

How to protect your trademarks in Turkey

Turkey, due to its bridge position between Asia and Europe, is one of the countries that global companies should attach absolute importance to brand protection.

Trademark law in Turkey is regulated under new Industrial Property Code numbered 6769 (IP Code) which entered into force on January 10, 2017 and superseded the Decree Law numbered 556. It brought substantial changes so as to make the trademark law in line with the EU regulations and help to speed up the harmonisation process.

Turkey is also a signatory to most of the intellectual property related international treaties such as; Paris Convention for Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights, Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

Nevertheless even though the country's regulations on trademark are quite in conformity with the international norms and agreements, there are still some issues in the practise which be discussed below with more detail.

Ownership of marks

To start with the gaining ownership, in Turkish practise, trademark rights are established through creation and use of a mark in the market. Registration has a probative role only when it comes to those marks that were already in use before they were registered. In terms of the trademarks which have not yet been in use in the market, rights are gained at the moment of the registration before Turkish Trademark and Patent Office (TÜRKPATENT) which is the authority dealing with industrial property rights in the country.

Although the IP Code grants stronger protection for registered trademarks, it also includes effective solutions to assure the protection of unregistered marks against unlawful use and/or registration by third parties. With such a varied system offering protection to both registered and unregistered trademarks, the Turkish regime is generally considered fair for everyone.

However, of course the system attributes more importance to registration and it can have a significant effect on brand protection in much more easy way.

Trademark Application Procedures

The applications are made before the TÜRKPATENT and according to Article 3 of IP Code, the following are entitled to trademark ownership:

- Turkish citizens;
- Real or legal persons who are domiciled or who have commercial establishments within Turkish territory;
- Persons who have application rights owing to the terms of the Paris Agreement and the Agreement Establishing the World Trade Organization dated 15 April 1994; and
- Nationals of states that provide industrial property rights to Turkish nationals in line with reciprocity principles.

The filings of the application can be made by the applicant him/herself, or by a trademark attorney. However, the applicants which are domiciled abroad must be represented by a trademark attorney who is registered before the TÜRKPATENT.

What can be a Trademark?

Trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. According to Article 4 of IP Code, all sorts of signs provided that it can be shown in the registry may be used as trademarks including words, letters, numbers, symbols, colours, pictures, three-dimensional signs such as shapes and packaging, holograms and sounds.

The signs that may not be registered as a trademark are listed under Article 5;

- signs which are devoid of any distinctive character,
- signs incapable of being a trademark according to Article 4;
- generic description of the product or service,
- signs identical or indistinguishably similar to a trademark already registered or used for that type of product or service,
- signs consisting of signs or indications used widely in the trade or which serves to distinguish members of a particular professional, vocational or commercial group from others;
- signs consisting of the shape or another characteristic which results from the nature of the goods themselves or the shape or other characteristics which is mandatory to obtain a technical result or gives substantial value to the goods;
- signs capable of deceiving the public such as regarding the nature, quality or geographical origin of the goods or services;
- signs consisting of signs refused pursuant to Article 6ter of the Paris Convention;
- signs which are of public interest and contains historical, cultural values and emblems, badges or escutcheons for which the consent of the competent authority has not been given;
- signs which contains religious values or symbols;
- signs which is contrary to public policy or accepted principles of morality; and
- signs which consists of or contains a registered geographical sign.

The trademark applications are first examined by the Trademarks Department Directorate of the TÜRKPATENT on absolute refusal grounds stated under Article 5 of IP Code and the ones detailed above would be ex-officio rejected by the Directorate.

Opposition Process

The applications successfully passed the ex-officio examination phase on absolute grounds would be published at the Official Trademark Bulletin for the possible third party oppositions. Third parties are entitled to file opposition against the applications within 2 months as of their publication with the Bulletin.

Oppositions may be based on the following relative grounds according to Article 6, as well as the absolute refusal grounds of Article 5:

- confusing similarity;
- unauthorised application by a trade agent;
- genuine ownership based on prior and extensive use of the trademark;
- well-known status of trademarks (eg, dilution by blurring, tarnishment or free riding);
- copyrights or other industrial property rights such as trade or domain names etc.;
- personal rights such as unauthorised use of a personal name or photograph;

- bad faith of the applicant.

Upon a third party's opposition against the published application, it is notified to the applicant to respond the opposition within one month and then TÜRKPATENT makes the examination on the claims of the parties.

According to the Article 19 of IP Code, the applicant is entitled to challenge with the oppositions against his application by submitting a non-use objection against the opponent's vulnerable senior trademarks on which the opposition was based and this requires the opponent to prove that the related trademarks have been properly put to use in the Turkish market within the grace period of five years for compulsory use. The senior trademarks for which the opponent cannot prove its proper use within the past five years would be excluded from the bases of the opposition.

Besides the above, failure in proving the use of the senior trademarks on which the opposition was based does not bring any other negative consequences; such as cancellation of the opponent's trademarks based on non-use ... etc. The TPO would solely exclude the trademarks for which use could not be proven from the bases of the opposition or if use can only be proven for certain goods/services, the TPO would only take into consideration these goods/services in its evaluation of likelihood of confusion.

The decision of the Trademark Directorate can be challenged by an appeal action before the Re-Examination Board of the TPO within 2 months as of the notification of the refusal decision. The party who is adversely affected by the final decision of the TPO may apply to the Ankara Civil Courts of Intellectual and Industrial Property Rights within 2 months.

Causes of action

The owner whose rights on the trademark is infringed is entitled to file a lawsuit against the infringer and may require prevention, termination, prohibition and elimination of the results of the infringement. The Article 29 of the IP Code set forth trademark infringement and according to the article;

- use of a sign identical or confusingly similar to a registered trademark on identical or similar goods/services,
- use of a sign identical or confusingly similar to a well-known trademark regardless of the goods/services used, where the use of the sign might be detrimental to the repute of the trademark, or its distinctive character or might gain unfair benefit from its reputation.
- extension of the licensee rights or transfer of these rights to third parties.
- Selling, proposing, distributing, warehousing, importing, exporting, advertising ...etc. the products or services with a registered trademark of a third party is deemed infringement,

The use of a trademark exceeding the scope of fair use is also considered as an act of trademark infringement and unfair competition.

As to the unregistered trademarks, they are protected under the unfair competition provisions set forth in Turkish Commercial Code (TCC) numbered 6102. According to the article 54 of TCC, behaviour or commercial practises which are deceptive or infringing against honesty rule in other ways and affecting relations between competitors or between suppliers and their customers are deemed as act of unfair competition. Taking measures that lead to confusion with goods, products, operations or business of competitor is given in the cited article as an example of unfair competition which can be raised in case of an infringement of unregistered trademark.

Invalidation of a registered trademark is stipulated under article 25 of the IP Code. A trademark can be invalidated if it is;

- descriptive and/or has informative character,
- confusingly similar to a registered trademark,
- has deceptive manner,
- contains religious values or symbols or contrary to public order or general morality,
- against Article 6 bis 2 of the Paris Convention,
- contains registered geographical indication,
- registered by a trade agent without any authorisation,
- under genuine ownership of a third party due to a prior and extensive use,
- contains copyrights or industrial property rights or personal rights (personal photograph, name etc.) of a third party,
- well-known trademarks,
- registered in bad faith.

Cancellation of a trademark registration is set forth in article 26 according which a trademark registration is to be cancelled if it;

- has not been put into use in Turkey without a justifiable reason for five years since as of registration or if the use has been suspended for an uninterrupted period of five years,
- becomes a generic name for the goods or services for which it is registered as a result of the owner's actions or failure to take the necessary measures,
- becomes misleading to the public with regard to its nature, quality or geographical origin of the good/services registered as a result of the use by or with the permission of the trademark owner.
- use of collective mark or certification mark contrary to technical regulations

The new practise with regard to the non-use cancellation actions has not been settled since the entry of the IP Code into force. Although article 26/5 strictly orders that the registration shall be cancelled in terms of the goods and services on which the trademark has not been put to use in due time, the IP courts tend to keep the registration in a wider scope so as to cover the similar goods and services as well.

There are specialised courts dealing with IP related matters in four largest cities of Turkey, namely in Istanbul, Ankara, Izmir and Antalya. Despite the fact that they were established in 2001, the IP courts – which are supposed to have a strong expertise in the field – is not able to work efficiently due to frequent changes of judges in the last 3-4 years and most of the files are being concluded based on the opinion of the official experts only.

In other cities where there is no special IP courts, the civil courts of first instance handles IP related disputes.

The competency of the courts is set forth in Article 156 of Industrial Property Code and according to the article the competent court in infringement cases is;

- The court of domicile of the plaintiff
- The court of where the infringement takes place or the effects of the unlawful act are observed.

In terms of invalidation and cancellation actions, the competent court is the domicile of the defendant. If the plaintiff is not domiciled in Turkey, the competent court is the court where the

premises of the plaintiff's registered trademark agents in Turkey is located; if there is no registered trademark agent or it is cancelled, the competent court is Ankara Civil IP Courts where the Turkish Patent and Trademark Office (TPO) is located.

Cancellation actions, including non-use cancellations, are being currently held by Civil IP Courts of First Instance while the TPO will be handling such actions within the scope of administrative proceedings as of 2023 (Article 26 of IP Code).

At the beginning of the first instance trial, the parties are granted a certain time to submit their arguments, claims and defences along with their supportive evidences. Once the phase for collection of the arguments and evidences of the parties is completed, the Court concludes its preliminary examination on the file with regard to the procedural manner and appoints an oral hearing to determine the merits of the file and hear the parties and invite them for settlement before starting the examination on merits. In case the parties do not take the chance to settle, the Court proceeds to examination of the merits of the case.

The file is usually sent to an official expert panel for examination of the parties' claims after the first or second oral hearing. The parties can object the expert panel's report and request another round of expert examination. Upon objections of the parties or with the Judge's own discretion additional expert reports might be obtained from the same or a new experts' panels.

As for the length of the proceedings; the conclusion of the first instance trial usually takes 12 to 24 months as of the filing date.

Alternative dispute resolution

Upon the initial examination of the court on the file, the Judge invites the parties to negotiate for an amicable settlement or mediation pursuant to the article 137 of Code of Civil Procedure.

Mediation can be requested by parties or might be ordered by law depending on the type of the legal action.

When mediation is preferred or ordered by the Law, a neutral mediator is to be appointed by the parties' mutual agreement or by the Mediation Centre if it is obligatory.

Voluntary mediation can be chosen by the parties to the dispute before or during the court action. If the parties declare that they will apply to the mediator together after the lawsuit is initiated, the trial is postponed by the court for three months. This period may be extended for an additional three months upon the joint application of the parties. If the parties reach a settlement, they can obtain an annotation on the enforceability of the settlement from the court. As to the IP related disputes, mediation is not an obligatory to initiate the legal actions, except for the compensation claims. In case there is a compensation claim within the court action, the plaintiff is expected to first apply for mediation before applying to the court.

Arbitration in terms of the conflicts which is under the will of parties is permitted under Turkish law. The parties may have a separate agreement or add a clause to their main contract for potential conflicts to be solved through arbitration. Arbitration is referable in terms of the conflicts arising from licence agreements and infringement while it is not possible to apply to arbitration with invalidation or cancellation claims which are under the absolute authority of the courts.

Neither mediation nor arbitrations is commonly preferred as a dispute resolution method in Turkey.

Damages and remedies

The right holder whose rights have been infringed shall make the following requests from the court:

- Determination of the infringement,
- Prevention of the possible/existing infringement,
- Cessation of the infringing actions,
- Revocation of the infringement and compensation of the material and moral damages,
- Seizure and destruction of the products causing infringement or requiring penalty, as well as instruments, such as devices and machine exclusively used in the production,
- Publication of the final judgment,

The right holder may also request compensation for his damages including the actual loss and the loss of profit which is calculated by one of the following assessment procedures, depending on the choice of the right holder:

- The potential profit that the right holder could have earned if there was no competition from the infringer,
- The net profit made by the infringer,
- The license fee that is to be paid by the infringer if there was a license agreement.

The court action can be filed with or without preliminary injunction (PI) claims. PI claims of the plaintiff might be concluded by the Judge immediately (within one week as of the filing date) and without notifying the case to the defendant or after having the file examined by an official expert panel which usually takes 8 to 16 weeks and notifying the case to the defendant's side.

The PI claims might be accepted by the court in exchange of a guarantee letter which can be deposited in cash or via bank letters or with no guarantee at all. The guarantee letter is aimed to be used for the potential "unfair" damages that the execution of the PI might cause at the defendant's side – in case of refusal of the court action in terms of the main claims.

In case of the grant of the PI, it is necessary to apply to the Execution Office for its execution within one week as of the date of the grant.

Refusal of the PI claims can be appealed by the plaintiff before the Regional Courts without waiting for the conclusion of first instance trial. It is also possible to re-submit the same or revised PI claims to the court until the end of the first instance trial.

The plaintiff might also prefer not to claim a PI at the beginning of the trial, but a later stage during the first instance trial.

After the conclusion of the PI claims, the case is handled in terms of its merits – main claims – within the same court action.

It is also possible to apply for PI order ex parte before filing a lawsuit. The courts handles ex-parte PI claims also within the scope of the above mentioned practice. If the court accepts the ex-parte PI claims, the main court action has to be filed by the defendant within two weeks as of the grant of the PI.

Evidencing the case

Investigation is always recommended to determine the subject matter of the potential court action in the best possible way.

It is also important to secure evidences supporting the plaintiff's arguments before initiating the legal proceedings. A civil determination action which is held by the Civil IP Courts or Civil Courts of Peace and concluded between 1 to 4 weeks can be filed for perpetuation of online and on-site evidences supporting the plaintiff's arguments and releveling the scope of the conflict.

In the cited action, the Courts only determine and secure the evidences which will be used by the right holder within the subsequent main court action, but does not include any legal comments or conclusion regarding the conflict.

The main court action is suggested to be filed within one year as of the filing date of the civil determination action in order not to be objected by the defendant with “loss of rights principle”.

Depending on the subject matter of the conflict, it might also be recommendable to secure the evidences available at online platforms via notary publics. However, the notaries are not allowed to make on-site determinations or test purchases to secure evidences to be used in future legal actions. Notary public makes online determinations and handles the transaction without notifying it to the adverse party which would grant full confidentiality during the preparations.

Any kind of documents, such as invoices, agreements, advertising materials and official documents can be used as evidence. Witness statements are not generally accepted as evidence by the court with regard to the trademark related disputes due to the nature of the field.

During the first instance trial both civil and criminal IP courts assign at least one official expert panel to obtain opinion on the file and the case is almost always concluded in accordance with the expert panel’s opinion. The appointment of an expert panel has become an indispensable process of the courts even when there is no technical aspect need to be evaluated by an expert in the related field. Seeing that most of the experts appointed by the courts have legal background only – it is impossible not to notice that the expert witnesses are used as an instrument to minimize the workload of the Judges.

The experts are chosen by the courts from the data base of official experts. The expert or the expert panel consisting of 3 experts specialised in the subject matter of the case, examines the claims and evidences of the parties and prepare their report indicating their opinion on the file. The court, upon objections of the parties against the report prepared by the first panel or ex-officio, can obtain additional expert opinions from the same or new expert panels.

The parties are entitled to object the expert report and request a re- examination by the same expert panel or a new report from a new panel. In case of any objections, the courts obtain reports up to 3 times.

Once the expert report is received, the court may obtain another report if it is not satisfied, but in case it decides otherwise of the report without obtaining a new report, the Court of Appeals overturns the decision.

In addition to the official expert reports obtained by the courts, the parties may obtain private expert report to support their claims. Although these evidences do not have same effectiveness as the official expert reports obtained by the court, if the private expert report and the official report contradicts with each other, the court should obtain a second expert report from a new expert panel pursuant the precedents of the Courts of Cassation.

Available defences

According to the article 29 of the IP Code, the defendant is entitled to arise a non-use defence within invalidation and infringement actions where the 5 years grace period of the plaintiff’s earlier trademark has expired. Non-use defence by the defendant requires the plaintiff to prove its use on its trademark with certain evidences or justify the reason of non-use. Rather than arising only a non-use defence, the defendant can file also claim cancellation of the plaintiff’s senior trademark on which the court action is based – as a counter action within the main court action. In such a scenario, the court would consider the non-use action as preliminary issue and would postpone the examination on the main court action until the conclusion of the non-use cancellation claims.

The defendant may also arise the defence of “loss of rights” if the plaintiff stays silent for more than five years – as of the date the he became or should have been become aware of the conflict – against the conflicting registration and/or use. Loss of rights cannot be claimed against the plaintiff when the defendant is in bad faith.

Plus, fair use, exhaustion of rights, parallel import, informative use, personal use as name, address, etc. or non-commercial use are other types of defences to be raised by the defendants.

According to the article 155 of the IP Code, a bad faith registration cannot be used as a defence against the infringement claims of the genuine right holder of the trademark.

Appeal process

As of 2016, the judicial system has been implemented as three-level system by adding a second-instance level (regional courts) between the first instance courts and courts of appeals. The regional courts are established in 7 different regions of Turkey.

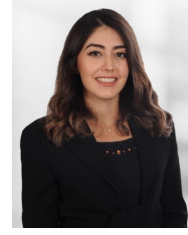
The party who is not satisfied with the first instance court’s decision, can apply to the regional courts for re-examination of the file within two weeks. The counterparty would be entitled to submit its responses to the appealing party also within two weeks. The District Court examines the file both in terms of procedural grounds and its merits and might appoint an oral hearing to re-hear the parties.

The appeal is rejected, if the District Court finds the decision of the first instance court rightful. Or, depending on the conclusion reached after the examination, the decision might be revoked and the file can be sent to first instance court for re-evaluation or the regional court might conclude the case itself without sending it back to first instance level.

The appeal examination is completed within 9 to 15 months and the decision to be issued by the District Court can be re-appealed by the parties before the Courts of Cassation. Re-appeal phase would take another 12 to 18 months.



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