

## **THE LONG-AWAITED TURKISH INDUSTRIAL PROPERTY LAW HAS COME INTO FORCE**

The Draft Industrial Property Law replacing the Turkey's separate three decrees governing industrial property rights (*patents, trademarks, designs etc.*) has been approved by the Turkish Parliament and the President of the Turkish Republic. Following such approvals it has been published at the Turkish Official Gazette and has come into force on January 10, 2017.

The Industrial Property Law ("the Law") brought substantial changes to the Trademark Law so as to make it in line with the EU regulations. The Law also renamed the Turkish Patent Institute as "Turkish Patent and Trademark Association" and the followings are the major changes brought to the Trademark Law;

### **MAJOR CHANGES BROUGHT TO THE TRADEMARK LAW**

- **Letters of consent and coexistence agreements are enforceable**

The letters of consent and coexistence agreements were not enforceable before either the Turkish IP Courts or the Turkish Patent Institute (TPA), which prevented applicants from avoiding and/or overcoming ex-officio refusals of the TPA based on identical and/or indistinguishably similar senior trademarks covering identical/similar goods/services by obtaining the senior trademark owners' consent for registration of their latter trademarks. This complicating approach was the result of the uniqueness principle in the former regulation.

The Law recognises the co-existence principle and makes the TPA unable to ex-officio refuse the latter application due to its identity/indistinguishably similarity to a senior trademark, where the applicant submits a notarized letter of consent from the owner senior trademark.

- **Non-use claim might be arisen in proceedings both before the TPA and the IP Courts**

As to the use requirement for registration of trademarks in Turkey, the Law is parallel with the The Turkish Trademark Decree Law No:556 (the “Abolished Regulation”) and does not require use of a trademark for its registration.

Thus, a trademark which has never been used in the market can still be successfully registered. However, if, within a period of five years following the registration, the trademark has not been put to use in Turkey without a justifiable reason, or if the use has been suspended during an uninterrupted period of five years, the trademark shall be repealed.

The right holders do not have to submit any document (declaration of use ... etc.) to the TPA or another authority to prove that their trademarks meet the use requirements and there is no control mechanism checking whether the registered trademarks comply with the use requirements or not.

On the other hand, the Abolished Regulation did not allow the defendant/applicant in an infringement and/or invalidation action before the courts or in an opposition/appeal action before the TPA to base its arguments and/or defence on the non-use of the plaintiff’s/opponent’s senior trademark on which the related action is based.

In other words, cancellation of a trademark registration due to non-use could be claimed only by filing a civil non-use cancellation action before the courts.

The Law brought a favourable change in terms of use requirement and enables the opposed trademark owner to challenge with the opposition by making the opponent obliged to prove its current use on its trademark with certain evidences. Unless the opponent could prove that its trademark complies with the use requirements, the opposition has to be automatically rejected.

According to the Law, the defendants in trademark invalidation and infringement actions are also entitled to direct a non-use defence against the plaintiff when the five year grace period

has expired for the plaintiff's senior trademark. In case evidences adequately proving the use of the plaintiff's trademark in Turkey cannot be submitted to the file, the related court action has to be refused without being examined in respect of the main claims.

- **Non-use cancellation actions are to be heard by the TPA**

According to the Abolished Regulation, non-use cancellation actions in Turkey have solely been heard by the Turkish Civil IP Courts. The Law takes this unique authority from the IP Courts and gives it to the TPA.

This provision will be effective after seven years as of the enforcement date of the Law (January 10, 2024) in order for completion of all required preparations by the authorities. In other words, the IP Courts will keep its authorization to examine and conclude non-use cancellation actions to be filed until January 10, 2024.

- **"Bad faith" is officially a relative refusal ground.**

Bad faith has been a very important argument for oppositions and appeals before the TPA and for invalidation and cancellation actions before the IP Courts in Turkey pursuant to Courts of Appeals' precedents, yet it had not been implemented by any legislation including the Abolished Regulation.

The Law lists "bad faith" in relative refusal grounds which may be directed in any oppositions/appeals before the TPA and invalidation actions before the IP Courts.

- **"Trademark Registration" is no longer an absolute justifiable defence against infringement claims.**

In the Abolished Regulation, it was recognized that a registrant's use on his registered trademark does not constitute trademark infringement or unfair competition against a genuine right holder of such trademark or cannot be subject to any claims of compensation by the genuine right holder, despite the bad faith of the registrant.

The Law orders that trademark registrations do not constitute a certain defence against any infringement claims brought by the genuine right holders of the related trademarks. By virtue of this provision, infringers can no longer hide behind their bad faith or unfair registrations against trademark infringement and/or unfair competition claims by the genuine right holders.

- **Article 6bis reassumed its place in the Turkish trademark regime**

As a member of the Paris Convention, Turkey has implemented the principles of Article 6bis, which applies broader protection to well-known trademarks against unauthorised applications for identical or confusingly similar trademarks covering identical or similar goods or services – even where these marks have not been registered in Turkey.

In order to qualify for Article 6bis protection, a mark must be well known among consumers of the goods or services for which protection is claimed, owing to its extensive use – along with extensive advertising – in any country which is a signatory to the Paris Convention. In addition to the defined reputation, the mark need not have been used or have had a reputation in Turkey.

Article 6bis was listed as an absolute ground for refusal under Article 7(i) of the Abolished Regulation and the TPA was obliged to reject ex officio unauthorised third-party applications filed for well-known trademarks.

Although Article 7(i) was abolished by the Constitutional Court on May 27 2015, Article 6bis were still raised as a ground for challenging unauthorised filings during either opposition or appeal actions before the TPA or court actions before the IP courts, under Article 90 of the Constitution.

The Law also recognises Article 6bis as a relative ground for refusal and the Article 6bis reassumes its place in the Turkish trademark regime, but the scope of protection granted to non-registered well-known trademarks remains unchanged.

- **International Exhaustion principle is recognised**

Article 13(1) of the Abolished Regulation recognised the principle of national exhaustion; however, the doctrine has been shaped by appeal court practice, which is quite atypical and stands somewhere between national and international exhaustion.

In accordance with the courts' related approach, after a product bearing a trademark is placed on the Turkish market by the rights holder, its distributor or anyone authorised to grant consent, the first sales right is exhausted in Turkey and abroad. In other words, after the first sale of a product in Turkey, it can circulate freely on the Turkish market regardless of where it originates and without the need to obtain permission from the rights holder. In this regard, rights holders could not prevent parallel imports of related products, provided that they are original and have not been altered or damaged since they entered the market.

The Law took the cited approach a step further and recognises international exhaustion principle. Thus, the international exhaustion of rights principle has replaced the court's declared practice.

- **Use of trademarks and/or their similar as a trade name or company name or in any comparative advertising is forbidden.**

In the Abolished Regulation, there was no provision prohibiting use of a trademark in a trade name, company name and or comparative advertisings, yet such use have been forbidden by the different legislations.

The Law grants the rights to a trademark owner to prevent any third parties from using his trademark and/or its similar as a trade name or company name. It also forbids use of a registered trademark in any comparative advertising in a way to be out of the scope permitted in the Turkish Regulation on Commercial Advertising and Unfair Commercial Practice.

- **Lose of the right to file trademark revocation actions due to remaining silent**

It has been accepted by the Turkish Civil IP Courts, where a genuine right holder has remained silent against a third party's use and registration on his trademark and let the third party to keep its registration and use on the same for a while, the third party's long term and uninterrupted use and registration might be approached in its favour in an invalidation action. In other words, the genuine right holders might create disadvantage against himself by waiting a long term to challenge with the counterparty's use and registration.

Since, this approach has been created by the Courts of Appeals' decisions and had no basis in the Abolished Regulation, there was no situated practice on how long the genuine right holder shall remain silent against the third party's use and registration or on what the consequences of remaining silence are.

The Law provides that a trademark owner who knows or should have known that a later registered trademark has been used, but who took no action and remained silent for five years, cannot rely on a prior registration as a legal basis for revocation. This principle is not applicable for bad faith filings, which can be subject to invalidation claims without time limitation.

- **Registrations can be partially renewed**

Partial renewal of registered trademarks was not available in the Abolished Regulation and registrants had to partially withdraw their registration in case they had not used such trademarks on some goods/services their trademarks cover and did not desire to be subject to any non-use cancellation claims.

The Law fills this gap and entitles registrants to partially renew their trademarks, in case they like to do so.

- **Sounds and colours are added to the list of the signs to be registered as a trademark.**

In the Abolished Regulation, words, including personal names, designs, letters, numerals, shape of the goods or their packaging and similarly descriptive means were accepted capable of being registered as a trademark.

Despite not being listed in the cited list, colours and sounds have been accepted to be eligible for being registered before the Turkish Patent in practice.

The Law clearly recognises sounds and colours as a registrable sign.

- **Publication and opposition terms are shortened to two months**

According to the Abolished Regulation trademark applications which successfully passed procedural and ex-officio examinations by the TPA were being published for three months at Official Trademark Bulletins of the TPA and might be opposed by third parties within the publication term.

The Law shortened such publication and opposition terms to two months, which would stimulate right holders to fasten decision-making process for potential oppositions.

- **The TPA is now entitled to bring parties into accord**

According to the Abolished Regulation, the TPA have made all its examinations on cases in its front through written documents submitted to the files. No settlement negotiations have been made between the parties under the TPA's control.

The Law authorizes the TPA to invite parties to solve any conflicts in its front amicably, in case of necessity. Details of possible negotiation phases and procedure of inviting the parties to the same will be regulated in a guideline to be prepared in compliance with the Law.

- **Nice classification is accepted not to constitute presumption of similarity/differentness of goods/services**

The Law clearly declares that existence of goods/services in the same and/or different classes does not constitute presumption of similarity/differentness of them.

- **Lapsed trademarks are required to be in use for being protected for additional two years**

According to the Abolished Law, trademarks which were registered, yet lapsed due to non-renewal in due time could be protected against latter filings for additional two years as of their lapsing dates.

The Law sets conditions to grant this additional protection to the lapsed trademark owners and requires use of the lapsed trademarks within the related additional two years in order for their protection against latter trademark applications.

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