

Riza Ferhan Cagirgan of Gur Law Firm discusses the development of IP litigation in a developing country

Preparing the field

As a developing country, Turkey has made significant progress in the jurisdiction of IP rights since the adoption of new IP legislation during the European Customs Union (ECU) membership process in 1995. Decree laws on the protection of trade marks (556), industrial designs (554), patents (551) and other related fields came into force in this period.

In Turkey, decree laws are instituted by the Council of Ministers on the authority of the Turkish Grand National Assembly. The aim of such decree laws is to accelerate the law-making proceedings in a state of emergency. The legislation also lets the Council of Ministers enact decree laws in ordinary cases through the authorisation of the assembly.

IP decree laws were adopted in a hurry in 1995 to meet the standards of the ECU. Although preparations have been going on for years and are not yet finalised, IP decree laws should be superseded by laws immediately in order to prevent various problems.

The most recent case regarding this deficiency is the Constitutional Court's cancellation decision of Article 61/A of Decree Law 556. The penalties for trade mark infringement were invalidated with a citation of the fact that they cannot be stated by decree laws. The Constitutional Court's decision will come into force at the beginning of 2009, and the National Assembly should pass the new Trade Mark Law to close the legal loophole.

Disclosure of evidence is the first step of litigation. If there is not enough evidence to prove the infringement, a lawsuit may be brought before the Civil Court for the determination of evidence. The judge then assigns an expert or experts and determines the infringing actions without any prior notification to the infringer. The expert report is strong evidence proving the infringement, which can be used for the main civil and criminal actions.

Infringement proceedings

Regarding this field, in which the plaintiff is the proprietor of the registered IP right, civil and criminal enforcement procedures can be initiated separately or together.

Civil infringement actions

A registered IP right owner may ask the specialised Civil IP Court to make a judgement ordering the defendant to stop all infringing activities and make compensation for material and moral damages.

The judgement of the court of first instance may also include the confiscation and destruction of counterfeit products, along with machinery and other equipment used to produce the counterfeits.

Interim injunctions may also be sought before or during the main civil infringement cases. The owner of the IP right may seek a preliminary *ex parte* injunction. Evidence must be very strong to convince the judge to give such a decision without listening to the defendant. However, the courts mostly assign a special hearing date to give a decision on the interim injunction. It is almost impossible to receive an *ex parte* injunction apart from in unquestionable trade mark infringement cases.

The court may give an interim injunction ordering the suspension of the infringing acts and seizure of the counterfeits wherever they are found in the territory of country, including customs. The interim injunction remains valid until the end of the main case: then the judgement permanently supersedes the injunction.

The interim injunction does not order a one-time seizure like a police raid in a criminal proceeding. As it can be enforced several times in several places, the interim injunction of a civil court ordering the cessation of all infringing acts and the con-

Riza Ferhan Cagirgan



Riza Ferhan Cagirgan is a partner in Gur Law Firm. He is also co-founder and head of the firm's intellectual property department. Riza is an attorney at law and is a registered trade mark and patent agent. He specialises in the area of IP litigation and has represented many high level domestic and international clients. He has extensive

experience in all aspects of intellectual property matters including but not limited to prosecution, litigation, enforcement, dispute resolution, unfair competition, client counseling and strategy in a range of legal actions in Turkey and overseas. Riza has carried out numerous litigation proceedings related to intellectual property law, especially in the trade mark, design and patent fields. His team handles IP searches, applications, appeals, oppositions, cancellations, domain name disputes, licensing and other related areas of IP law.

confiscation of all counterfeits may be recognised as the most satisfactory decision in a Turkish IP litigation.

Compensation for material and moral damages can only be requested in a civil proceeding. The plaintiff has to choose one of the three options described in decree laws for the calculation of his material damages. The most frequently chosen option is the income of the infringing party when using the owner's IP right. Material damages may also be calculated according to the possible income of the right holder if the infringement did not exist and the licence fee if the infringing act was lawful.

"It seems that Turkish IP practice will be in conformity with the highest international standards in the near future"

Criminal infringement actions

The criminal Articles were added to Decree Laws 551, 554, 555 and 556 with the adoption of Law 4128 in 1995 and the amendment of Law 5194 in 2004.

The addition of special penalties against IP infringement offences and the infringement of industrial rights (trade marks, patents, designs and geographical indications) also became a criminal offence subject to complaint before the public prosecutor.

According to the new Articles of the criminal procedure, IP-related criminal actions are defined as public actions to which the right holder can be joined. The procedure starts with a complaint filed before the public prosecutor, including the request for the confiscation of infringing products. If the prosecutor and/or the judge are convinced of the infringement, they order the police raid for the confiscation of counterfeits.

Police raids as part of criminal proceedings may be recognised as the quickest, and one of the most effective, remedies, along with the interim injunction to stop the infringement. An order for seizure is initiated within one or two days by means of provisions describing the complaint as urgent.

In the determination of evidence procedure, the infringer will be informed and will have the chance to hide counterfeits before subsequent raids. Contrary to this disadvantageous situation, convincing the public prosecutor and the criminal judge to order the police raid is a better path for the disclosure and confiscation of counterfeits.

Thereafter, the public prosecutor files a criminal lawsuit before the IP Criminal Courts and the accused may face up to four years imprisonment and fines.

In Turkey, most criminal actions wait for the judgement of invalidity lawsuits. The person accused of an infringement most probably files a lawsuit for the cancellation of the related IP right. The criminal court cannot inflict a penalty until the civil court's judgement. If the civil court invalidates the registration of the right holder, there will no longer be an offence. That is why the criminal judges wait for the other related invalidity actions, especially for design and patent issues. Therefore, it can be said that the time period for criminal proceedings mostly depends on the civil actions.

Cancellation actions

The partial or total invalidity of a registered IP right may be requested from the Civil IP Courts or other civil courts of the first instance where specialised courts have not yet been established. The competent court for these cases is that of the domicile of the defendant who is the owner of the registered IP right in question.

Apart from trade mark conflicts, cancellation cases mostly stand on the lack of novelty in patents and designs. The disclosure and evaluation of evidence by specialised attorneys who have a technical background in related matters is the leading fact in such actions. Evidence must be very strong in order to prove that the design and/or patent do not meet the protection requirements of novelty, individual character, inventive level and industrial applicability, among others.

Providing and preparing the registered or unregistered prior documents of evidence requires experience in the field. In Turkey, there are a few top-level attorneys at law and patent attorneys who have carried out several of such cases successfully and who have an extraordinary legal and technical background.

Trade mark cancellation actions have several bases. However, these cases are usually filed for reasons of prior usage or registration. Except for the reason of non-usage, the burden of proof is always on the plaintiff. The disclosure of evidence covering prior usage also becomes important before filing the lawsuit.

Lawsuits against Turkish Patent Institute decisions

The Turkish Patent Institute (TPI) is the administrative authority dealing with the industrial property rights registration process in Turkey. The TPI has separate departments for trade marks, patent and designs. The decisions of these departments may be appealed within two months, and the Re-examination and Evaluation Board of the TPI gives the final decision in the administrative process.

All final decisions of the TPI are subject to statutory audit. Objectors may file a lawsuit against unfavourable decisions before the specialised Civil IP Court in Ankara, which is the competent court for all cases filed against the TPI. This lawsuit must be filed within two months of the notification of the TPI's final decision.

Ankara's Civil IP Court decides the correctness or cancellation of the final decision of the TPI. There have been many such cases, and the TPI has recently started to give acceptable decisions through the continuous improvement and consolidation of case law. The IP Court of the first instance and the Supreme Court play a big role in establishing and maintaining legitimacy and stability in this field, which is quite new for all practitioners.

Time and costs

A typical civil and criminal action before the specialised IP Court of the first instance lasts approximately 18 to 24 months, depending on the court's workload, the collection of evidence and the number and submission period of expert reports, among other things. If the decision of the first instance court is appealed, a period of 12 to 18 months for civil and 18 to 24 months for criminal actions before the Court of Appeals must be added for the final decision.

Regarding the costs of all actions in Turkey, attorneys' fees are the largest items, which are generally charged on a time-spent basis. A typical civil action would vary from €15,000 (\$19,000) to €20,000 and would be higher depending on the complexity of the case and the disclosure of evidence. The official costs and other disbursements usually vary from €3,000 to €5,000 and would be higher depending on the amount of compensation claimed, the number of experts' reports and the quantity of documents translated, among

other things. The courts may also order the plaintiff to make a guarantee payment, which will be paid back after winning the case.

The attorney costs and official fees in a criminal case would be less than those for civil proceedings. A criminal proceeding including the complaint, police raid, confiscation of products and the handling of the criminal action would range from €10,000 to €15,000.

Turkey's IP Litigation Survey

Although they have a history going back to the 19th century, it has been 13 years since Turkey adopted its most recent regulations, in 1995. This is not a long time for establishing a new culture in all areas of the community, especially for business people, who are more accustomed to working in accordance with traditional practice rather than with written laws.

IP development is a political operation and must be carried out carefully by educating all layers of society, starting with businessmen, academics and other related professionals. During this education period, the government should provide an awareness of IP rights without seriously harming them.

Instead of the punitive sanctions mentioned above, the government should choose remedial regulations. Countries in which IP matters have recently been discussed should change public opinion before enacting heavy penalties. After the community has become familiar with IP cases, people would be aware of the illegality of infringing activities. Criminal regulations, including heavy sanctions, would be complementary directly following this period.

Some established decisions of the Supreme Court are also being criticised. One of the most highlighted decisions concerns the recognition of the use of a registered IP right as legal and the prevention of the claim of unfair competition and

compensation until the invalidation. This means that someone who registered an IP right without an examination, and somehow without objection, will have the right of usage until the end of the cancellation case, which may last for three years, including an appeal period. As this causes an unfair situation for unregistered right owners against bad faith registrars, the Supreme Court's point of view is being widely criticised by practitioners, who say that these decisions are encouraging bad faith registrations.

Applications in bad faith are predictable in a country in which IP rights-consciousness has not yet been established. The legislator expected to solve this problem through the adoption of criminal Articles. However, heavy penalties of imprisonment and fines did not cure the problem. On the contrary, it hurt the people's and the judges' conscience. As a consequence, most of the criminal cases ended in the suspension of penalties or acquittal.

In this smooth transition, the government has the primary, but not sole, responsibility for addressing these situations. All practitioners, especially patent agents, should fully inform their clients and refuse to make bad faith applications.

Finally, Turkey attracts the attention of investors from around the world as an emerging market. As a consequence of this economic development, domestic and international demands in IP matters are increasing day by day. Turkey has made undeniable progress in a short time and is still improving its IP legislation and practice. In direct relation to economic indicators, it seems that IP practice will be in conformity with the highest international standards in the near future. As a result, Turkey will need more courts, judges, experts, officials, attorneys, bailiffs, police, customs officers and other practitioners specialised in IP matters in order to meet the increasing demand.

Why do I have to register? What is the procedure of validation? What are the consequences? What are the legal ways? Which one is the most efficient? Where is the authorized agency? When is the deadline? Is there any other way to cancel this TM? What if we do not oppose? How can my trademark be regarded as a well known trademark? What is the period for the protection of TM by reason of non-use? What if I do not register? How long does the protection last? Do I need a patent attorney? How do I register copyright? What are the differences between the civil and the criminal proceedings? Can I seek for a preliminary injunction? What is the priority date? How long is the duration of prosecution for the industrial designs? Can I ask for damages? Is it possible to send cease and desist letter to the infringer? Are computer programs patentable? What are the remedies for patent infringement? How do I initiate the licensing process? What are the requirements? Which states were designated? What is the late renewal surcharge?

What are unregistered design rights? How can I manage my Intellectual Property portfolio? What if I do not respond to this office action? What can I do if a third party infringes my trademark? How long does it take to prepare and file a patent? Do we have a right to appeal? How much will it cost? What is the difference between the patent and the utility model? What if my TM is registered before? How can I prove? Which documents are required? How can I assign it? Can I negotiate with a third party? Does it have to be recorded? How long does the trademark procedure last? What are the consequences of not using the Trademark Watching Service? What are the necessary documents? Is it possible to renew the registration? What can I do against this refusal? What is the purpose of the preliminary search? Is it available? When will it be filed? Does it have to be notarized? Do we have any chance? How long does the first examination last? How can this search report be interpreted? What are the differences between the administrative and the legal procedures? When will it be published?

CONTACT US
TO SURVIVE
THIS CONFUSION

GÜR

LAW & INTELLECTUAL PROPERTY

Haci Adil Caddesi No:1 34330 Levent / Istanbul / TURKEY

Tel : +90 212 325 9020 Fax : +90 212 325 9023

E-mail : info@gurpatent.com

www.gurlaw.com

www.gurpatent.com