which should clearly indicate the court, the name and address of the plaintiff, the defendant and their attorneys, all facts basis to the action, the plaintiff's claims, the clear final request and indication of which evidence will prove which claim. Moreover, the relevant official fees must be deposited. Patent invalidation actions may be filed any time during the protection term of the patent and within five years as of expiry of the protection. Patent holders can file a patent infringement action within two years of the date on which the he/she becomes aware of the infringement and infringer. In any event, the right to file an infringement action expires within ten years as of the date of the infringing act.

Moreover, under Turkish Law, mediation has become a prerequisite for filing lawsuits concerning commercial disputes with monetary claims, including intellectual property related disputes. If a patent infringement action including compensation claim is filed without applying for mediation first, the case will be dismissed *ex-officio* on procedural grounds without any further examination of the merits.

21. Which parties have standing to bring a patent infringement action? Under which circumstances will a patent licensee have standing to bring an action?

According to the IP law, the patent owner is entitled to file infringement claims. Unless otherwise agreed in the license agreement, the exclusive licensee is entitled to file an infringement action on behalf of him/herself. For non-exclusive license agreements, by default, the licensee does not have direct rights to file an infringement action. The non-exclusive licensee can request the patent owner to file an action against a patent infringement, unless it is limited otherwise in the agreement. If the patent owner does not take the requested action within three months, the non-exclusive licensee can file the action him/herself.

22. Who has standing to bring an invalidity action against a patent? Is any particular connection to the patentee or patent required?

Any party who has benefit, Public Prosecutors or relevant establishments and institutions are entitled to request the invalidation of a patent. The required benefit is not high, as the registry is deemed to be related to the public order, almost everyone is deemed to have the

right to file an invalidation action, and it is not necessary to prove any particular connection to the patentee or the subject patent.

23. Are interim injunctions available in patent litigation proceedings?

Yes. As intellectual property rights can be irreparably and irrecoverably damaged by third-party acts, injunctions play a significant role in litigation. Injunctions are effective tools in patent litigation to preserve the results which plaintiffs hope to achieve. The legal framework and criteria for injunctions in Turkey are outlined by the CPL and the IP Law. Injunctions can be obtained before or during a trial. To obtain an injunction, the requesting party must prove to the court's satisfaction that: irreparable harm will arise if the injunction is not granted; or the outcome which the requesting party seeks in its main action will be unlikely unless the injunction is granted. The IP courts are conservative in rendering of preliminary injunction decisions, as such decisions generally directly relates to restriction of a property right. In patent litigation, upon receipt of a preliminary injunction request, a common approach for a court is to handle the preliminary injunction procedure as follows: Even though it is left to the discretion of the judge to conduct the preliminary injunction proceedings *ex-parte*, the judges generally determine a hearing date to hear both parties' arguments on the injunction. The hearing is generally scheduled within a month following the request. At the hearing, the judge decides to send the file for expert examination, as generally the merits of patent litigation involve with a technical issue. The report is prepared within one to two months. The judges generally grant their decision in line with the report in return of payment of a guarantee. The guarantee may be between EUR 5,000 to EUR 100,000 or more which may vary according to the value of the patent and the parties' economic situation. The expert report is notified to parties, who then two weeks to file objections. These steps generally take around one to three months.

24. What final remedies, both monetary and non-monetary, are available for patent infringement? Of these, which are most commonly sought and which are typically ordered?

Typical remedies granted to successful plaintiffs include: compensation for damages (moral, material and reputational); the destruction of infringing products; the confiscation of manufacturing tools; and the publication of the judgement. The most common remedies accepted

at the end of an action is the destruction of the infringing goods and preventing the counterparty from engaging in infringing actions. As the confiscation of manufacturing tools is executed, it is important to be proportionate and not to prevent the defendant from continuing its trading activities with respect to noninfringing goods. Generally, the plaintiffs are reluctant to request compensation, as the calculation of the compensation may be problematic, considering the unrecorded economy and not properly kept trade books. It is common that the plaintiffs receive less compensation than they request in their case.

25. On what basis are damages for patent infringement calculated? Is it possible to obtain additional or exemplary damages?

As per the IP Law, 'damages' means actual damage and lost profits in total. 'Actual damage' is the net decrease in the requesting party's assets due to the infringement of the defendant. The requesting party may also ask for lost profits, which are calculated based on one of the following methods set out in the IP Law:

- the income which the patent owner would have generated if the infringing party's competition had not existed.
- the infringer's income.
- the amount that the infringer would have paid as an appropriate licence fee had the parties entered into a licensing relationship.

Punitive damages are not available under Turkish law. However, under Article 150/2 of the IP Law, where the industrial property right is infringed, additional compensation may be claimed if reputation of industrial property right suffers damage because the products or services forming the subject of the right are used or produced in an inferior manner; or such products produced in this way are made available or launched to the market in an improper manner.

26. How readily are final injunctions granted in patent litigation proceedings?

There are only preliminary injunctions regulated under Turkish Law, and there are not any final injunctions regulated. However, the crucial part of an infringement verdict is the ban and seizure of the defendant's infringing acts, subject to the action.

27. Are there provisions for obtaining declaratory relief, and if so, what are the

legal and procedural requirements for obtaining such relief?

This is a route which is commonly used in Turkey by a party having interest in a patented technology in order to be in the safe side before entering the market. Generally, generic companies take this action before starting a particular business relating to certain drugs. Anyone who has interest may demand the right owner to provide its opinions about whether or not commercial or industrial activities being carried out or to be carried out or serious and actual attempts carried out for these purposes in Turkey would cause an infringement of his/her industrial property right. If no opinion is provided within one month after notification of this demand or if the opinion given is not accepted by the interested party, the interested party may institute a legal proceeding against the right owner for a decision on noninfringement. The claimant has to prove its legal interest for filing an action for a noninfringement declaration. The submission of opinion by the right holder shall not be a prerequisite for the legal proceeding to be instituted. This proceeding may not be filed by a person against whom an infringement proceeding has been instituted.

28. What are the costs typically incurred by each party to patent litigation proceedings at first instance? What are the typical costs of an appeal at each appellate level?

In general, the plaintiff bears the litigation costs until the end, and if the plaintiff is found rightful, the losing party bears the official litigation fees and official attorney fees of the counterparty. In first instance, the official fees and expenses including the expert fee for the patent actions without claiming damages cost around TRY 3,000. If there is more than one expert panel appointed in the file, the costs may increase. The official attorney fee determined in line with the annual tariff declared by the Turkish Bar Union is TRY 3,931. For appeals handled by the regional courts, the official fees and expenses are around TRY 200-250. If an additional expert report to be obtained before the regional courts, the costs may increase. For appeals handled by the Court of Appeal, the official fees and expenses are around TRY 300- 350. Professional attorneys' fees may vary depending on the complexity of a case.

29. Can the successful party to a patent litigation action recover its costs?

According to the Civil Procedural Law, a losing party

bears the judicial costs and the fixed attorney fee. To recover other costs, the requesting party must file another lawsuit with the compensation claim.

30. What are the biggest patent litigation growth areas in your jurisdiction in terms of industry sector?

Given that we are in the golden age of innovation, life sciences and technology are most likely to be the subject of litigation on a regional or global scale. In this respect, the following sectors are developing considerably, and thus the number of cases in these sectors may increase: Artificial Intelligence, Internet of Things technologies, Biologics and biosimilars, Personalized treatments including the combination of a pharmaceutical and medical device, Second medical use patents.

Moreover, we estimate the patents related to the vaccine and other related medications for the treatment of COVID-19 and relevant processes can be the highlight topics in the patent sector.

31. What do you predict will be the most contentious patent litigation issues in your jurisdiction over the next twelve months?

As the software-based technologies evolve and become widespread, the courts may reconsider their patentability in the upcoming years. We also expect the much-debated practices on second medical use patents to become clearer next year. Furthermore, we anticipate that the Article 138/3 of the EPC, which allows the patent owners to amend the claims during the invalidation proceedings, to will be applied more frequently.

COVID-19 pandemic continues to spread rapidly across the globe amid critical supply shortages of medical devices and medicines. The rapid spread of the virus, on the one hand, threatens supply chains and causes shortages, on the other hand it also strengthens global solidarity.

The IP Law sets certain conditions for granting Compulsory Licence ("CL") in Turkish practice and regulates the following CL request/grant proceedings respectively:

- In case of non-use arguments: - The courts are entitled to handle these requests.
- In case of interdependency of the subjects of the patents - The courts are entitled to handle these requests.
- In cases where plant breeders cannot develop

a new type of plant without infringing on a preceding patent.

- In cases where patent holders engage in activities that prevent, distort or restrict competition while using the patent. - Turkish Competition Authority is entitled to handle these requests.
- To meet requirements of the Doha Declaration (The export of pharmaceutical products to foreign countries experiencing public health problems.) - The courts are entitled to handle these requests.
- In the interest of public order - Turkey's Ministry of Health and the Ministry of National Defence are entitled to request these CLs and the President decides on the granting.

Today, we are experiencing a global outbreak, COVID-19 is a true example of "extreme urgency". Therefore, it comes as no surprise in case this mechanism may be triggered in Turkey in case of need.

32. Which aspects of patent litigation, either substantive or procedural, are most in need of reform in your jurisdiction?

Our experience indicates that the approach to the preliminary injunctions needs to be revised, since, in any event it takes long time for a decision to be finalized and become enforceable. Even if the plaintiffs succeed at the end and considering the fact that the first instance courts cannot be enforced until they are finalized, the preliminary injunctions should be more common. Otherwise, taken into account the lack of tools to extend the patent protection term, the benefit to be obtained from a patent significantly decreases. Moreover, judges with technical background will increase the quality of the patent litigation. The establishment of specialised chambers in Court of Appeal and regional courts will also be helpful for judges to be more experienced and this will also expedite the appeal procedures.

33. What are the biggest challenges and opportunities confronting the international patent system?

Once the European patent is validated in Turkey, it is protected as a national patent. The same applies to the inventions entering into Turkey via the PCT, once the registration process is completed. The main hurdle of the patent registration system is that it takes so long to obtain the full registration that the invention becomes irrelevant in the field. Due to the lack of supplementary protection term in Turkish Law, patent owners are not

able to compensate for the full registration term. Another problematic area is the lack of clear provisions preventing the judges from granting invalidation decisions for European patents validated in Turkey as the EPO opposition process continues. This leads to a double standard for national patents, as the IP Law explicitly prohibits the decision-making on the infringement claims until the post grant opposition proceedings before the TPTO are finalised, and such immunity is not provided to European patents. One opportunity of the system is that the examiners at the

TPTO generally follow the practice of the PCT and EPO. Therefore, no surprises are expected with respect to novelty or inventive step examination. Another positive aspect is the availability to file the translation of the documents later. As a matter of fact, for applications entering the national phase through PCT, it is possible to submit documents in foreign languages, and file the translation within two months without the need of a notification. The fascicule of the European patent can be filed within three months following the publication of the grant of the European patent.

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