

decision in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 (see E. Crowne and others, 'Living Alavida Loca: a Masterpiece of a Decision' (2011) 6(10) *JIPLP* 684–6) and failed to consider the potential uses that the Respondents might have made of its registered mark. It thus allowed the appeal (2015 FC 1083).

Analysis

The Federal Court of Appeal rejected the Federal Court's finding. Justice Trudel, writing on behalf of a unanimous court, held that it 'is not the task of the Board to consider all potential and unidentified uses of the respondents' word mark, which had been characterized by the Board as weak' (para 10). The Court accepted that there were several other 'Pinnacle' marks registered in Canada, and greater attention needed to be paid to both design and context in assessing similarity and likelihood of confusion.

Practical significance

For inherently weak marks, there is no general principle in Canadian law that all potential and as yet unidentified uses of a registered mark need to be considered in opposition proceedings.

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■ Turkish Court of Cassation refuses to extend scope of protection of Lacoste's well-known trade marks

Lacoste v. Özlüder Plastik Ve Metal Sanayi Ticaret Anonim Şirketi and Turkish Patent and Trademark Office, General Assembly of the Turkish Court of Cassation, E. 2015/11-3127 K. 2016/114, 29 January 2016

The Turkish Court of Cassation, reversing its previous decisions on the matter, has rejected the action brought by Lacoste against registration of a 'Crocodile' trade mark for goods in classes 11, 20 and 21 of the Nice Agreement. The court has provided detailed criteria to assess the scope of protection of a well-known trade mark in relation to goods and services different from those for which the trade mark is registered.

Legal context and facts

The defendant, Özlüder Plastik Ve Metal Sanayi Ticaret Anonim Şirketi (Özlüder), filed a trade mark application for the word 'Crocodile' in classes 11, 20, 21 and 24 of the Nice Agreement before the second defendant, the Turkish

Patent and Trademark Office (Office). Registration in class 24 was excluded *ex officio* by the Office due to absolute grounds for refusal not related to this case. Thus, the application was published in the Official Trademark Bulletin for classes 11, 20 and 21 only. The plaintiff, Lacoste, filed an opposition against the trade mark application. Both the opposition and a further appeal for re-examination filed by Lacoste were rejected.

Lacoste filed a court action, challenging the final decision of the Office which had rejected both their opposition against the trade mark application and the rejection request brought against the trade mark in question. Lacoste's arguments were mainly based on likelihood of confusion, due to the similarity of the trade mark application for 'Crocodile' to Lacoste's famous 'crocodile device' trade mark. Lacoste also argued that the registration of Özlüder's mark caused damage to the well-known status and reputation of Lacoste's trade mark.

The 3rd Civil IP Court of Ankara dismissed the action filed by Lacoste. The court found that there was no likelihood of confusion between the trade marks in question as, despite the similarity between the trade marks (a word and a device which defines the same concept), the goods in classes 11, 20 and 21 within the scope of the contested trade mark application were not identical or similar to the goods covered by Lacoste's trade mark registrations. It also dismissed arguments concerning the well-known status of Lacoste's trade marks.

The decision was appealed by Lacoste before the 11th Civil Chamber of the Court of Cassation (CoC), competent to review matters concerning IP law at the appeal stage. The CoC examined the file and overturned the decision issued by the 3rd Civil IP Court of Ankara, finding that Lacoste's trade marks were well-known trade marks and that the application for 'Crocodile'—even if in different classes than Lacoste's trade marks—could derive unfair benefit from or damage the distinctiveness or well-known status of Lacoste's trade marks. The case was remanded to the court of first instance.

According to Turkish Civil Procedure Law, if a decision of a court of first instance is found inappropriate and reversed by the CoC, the highest civil court in the Turkish legal structure, the case is sent back to the same court of first instance and re-examined in light of the reversal decision. Upon re-examination, the court of first instance may decide to comply with the reversal decision, changing its initial decision, or insist on its initial judgment. In this case, the 3rd Civil IP Court of Ankara decided to insist on its initial decision, reiterating the rejection of Lacoste's arguments.

The decision was again appealed and brought before the General Assembly of Civil Chambers ('General Assembly') of the CoC, which has the authority to resolve the conflict between the two decisions. The General Assembly reviewed the second decision of the 3rd Civil IP Court of Ankara

and decided to reverse the decision, in parallel with the decision of the 11th Civil Chamber of the CoC.

Özlider applied for a review of the reversal decision given by General Assembly. As prescribed by civil procedure rules, the review was again examined by the General Assembly.

Analysis

The General Assembly decided to revoke its own decision, upholding the second decision of the 3rd Civil IP Court of Ankara.

The court found that there was a weak similarity between the parties' trade marks, and that the goods covered by registration were neither identical nor similar. It added that even if a trade mark is well known, it is not possible to assume that a trade mark which seeks registration for different goods or services would automatically derive unfair benefit from the reputation of the well-known trade mark. A different conclusion, according to the court, would have conferred wider protection the well-known trade mark than legally due.

Özlider's trade mark application concerned goods related to construction materials and kitchenware. The court noted that these goods were not similar or related to the clothing sector in which Lacoste's trade mark is well-known. Therefore, Özlider's trade mark application, if registered, would not derive unfair benefit from the well-known status of Lacoste's trade mark and would not harm its reputation or distinctive character.

The well-known status of Lacoste's crocodile device mark was beyond dispute. The main subject of the dispute was the scope of protection conferred to a well-known trademark under Article 8(4) of the Turkish Trademark Decree Law.

The decision of the General Assembly confirms the validity of the approach taken by the 3rd Civil IP Court of Ankara, which had ruled that the dissimilarity of the goods and services in question prevented an automatic finding of likelihood of confusion based solely on the well-known status of a trade mark.

Of significant relevance for this decision were the 'DERBYTECH' and 'NIVA' cases. In the former case (2013/11-656 E. 2014/427 K., decision of 2 April 2014), the court of first instance had concluded that the trade mark 'DERBYTECH' could not be registered for goods such as 'saw, sanding machine, cutting machine, powered lawnmower' in class 07/01 and 'machines and tools for agriculture, agriculture tools pulled by machine or engine, agriculture machines' in class 07/07 because of the well-

known status of the trademark 'DERBY' for 'razor blades' and the likelihood of association between the trade marks. On appeal, the CoC had found that the goods compared were not similar or related and therefore the conditions under Article 8(4) of the Turkish Trademark Decree Law (taking unfair advantage of, or being detrimental to, the distinctive character or reputation of the registered trade mark) had not been met.

In the latter case (2015/1633 E. 2015/8463 K., decision of 18 June 2015), the court of first instance had declared the trade mark 'NIVA' invalid even for goods not falling within the scope of the well-known 'NIVEA' trade marks. The CoC, however, had reversed this decision, highlighting the need for expert examination and a more detailed assessment of the scope of protection of well-known trade marks.

Practical significance

The decision of the General Assembly in this case, as well as the decisions discussed above, demonstrate that Turkish courts in practice do not automatically apply Article 8(4) as a ground for refusal based on well-known trade marks. Instead, they require a careful examination of the trade marks in question and a detailed assessment of the applicability of the three conditions set forth in Article 8(4). The Lacoste judgment, rendered by the highest civil court in Turkey, represents a clear and authoritative endorsement of this approach.

Although this is not the most favourable outcome for owners of well-known trade marks, the CoC's position is in line with the wording of Article 8(4)¹ of the Turkish Trademark Decree Law, as well as Article 8(5)² of the EUTM Regulation, and it clarified the CoC's approach to the scope of protection for well-known trade marks in relation to the registration of similar trade marks for dissimilar goods or services.

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¹ Article 8/4 of the Turkish Trademark Decree Law was ratified on 24 June 1995 and entered into force by publication in the Official Gazette numbered 22326 on 27 June 1995. This Decree Law was abolished by the publication of the Industrial Property Code no. 6769

² Article 8/5 of the European Union Trade Mark Regulation No 207/2009 was published in the Official Journal of the European Union on 24 March 2009 and amended by the EU Regulation No 2015/2424 of the European Parliament and of the Council of 16 December 2015.