



GÜN+PARTNERS  
AVUKATLIK BÜROSU

# TRADEMARK LAW IN TURKEY

KEY DEVELOPMENTS AND PREDICTIONS

# 2021

## TRADEMARKS AND DESIGNS

We provide wide ranging and comprehensive legal services in relation to trademarks and designs. Our comprehensive services include advisory, prosecution, watch, opposition, appeals, enforcement, litigation and transactional services on all aspects of trademarks and designs including registration and enforcement strategies, IP due diligences as well as availability searches and clearance opinions.

We are authorised to represent clients before civil and criminal courts, and court of cassation as well as all administrative authorities such as Turkish Patent and Trademark Authority ("TÜRKPATENT"), customs, domain name authorities. Some of our lawyers are also qualified as trademark and patent attorneys authorised to act before the TÜRKPATENT.

We regularly handle nullity and invalidity, cancellation, well-known trademark protection, anti-dilution, passing off, unfair competition and trade dress actions and large scale damages claims before courts as well as customs seizure applications and criminal and civil searches and seizures.

Combining our litigation, transaction and industry knowledge we draft, negotiate trademark and design related agreements and transactions including, manufacturing, toll-manufacturing, co-existence, co-promotion settlement and licensing agreements.

## Key Developments and Predictions for Trademark Law in Turkey

2020 was a tough year for Turkey like the rest of the world. After the announcement of the first official recognition of Covid-19 on March 11, 2020, our country has experienced lockdowns, travel restrictions, and limited access to official bodies during the year.

During the second quarter of the year, business came to a standstill but after June, with the introduction of the “new normal” understanding into our lives, most actors learned to conduct business under the shadow of the Covid-19 pandemic.

This paper is a compilation of our articles on various topics of trademark law that we deem important for brand owners, which we have developed over the course of the last year. The first three articles focus on the effects of the pandemic over trademarks from various aspects, and the remainder discuss other topics.

This paper provides an overview on the following topics:

- Covid-19 Impact on Trademarks
- The Effect of the Pandemic on Trademark Applications
- Effects of Covid-19 on Brand Enforcement in Turkey
- Boundaries of the Supervisory Power Granted to the Court of Cassation
- Well-known Mark Registry Is Open for Debate Again
- Enforcement of the Foreign Court Decisions Related to IP Rights in Turkey
- Updates on Mandatory Mediation for IP Disputes
- Broad Trademarks Registered Without Intention to Use
- Employing a Trademark as a Domain Name Alone is Not Sufficient to Prove Genuine Use
- The Benefits of Filing a Criminal Case Based on Trademark Infringement for Counterfeit Products Subjected to the Crime of Smuggling

## Covid-19 Impact on Trademarks

Having affected the entire world, the Covid-19 pandemic also had an impact on trademark law as it has other areas of law. When considered in detail, we see that trademark law is affected in various aspects by the Covid-19 pandemic.

As a matter of fact, when we look at the period during March, April, and May, when the pandemic just started, one of the most apparent examples of this impact is that the number of trademark applications throughout the Covid-19 period has risen, although the number of trademark applications in total has decreased. Worldwide, known trademarks have changed their trademarks during this pandemic period, aiming to show their customers their awareness and sensitivity during this period.

### The Impact of the Period on Trademark Applications

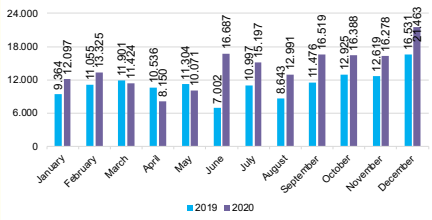
During March, April, and May when Covid-19 started to show its impact, the number of trademark applications has declined in Turkey. The reason for this decline is the economically unstable situation in which the main actors of the trademark applications that are the companies from various sectors were in during the period rather than the technical impossibilities. After all, trademark applications may be made online. On the other hand, there has been an important increase in the following period in trademark applications, in comparison to 2019.

It can be seen from the official statistics that the number of trademark applications has decreased in the first period that Covid-19 started to show its impact. The figures increased, respectively, by 29.2% and 20.5% in January and February, 2020, as compared to the same months in 2019. On the other hand, according to the official statistics of the Turkish Patent and Trademark Office ("Office"),<sup>1</sup> the numbers of trademark applications in March, 2020, when the first Covid-19 case was detected in Turkey, has decreased by 4%, as compared to the figures in March, 2019. The most dramatic decrease in the number of trademark applications occurred in April when Covid-19 had more impact in Turkey. There was a decrease by 22.6% in April, 2020, when compared to the same month in 2019.

On the other hand, with the introduction of the 'new normal' notion and the decreasing impact of Covid-19 when compared to April, in May, the decrease in trademark applications has regressed. In June, when many of the restrictions in effect were terminated, and the 'new normal' was implemented, an increase beyond expectations occurred, and the number of trademark applications increased by 138.3%, as compared to the same month of the previous year. This trend continued in the following period and, in 2020, trademark applications increased by 27% to 170.590, as compared to 2019.

<sup>1</sup> <https://www.turkpatent.gov.tr/TURKPATENT/statistics/> access to website: 28.01.2021.

Graphic 1 Number of TÜRKPATENT  
Trademark Applications, TURKEY, 2019-2020

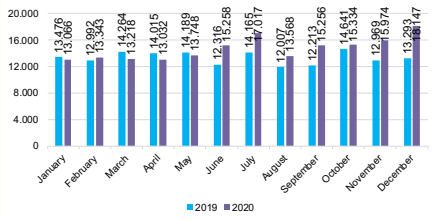


Source: <https://www.turkpatent.gov.tr/TURKPATENT/statistics/>, 28.01.2021

Table 1.1 Numbers of TÜRKPATENT  
Trademark Applications

When the statistics of the European Union Intellectual Property Office (“EUIPO”) are observed, we see that the period has been relatively stable throughout Europe<sup>2</sup>. Indeed, there has neither been an integral increase, nor a decrease, in the trademark applications during March, April and May, when Covid-19 started to show its impact. According to the data and, likewise, in Turkey, the highest rate of decrease occurred in March and April, and an increase began to be apparent in May. In June, there was an increase in the number of trademark applications, as compared to the same month of the previous year, and this trend has continued during the rest of the year.

Graphic 2 Number of EUIPO Trademark  
Applications, 2019-2020



Source: EUIPO Statistics in European Union Trade Marks 1996-01 to 2020-12 Evolution

Table 1.2 Numbers of EUIPO Trademark  
Applications

Within this timeframe, we can state that the figures in Turkey have recovered after the dramatic decrease in April, and the year ended with the highest rate increase in recent years for Turkey, but the whole period was experienced in a more stable way in terms of trademark applications before the EUIPO and, like in Turkey, the year ended with an increase in comparison with the previous year for applications before the EUIPO.

Trademark Applications Related to the Covid-19 Period


With the Covid-19 pandemic, phrases like “Koronavirus” (Coronavirus), “Korona” (Corona), “Sosyal Mesafe” (Social Distancing),


<sup>2</sup> EUIPO Statistics in European Union Trade Marks 1996-01 to 2020-12 Evolution

and "Evde Kal" (Stay at Home), have become a part of our daily lives. This has also affected trademark applications. Hence, we can find the phrases that are related to the pandemic like "Covid-19," "Coronavirüs," "Koronavirüs," "Sosyal Mesafe," "Covid," "Korona," etc., as a part of trademark applications since the beginning of the year 2020.


It has been detected in the research made in the trademark records of the Office that some of the trademark applications have been rejected after the first examination, and the registration process of others continue.

It can be stated that the Office rejects trademark applications with the phrases "Covid-19," "Korona" and "Corona," when they are applied for the classes 03, 05, 09 and 10, which include cleaning, health, medical and protective materials, in general, except when they have an additional distinctive device or phrase. For instance, it has been decided that for the trademark

application  "numbered 2020/32607, the registration process continues for the classes 03 and 05, and that for the trademark


application  numbered 2020/79814, the registration process shall continue for the classes 03 and 35. On the other hand, the trademark application "Korona" numbered 2020/38152 has been rejected for the class 03, and the trademark "CoronaVac" numbered

2020/102931 has been rejected for the classes 05, 10, 35 and 44. Likewise, the trademark application for "Coronagel" numbered 2020/10514, and the trademark application

for  numbered 2020/93106, were rejected after the first examination for class 05, including "Disinfectants, antiseptics (microbe killers), detergents for medical purposes, medicated soap, disinfecting soap, antibacterial hand lotions." On the other hand, we see that the trademark application for "Hyper Corona" numbered 2020/35062 has not been rejected for class 05 that includes the same goods, and is published in the Official Trademark Bulletin.

It is also noted that Office does not generally reject trademark applications with phrases "Covid-19," "Korona" and "Corona," for the goods and services that cannot be defined as 'descriptive.' Within this frame, it has been decided that the registration process of the trademark applications for

 "numbered 2020/45781 for class

35 "  " numbered 2020/58441 for classes 28 and 41, and "Korona Günlerinde Aşk" numbered 2020/35152 for classes 09 and 41, and trademark application

 numbered 2020/135119 for class 09 shall continue. Likewise, the trademark

application "Corona" numbered 2020/14479 for class 13, including, "Firearms, air guns, spring arms and adapted cases and shoulder straps therefor. Heavy weapons, mortars and rockets. Fireworks. Defence gases for personal use," has not been rejected after the first examination, it has been published in the Official Trademark Bulletin, and it has been registered. However, the trademark



application for "Covid-19" numbered 2020/34233 for classes 01, 18 and 25 and the trademark application for "Covid-19 Korona Salgın" numbered 2020/60308 for classes 38 and 41 have been rejected.

It is noted that the Office also rejects trademark applications related to the Covid-19 period with the phrases "Sosyal Mesafe" (Social Distancing) and "Evde Kal" (Stay at Home), unless they have distinctive devices or phrases. Within this framework, the trademark applications "Sosyal Mesafe" numbered 2020/38434 for classes 35, 41, 42 and 44



"Sosyal Mesafe", numbered 2020/43475 for classes 25 and 35, "Evdekal" numbered 2020/36708



for class 35, "Evde Kal" numbered



2020/46933 for class 42, "Evde Kal" numbered

2020/42290 for class 30, have been rejected by the Office. On the other hand, the trademark application for "Tadelle Evde Kal" numbered 2020/42291 for class 30 has not been rejected after the first examination and, upon having been published in the Official Trademark Bulletin, it has been registered. Likewise, it has been decided that the



trademark application "Tadelle Evde Kal" numbered 2020/63883 for class 35 shall be published in the Official Trademark Bulletin.

### The Approach of Existing Trademarks in the Covid-19 Period

Existing trademarks have tried to cope with the Covid-19 period with various approaches. Worldwide-known trademarks have created many commercial films raising awareness about the importance of social distancing and staying at home. Apart from this, the trademarks that can be called "social distancing trademarks," have been one of the methods that the trademarks adopted.



Trademarks in Turkey have also changed their logos in this way, and have participated in the trend of creating "social distancing trademarks."



SAs a result, the Covid-19 pandemic, which has affected the entire world, has also had an impact on trademark law in many ways, as well as all areas of law. While the total number of trademark applications before the Office decreased during March, April, and May, when the pandemic had just begun, the trademark applications related to the Covid-19 period that included phrases like "Korona," "Corona," "Covid," "Sosyal Mesafe," (Social distancing) and "Evde Kal," (Stay Home) have increased rapidly. At the end of that period, unlike as it was expected, the total number of trademark applications in 2020 increased, in comparison with the last year. Existing trademarks have made temporary revisions in their trademarks and slogans in parallel with the Covid-19 period.

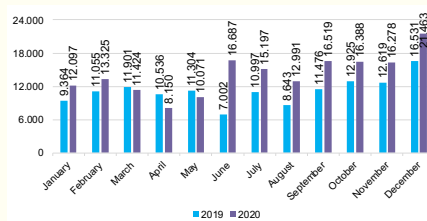
## The Effect of the Pandemic on Trademark Applications

2020 was a difficult year for businesses as humanity started to live through the first global disaster of the millennium, the Covid-19 pandemic. Just as the fluctuations in the economy and our changing work and lifestyles due to long months spent at homes destroyed our understanding of "normal." As a result, business mentality, preferences and actions taken during the crisis have all changed.

Although it is inevitable for trademark filings to be affected by these changes, the numbers dramatically decreased in the first half of the year and started to gain momentum in the second half. Indeed, when the trademark data of 2020 are examined, it can be easily seen that they were highly influenced by the economic indicators that the pandemic caused.

It is interesting to see how the number of trademark filings were affected from the pandemic, throughout the year, and in comparison with the figures of the previous year. As noted from the graph, below, the number of trademark applications filed in 2020 are lower than the data of the previous year only in March, April and May, since this period can be explained by the sudden entry of "Covid-19" into our lives. In fact, according to the TURKPATENT data, the year 2021 has started off with an increase of 29.2% and 20.5% in January 2020 and February 2020, respectively, as compared to the previous year. The month in which the largest decrease was

Graphic 1 Number of TÜRKPATENT  
Trademark Applications, TURKEY, 2019-2020



Source: <https://www.turkpatent.gov.tr/TURKPATENT/statistics/>,  
28.01.2021

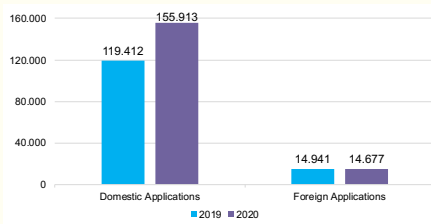
experienced in trademark applications compared to the last year was April; that is, the month in which the effects of Covid-19 in our country were felt the most.

With the beginning of June, with the concept of "new normal" and many economic actors starting to learn to act in crisis, the decline in the number of trademark filings not only ended but, in June, 2020, trademark applications increased by 138.3% as compared to 2019. Undoubtedly, the most important reason for this increase is that the official periods relating to the trademark application processes were suspended between 15 March and 15 June, and the business life, which slowed down for three months, and almost came to a standstill, suddenly returned to "new normal" in June. As of July, the increase in the number of trademark applications increased, and this increase continued until the end of the year. These increases positively affected the overall

number of trademark applications. As a matter of fact, the number of trademark applications filed in 2020 increased by 27%, as compared to the numbers in 2019.

Another factor to be considered when interpreting data on trademark applications is whether the applications are made by domestic or foreign owners. Trademark applications made by foreigners can be accepted as an indicator of direct investments in our country. The charts below show the balances created by foreign and domestic applications in 2019 and 2020.

**Graphic 2 Number of TÜRKPATENT  
Trademark Applications, TURKEY, 2019-2020**



Source: <https://www.turkpatent.gov.tr/TURKPATENT/statistics/>,  
28.01.2021

Although the number of foreign applications has not decreased when compared to the previous year, the momentum in increase in numbers of the domestic applications could not be sustained. We predict that the percentage of foreign trademark applications in total will be higher once foreign direct investments resume as the effects of the pandemic gradually recede in 2021.

The application data show us that when the economy felt the fallout from the COVID-19 pandemic, neither a huge increase nor a decrease was observed in overall number of trademark applications because of the increase in the second half of the year offsetting the decrease in the first half in 2020. In 2021, as we expect to start becoming used to the new normal, we predict that we will see trademark applications in higher numbers and spread throughout the year in a balance unlike that of 2020.

## Effects of Covid-19 on Brand Enforcement in Turkey



Turkey's first official diagnosis of COVID-19 was announced on March 11, 2020. Since then, the country has experienced lockdowns, quarantines, travel bans and limited access to public services at various levels. There were months where the legal and administrative bodies' effectiveness was inversely proportional with the curve of pandemic.

Incidentally, brand enforcement activities were also heavily affected, especially during the second and third quarters of 2020. However, by the end of the year, most workplaces eventually became accustomed to operating in the 'new normal.' This article summarizes how the pandemic has affected the enforcement of trademark rights in Turkey thus far, and considers whether some steps taken by the authorities could be labelled as the 'silver linings' of the pandemic.

### Civil and criminal proceedings

At the beginning of the pandemic, the Ministry of Justice and the judicial bodies of Turkey

reacted swiftly by prioritizing public health concerns. Law firms experienced suspensions of deadlines for months, adjournment of hearings, and even total closures of courts, which subsequently led to considerable delays in proceedings.

With a law that was published in the Official Gazette early during the pandemic, all terms and deadlines specified under the Administrative, Civil and Criminal Procedural Codes, as determined by the judges and mediators, were announced to have been suspended. The courts initiated a 'flexible' working arrangement, which meant that the majority of the judges, prosecutors and the clerks were working remotely. They ceased all work that was considered to be non-essential and non-urgent, while courthouse workers over the age of 60 were put on administrative leave.

Although the rules accepted that urgent matters were to be handled as usual, i.e. with priority, defending and enforcing IP rights through civil courts have been much more challenging during the pandemic, especially at the beginning. As the number of specialized IP courts is limited in Turkey, judges were mostly unavailable during the early stages of the pandemic, and the non-specialized judges, with rather limited understanding of brand enforcement who were on duty, were hesitant to grant preliminary injunctions.

Following the regular judicial break in August, courthouses became safer for regular staff, judges and lawyers, with additional precautions taken by the Ministry of Justice. The courts started working as usual and hearings were held without further delays, while deadlines were all restored. There were no further issues concerning preliminary injunctions or other urgent claims, such as the determination of evidence proceedings, apart from some delays that should be considered normal under the exceptional circumstances of a pandemic.

During the initial phase of the pandemic, a similar problem had occurred in criminal enforcements. While it was indeed possible to file complaints and seek search and seizure decisions before the courts on duty, the unavailability of criminal judges and prosecutors, and the heavy workload of the police due to the pandemic, caused an issue for the brand owners combatting against counterfeiting. The raids became difficult to organize, but the increased public demand for fast-moving consumer goods (FMCG) and for hygiene products, disinfectants, detergents, protective materials and, of course – medicines – was an ‘opportunity’ for counterfeiters to operate and inadvertently create a high public health risk.

The pandemic increased the concerns of the authorities and created a broader understanding of “public health” provisions

in local laws. With the encouragement of brand owners, local authorities and the police have increased the number of ex officio actions taken based on public health-related provisions. These actions are then backed-up by brand owners relying upon provisions of the IP law, which provide a better tool against counterfeiters with stronger indictments.

A decision of the Ministry of Justice is also worth noting at this point. In Turkey, lawyers may access court files through an online judicial system called the National Judiciary Informatics System (NJIS) – and the Ministry of Justice afforded lawyers broader access powers to the NJIS on April 5, 2020, based on the necessities of the pandemic. Prior to that date, the files of the prosecutor’s offices were not available to lawyers who acted as the brand owners’ representatives, or even where they are the appointed lawyers for the accused, as criminal prosecutions were confidential. However, since the change, lawyers have access to these files not only during the court trial phase, but also during the criminal prosecution phase, as well.

While in time, it became safer to return to the courthouses, the judicial break in the summer of 2020 provided an opportunity for further regulation of remote hearings for better protection against the pandemic. Law 7251 that was published in the Official Gazette on July 28, 2020, amended the Civil Procedure Code (CPC) to allow courts to conduct

remote hearings through video and audio transmission, either upon the parties' request or ex officio under certain circumstances.

The remote hearing concept has been available in Turkey since 2005 for criminal trials, and since 2011 for civil trials. However, prior to Law 7251, the CPC stipulated that the courts could allow parties and their attorneys to attend hearings and carry out judicial proceedings remotely through video and audio transmission, and allow witnesses, experts, private experts and parties to be heard outside the courtroom during the hearing – all provided that the parties had proper consent to do so. Law 7251 has removed the consent requirement in these aspects, and set forth the details that make remote hearings much simpler and more readily available. This is considered to be an important gain by legal professionals. The specialized IP courts have also started holding e-hearings for some, and this is expected to become much more common soon.

### **Customs proceedings**

Brand enforcement efforts during customs proceedings has also become highly important as a result of the pandemic. Initially, customs' work experienced a decline, mainly due to the pandemic-related precautions. Yet, trade at the customs soon came alive, and officials reacted quickly. It would be fair to say that the customs administrations eventually

became among the most effective bodies of Turkey during the pandemic, as they swiftly adapted themselves to the needs of brand owners.

They started allowing brand owners to take actions remotely, by sending them photos of suspected products and the details of the shipments, and accepted the seizure decisions of the courts via e-mail, as well. This has not only allowed for quicker actions, but has also decreased the risk of exposure to the virus. Likewise, customs officials were keener to arrange and attend trainings to be organized by brand owners, as those had become online-based and less time-consuming.

### **Comments**

COVID-19 marks the first – but probably not the last - worldwide challenge of this century that everyone has had to endure, and lessons have been learnt on the importance of acting and adapting together. The pandemic is not over, though it has already shown that change is necessary and inevitable in many aspects of life, and it will likely have been the cause of various paradigm shifts when it is completely over.

With regard to its effect on brand enforcement, it would be fair to say that the steps taken by the judicial and administrative bodies for the better enforcement of trademark rights have thus far been mostly useful. Some of these were long-awaited – such as the possibility of reaching prosecutor's files online, and some were on hold for a long while – such as easing restrictions on remote hearings, but all were much needed and, hopefully, this will continue after the pandemic ends.

## Boundaries of the Supervisory Power Granted to the Court of Cassation

When we take a closer look at the history of the Turkish judiciary system, the Court of Cassation has been an institution existing under different names and with different powers since 1868, and it serves as the supreme court of our judicial justice system. The Court of Cassation has taken the current position and duties together with the establishment of regional courts of justice, and the adoption of the triple justice system.

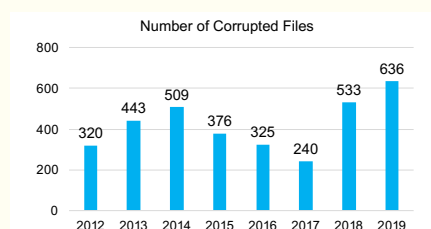
Prior to the establishment of regional courts of appeal, even though the Court of Cassation used its judicial power as a review of expediency by carrying out an examination as to the merits of case, as required by the binary justice system, the primary duty assigned to the Court of Cassation in this new period following the year 2016, when the regional courts of appeal began to operate, is to act as a court of precedents.

Even though the regional courts of appeal started to operate in 2016, the leading motive underlying the enactment of Law No. 5235 on Establishment, Competences and Duties of the First Instance Courts and the Regional Courts of Appeal in 2004 was actually a transition from a binary to a triple justice system, and serves the purpose of ensuring that the Court of Cassation acts as a court of precedents. This purpose is worded as follows, "Decisions taken by the first instance courts shall be examined by regional courts of appeal with respect to substantiation and compliance with laws, and by the Court of

Cassation solely with respect to compliance with laws. The Court of Cassation should retain its function as a court of precedents."

However, recently, particularly in various reversing decisions rendered by the 11th Civil Chamber of the Court of Cassation in disputes related to trademark law, we have seen that the Chamber acted like inferior courts, and examined cases and passed judgments in a manner at odds with its position as a supreme court or a court of precedents.

**Graphic 1 Number of Files Before the Civil Courts of Intellectual and Industrial Rights, TURKEY, 2012-2019**



Source: Judicial Statistics 2019, Republic of Turkey Ministry of Justice

Within this context, we have observed in the last couple of years that the Chamber has carried out its own assessment in numerous cases by ignoring the findings in the expert reports, which are obtained from expert panels on matters related to the merits of the case, such as the similarity of trademarks, similarity of goods/services, relevant consumer group, well-known status of

trademarks, unfairly taking advantage from a well-known status of an earlier trademark and damaging distinctive character and reputation of the same, registration of a trademark in bad faith, capability of trademarks for registration; as well as the initial assessments made by the first instance courts and regional courts of appeal.

However, as required by the relevant legislative regulations and intended purpose of the system, the appellate examination to be performed by the Court of Cassation shall be limited to a legality examination and, in our opinion, technical aspects, such as the assessment of whether the involving parties' trademarks are similar, the trademark subject to a case is well-known, and whether the goods and services covered by the subject matter trademarks are similar, shall legally fall outside the scope of the authority granted to the Court of Cassation and examination of legality.

According to the current triple justice system, since the legal resources required for passing a judgment at the appeal stage are provided to regional courts of appeal, while regional courts of appeal may conduct an examination on the merits of the case and pass judgment, the appeal stage (before the Court of Cassation) is devoid of such capability. Indeed, as widely accepted in the doctrine, we agree with the general opinion that the decisions rendered by inferior courts

with regard to a dispute shall be examined at the appeal stage, solely in respect of its compliance with the law, and a reversing decision may not be passed by substituting inferior courts, performing an examination on their behalf, and ruling out the discretionary power vested in specialized courts.

We consider that performance of such examination by the Court of Cassation would mean the annulment or disabling of the power and duty assigned to regional courts of appeal, which have the jurisdiction to examine first instance courts' decisions in terms of expediency and legitimacy, and to redecide after through re-examination of material facts and evidence upon a request of appeal. However, another reason for, and result of the establishment of regional courts of appeal, and introduction of the right to appeal before the regional courts of appeal as a legal remedy, is to ensure that the Court of Cassation puts the material law examination aside to examine the legitimacy of decisions and to establish *stare decisis*, as worded in the preamble of the law, as follows, "It is seen that establishment of regional courts of appeal has become a necessity to perform the duty of appellate examination to preserve the Court of Cassation's position as a court of precedents, as well as to ensure safe and quick conclusion of proceedings."

Accordingly, it is revealed by the reasons for transition into the triple justice system, provisions of the law, and some decisions made by the Court of Cassation itself that the Court of Cassation is not supposed to perform examinations with respect to the merits of a case, and it is expected solely to perform an examination of legitimacy.

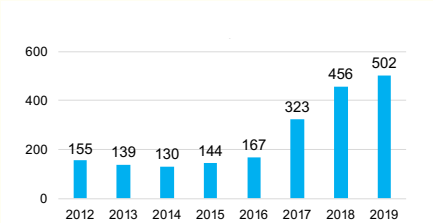
If the legitimacy examination will be interpreted also to mean examination on the merits, in other words, if the Court of Cassation will focus on the facts within the context of examination of legitimacy, and the Court of Cassation is of the opinion that an erroneous decision has been passed with respect to the merits of the case, then it is our opinion that the Court of Cassation should render a reversal decision that would reveal, to a certain extent, which rule of law has been improperly implemented, how it has been implemented by inferior courts, and how such rule of law should be implemented, without ruling out the discretionary power granted to judges. Otherwise, in cases where the Court of Cassation performs an examination as to the merits of the case, the judge shall be devoid of any discretionary power during the retrial to be conducted by the inferior court upon a reversing decision of the Court of Cassation.

On the other hand, we believe that if our justice system required the Court of Cassation to make an examination with respect to the merits of each case and to render a decision,

accordingly, it would be more appropriate to establish a system where the Court of Cassation directly annuls the inferior courts' decisions and passes judgment, where the Court of Cassation does not need to remit a case to inferior courts for trial. Nevertheless, according to our current system, a case is remitted to inferior courts after a reversing decision, and the referred to inferior court conducts a retrial within the framework of the reversing decision - if it finds the reversing decision to be justified.

In cases where the Court of Cassation makes an examination with respect to the merits of the case, in a manner exceeding the scope of a legitimacy examination, the long years of examination and assessment made by the judges of inferior courts, who have examined the involving parties' petitions, collected evidence, heard the parties, conducted the investigations, made the necessary technical and legal evaluation, and reached a conclusion based on their area of specialization, would become vain and empty and, also, the workload on the Court of Cassation would not be reduced as intended by the transition into the triple justice system but, to the contrary, it would increase, and the duties of the Court of Cassation as a court of precedents would be impeded once again.

Graphic 2 Average Duration of Examination  
of the Files Decided by the Court of  
Cassation, In Days, 2012-2019



Source: Judicial Statistics 2019, Republic of Turkey Ministry of Justice

## Well-known Trademark Registry Is Again Open for Debate

In a recent decision that challenged long-standing precedents, the Court of Cassation has concluded that the Turkish Patent and Trademark Office ("Office") has no authority to create and maintain a registry for recording well-known trademarks.

The background of the case relies upon the fact that the plaintiff's application to have its trademark recorded as well-known was rejected by the Office's Re-examination and Evaluation Board ("Board"). The plaintiff filed a cancellation action against the Board's decision before Ankara Civil IP Court, which decided to partially accept the court action on the grounds that the plaintiff's trademark is well-known in the relevant business field. The decision was then appealed before the Ankara Regional Court of Appeals, but the appeal was dismissed. Following this, the Ankara Regional Court of Appeals decision was appealed before the Court of Cassation. On 5 February 2020, the Court of Cassation issued its decision (2019/2980 E - 2020/991 K) that the Office does not have the authority to create a registry for the recording of well-known trademarks according to existing law; in addition, the well-known status must be evaluated on a case-by-case basis. Finally, the Court of Cassation concluded that the plaintiff had no legal interest in applying to the Office to record its trademark as well-known and, subsequently, filed a cancellation action. Accordingly, the Court of Cassation has sent the case back to the IP Court for retrial. The IP Court decided to align itself with the decision

of Court of Cassation and ruled for dismissal of the plaintiff's cancellation action. This time, the plaintiff appealed the decision of IP Court, and the case file is under examination before the Court of Cassation.

The IP Court's new decision will become final if it is upheld by the Court of Cassation, which is the most probable outcome, because the IP Court had rendered its judgment by complying with the Court of Cassation's reversal decision.

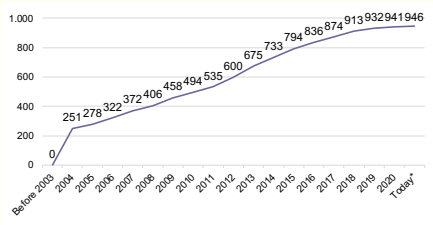
However, the Court of Cassation concluded in its various former decisions that the Office is authorised to deal with proceedings for the registration and protection of trademarks in a broader sense, and to determine the criteria for well-known trademarks. It further stated that it is not possible to file a court action to determine whether a trademark is well-known prior to an application being filed at the Office and the outcome of the recording application is received. Following these precedents, the Office commenced receiving applications for the recording of well-known trademarks. Before starting this practice, it had once published a special bulletin, in 1997, in which well-known trademarks were announced.

In addition, the Court of Cassation also accepted in its earlier decisions that trademark owners have legal interest in filing court actions for a determination that their trademarks are well-known because this provides broader protection from potential

infringement, and discourages applications that would cause confusion and take unfair advantage of the reputation of well-known trademarks. However, with this recent decision, it is accepted that there is no legal interest in filing a court action to cancel the Office's decision with regard to the recording of a well-known trademark, as the Office is not authorised to maintain such a register.

While the reasoning that well-known statuses should be examined on a case-by-case basis is entirely correct, the Office's record of well-known trademarks is not binding for the courts in practice, and trademark owners are required to prove their arguments. On the other hand, the regulations did not change, in essence, following the precedents set by the Court of Cassation from 2004, and a fairly established practice has now been developed and implemented over the last 16 years.

Graphic 1 Recorded Well-Known Trademarks Before TÜRKPATENT, TURKEY, 2003-2020



Source: <https://www.turkpatent.gov.tr>, 13.01.2021

\* As of 13 January 2021, 107 well-known trademark applications are pending before the Office.

Albeit criticised heavily in the beginning as not many countries maintain a register for well-known trademarks, the practice has shown that there is benefit for the owners of well-known trademarks in a register being maintained since, otherwise, examiners have to deal with dossiers of evidence when assessing well-known trademark claims, while trademark owners have the burden of proving the well-known status of their marks in each opposition case that they claim well-known status over.

We predict that the finalisation of this decision, subject to our article, will have significant repercussions. It may result in a complete cease of the recording of well-known trademarks, or there may be a new regulation explicitly authorising the Office to record well-known trademarks. If a new regulation is made, it may give the Office an opportunity to improve its system for the recording of well-known trademarks, such as bringing an obligation for well-known trademark owners to renew their well-known trademark recordation every five years, by submitting updated evidence proving that their trademarks are still well-known.

## Enforcement of the Foreign Court Decisions Related to IP Rights in Turkey

In principle, a court order rendered in one country has its legal effects and consequences only within the same country. For a foreign court decision to create legal effects and consequences, in Turkey, this decision needs to be legally recognized and/or enforced by Turkish courts. Regulations regarding the recognition and enforcement of foreign court decisions are stipulated between Articles 50 and 59 of the International Private and Civil Procedure Code ("IPCPC"), numbered 5718, which establishes the legal conditions for the recognition and enforcement of foreign court decisions.

IP rights, as a rule, are protected under the laws of the country in which they are protected and are limited to that country; thus, these can be claimed against third parties under these circumstances. For this reason, the recognition and enforcement of foreign court decisions on issues, such as registration, cancellation, invalidity of IP rights, as well as determination and prevention of infringement of IP rights, are not possible. For instance, since a foreign court decision on the cancellation or infringement of a trademark concerns the rights on the trademark registered in that country, the cancellation of a local trademark registration, in France, will not have the same effect of cancellation of the local registration, in Turkey, for the same trademark. Similarly, an act creating trademark infringement, in France, will not also be accepted as an

infringing act in terms of the present uses in Turkey. These issues fall exclusively within the exclusive jurisdiction of Turkish courts, and require examination on the merits of the case by Turkish courts.

*While "Recognition" can be defined as the fact that foreign court decisions regarding finalized civil cases have the same effect of final judgment and power of evidence in Turkey without changing its content; "Enforcement," on the other hand, ensures that the foreign court decisions regarding finalized civil cases may be executed in Turkey without changing its content, as if the decision was rendered by the Turkish courts, in addition to having the same effect of a final judgment and power of evidence.*

However, foreign court orders for the payment of compensation, if based on a trademark infringement and unfair competition claims, may be subject to enforcement request in terms of the judgment for payment of compensation. Enforcement, at this point, ensures that the compensation awarded by the foreign court against the real persons or legal entities having assets in Turkey will be executed in Turkey, as if it is a final judgment awarded by a Turkish court.

### Authorized and Competent Court

It is accepted that all cases concerning IP rights should be filed before specialized IP Courts. In that case, the authorized courts in the enforcement of foreign court decisions

regarding IP rights are the IP Courts, in terms of the cases, are filed in Istanbul, Ankara and Izmir but, in other provinces that do not have specialized IP Courts, the civil courts of first instance will deal with such cases acting in their capacities as IP Courts.

### **Enforcement Requirements**

The requirements are regulated in Article 54 of the IPCPC where, basically, four conditions must be fulfilled for a foreign court decision to be enforced.

- 1. There should be reciprocity between Turkey and the country wherein the decision subject to enforcement request has been rendered:**

In order for a foreign court decision to be enforced in Turkey, there should be an agreement on reciprocity, or de facto practice regarding reciprocity between Turkey and the country wherein the decision has been rendered, a provision that allows the enforcement of the decision of the Turkish court, or an actual practice in that country to this end.

- 2. The decision should not fall under the exclusive jurisdiction of Turkish courts:**

The subject of the foreign court decision should not fall under the exclusive jurisdiction of Turkish courts. The enforcement and

execution of the decisions rendered on subject matters within the exclusive jurisdiction of Turkish courts is not possible. Due to the nature of IP rights, all issues, such as registration, cancellation, invalidity, and cancellation of these rights, are within the exclusive jurisdiction of Turkish courts, and are not capable of enforcement.

In the same direction, the foreign court decisions rendered on the determination and prevention of IP right infringements are not also capable of enforcement in Turkey. In order to accept the infringement of an IP right, such right should be registered in Turkey, and the infringement claims require an examination on the merits of the case by Turkish courts, and fall under the exclusive jurisdiction of Turkish courts.

- 3. The decision should not be against the public order:**

If the foreign court decision creates a clear contradiction with the public order, it is not capable of enforcement in Turkey. The meaning of this regulation is that the enforcement and execution of the foreign court decision in Turkey should not have results that are clearly against the public order.

#### 4. Right of defense should have been given to the defendant:

In principle, the right of defense of the person against whom the enforcement of the decision is requested (defendant) should be provided, while the decision is rendered according to the laws of this country. It does not affect the enforceability of the decision by itself if the defendant has not been duly summoned or represented before that court, or the decision has been rendered in the defendant's absence, contrary to the laws of the country in which the decision was made. However, if the defendant files an objection before the Turkish court against the request for enforcement based on one of the above-mentioned issues and proves its case, the decision cannot be enforced in Turkey.

#### The Procedure in Enforcement Cases

According to Article 53 of the IPCPC, the enforcement petition must include i) the original or a copy of the foreign court decision that has been duly approved by the authorities of that country and a certified translation of the decision, and ii) the document certified by the authorities of that country showing that the decision has been finalized, as well as its certified translation. In summary, it should be understood from this provision that the notarized and apostilled versions of the approved foreign court decision and the finalization certificate should be submitted together with their certified translations.

Pursuant to Article 55 of the IPCPC, the request for enforcement is examined and concluded according to the simple judgment procedure. A simple judgment procedure is regulated under Article 316 et al. of the Code of Civil Procedure and, unlike the written judgment procedure, the exchange of petitions stage is completed, together with the submission of the plaint petition and the response petition. The aim here is to conclude the case more quickly and practically because, in these cases, the Turkish court will not make a detailed examination as to the concrete incidents; it will only examine whether the foreign court decision, which is requested to be enforced, is capable of enforcement in terms of procedural requirements.

#### Prohibition of Revision

In enforcement cases, Turkish courts do not have the authority to examine and evaluate the accuracy of the procedure applied in the foreign court decision, or the material and legal determinations contained in the decision. Turkish courts may only examine whether the foreign court decision meets enforcement requirements in enforcement cases.

For this reason, it is not possible and appropriate for claims regarding the fact that the material event and the legal findings that are the subject of the foreign court decision have been incorrectly evaluated by the foreign court, nor are the demands that they should

be re-examined by Turkish court (such as the IP right infringement and unfair competition claims and reduction of the compensation amount requests, etc.) to be accepted in enforcement proceedings.

### **The Impact of the Enforcement Decision**

In presence of the conditions sought by the IPCPC, it is possible to enforce a foreign court decision partially or entirely. If a foreign court decision is enforced, this decision will be treated as if it is a Turkish court decision, and it will have the same consequences as a Turkish court decision. In the case of enforcement of a foreign court decision related to the payment of compensation arisen from IP rights, the decision may be executed in Turkey.

## Updates on Mandatory Mediation for IP Disputes



As of January 01, 2019, mediation is mandatory for monetary related commercial disputes in Turkey. In our 2019 thought leadership paper, we shared our opinions on the effects of such development applied to IP related disputes in which compensation or payment of a certain amount is sought. Up to this point, practical impacts of this change were a question, especially for the cases that include both monetary and non-monetary claims. Recent decisions of the Turkish Court of Cassation ("the CoC") are guiding IP law practitioners on implementation of mandatory mediation. The details of the said decisions are provided, below.

**11th Civil Chamber of Court of Cassation, Merit No: 2019/4851 E., Decision No: 2020/2732 K., Decision Date: June 10, 2020:**

An action was filed before the first instance IP Court ("the IP Court") that contains trademark-related requests based on trademark infringement, in addition to monetary and

non-monetary compensation claims; thus, both monetary and non-monetary claims are requested in one case.

Considering mandatory mediation should be applied for monetary claims and all of the claims must be examined together, the IP Court ruled that the cause of action was violated since the plaintiff did not apply to mediation first regarding monetary claims. As a result, it dismissed the case on procedural grounds. The plaintiff's appeal before the Regional Court of Appeal was rejected. Finally, the CoC resolved the matter upon further appeal.

Article 110 of the Turkish Code of Civil Procedure (the "Turkish CCP") regulates that independent claims may be requested together if the competent Court is the same. The CoC implemented this article in the present case in which independent monetary and non-monetary claims were requested together. The CoC remarked that mediation is not mandatory for the cases where claims subject and not subject to mandatory mediation are filed together. Therefore, it concluded that the lower Courts cannot rule for a lack of procedural step when monetary and non-monetary claims are filed together. It then ruled that the lower courts should have reviewed the matter on its merits and returned the file to the IP Court.

11th Civil Chamber of Court Of Cassation,  
Merit No: 2019/3611 E., Decision No:  
2020/4734 K., Decision Date: November 04,  
2020:

This dispute is about non-monetary claims based on copyright infringement and compensation in this second case. The IP Court also rejected the case since mandatory mediation was not applied for the monetary related part prior to filing the action. The plaintiff's appeal before the Regional Court of Appeal was rejected, as well.

Upon further appeal of the plaintiff, the CoC reviewed the matter and, again, referred to Article 110 of the Turkish CCP. The CoC confirmed with the same reasoning that the lower Courts cannot rule for a lack of procedural step when monetary and non-monetary claims are filed together. It overturned the lower courts' decisions in this case, as well.

11th Civil Chamber of Court Of Cassation,  
Merit No: 2020/933 E., Decision No:  
2020/5776 K., Decision Date: December 09,  
2020:

This dispute is about non-monetary claims based on copyright infringement, and compensation in this third case.

The IP Court, once again, dismissed the case on procedural grounds with similar explanations, and the Regional Court of Appeal rejected the defendant's appeal.

Upon further appeal, the CoC reiterated that the lower Courts should have reviewed the case on its merits without referring to the mandatory mediation requirement.

Contrary to its previous decisions, the CoC rendered a decision of its majority, rather than unanimity, so there is an opposing view amongst the members. The opposing view stated that the lower courts should have ruled for separation of the case, and reviewed the non-monetary claims on its merits; whereas, it should have searched for mandatory mediation regarding monetary claims therein. These recent decisions are enlightening since many IP-related cases include monetary and non-monetary claims together, especially when infringement of an IP right is an issue. The CoC's repetitive standpoint supports the idea that monetary and non-monetary claims may be filed together without passing through mandatory mediation. However, we see in all cases that the lower Courts, and also the CoC, itself, still have contradictory comments. In the upcoming period either the CoC's prevailing approach will take root, or the Courts will examine the claims in disputes, separately, based on the mandatory mediation requirement to find a middle course as it is supported by the opposing view in the last case. After encountering more Court decisions, Turkish Courts will eventually adopt the same opinion, and have established case law regarding mandatory mediation requirement in IP cases.

The CoC's prevailing approach is beneficial to the procedural economy principle. According to the CoC's prevailing approach, an action both containing monetary and non-monetary claims may be filed at once without awaiting the results of the mediation stage. Also, passing through the meditation procedure is favorable for the effectiveness of possible preliminary injunction requests, since the negotiations through the meditation may provide insight on the content of possible actions concerning the counterparty.

However, the Code introducing mandatory mediation does not bring any specific rule for disputes that contain both monetary and non-monetary claims, which are combined in a single case; thus, there is a legal gap for such actions. The CoC also remarked in its last decision that the Code has no specific rule for cases that include both monetary and non-monetary claims.

Since the CoC filled this gap by deciding that there is no obligation to pass through mandatory mediation in such cases, it would be better to have the CoC to provide more detailed reasoning in its future decisions in that regard. Also, ensuring unanimity in its decisions is important since the CoC's interpretation has an important impact on the lower courts, practitioners and doctrine. If the CoC's prevailing approach gains acceptance and is established by the case law, a legislative

change/amendment will become necessary to be in line with the jurisprudence, and fill the concerned gap by a legal provision.

It seems that the CoC's decisions will border the line for mandatory mediation implementation in the upcoming period. It is wise for Turkish IP practitioners to bear this issue in mind for some time, until reaching an uncontroversial conclusion on this issue.

## Broad Trademarks Registered Without Intention to Use

Filing trademarks on a broad list of goods and services without the intention to use is common practice in Turkey. Owners of such trademarks might have acted in bad faith at the time of filing, or could abuse their rights arising from such trademarks while enforcing them.

To illustrate, owners of overly broad trademarks may request third parties to pay a high amount of monies to grant them letters of consent, to withdraw their opposition, or to engage in co-existence agreements with them in bad faith. Such trademark owners may also send cease and desist letters, file infringement actions, or criminal complaints against third parties.

Those facing problems in using and registering their trademarks due to the existence of overly broad trademarks may file a revocation action against these trademarks due to non-use, or raise a non-use defence in opposition proceedings or infringement actions, if five years have passed since the registration dates of these trademarks. However, they need to look for other options if five years have not yet passed.

One remedy could be filing an invalidation action based on bad faith. According to the IP Code, a trademark may be invalidated if it had been registered in bad faith. There is no definition of bad faith in the code, but the doctrine and court precedents give guidance

on what constitutes bad faith. Usually, pre-emptive trademarks and ambush trademarks are considered bad faith.

An overly broad trademark may be treated as a pre-emptive trademark, if the trademark owner's sole intention is to prevent its competitor from using and registering its trademark from entering into the market. Such a trademark may also be considered as an ambush trademark, if the trademark owner aims to gain monetary profit from third parties wishing to register their trademarks, or to force them to enter into distribution or licensing agreements. In such cases, an invalidation action may be filed against these trademarks based in bad faith.

In terms of invalidation actions based on bad faith, intention of a trademark owner at the time of filing an overly broad application and enforcement of rights, as well as all the other specific circumstances of the specific case should be considered. Bad faith should be presumed when an overly broad trademark is filed with the intention of undermining the interests of third parties, or to obtain an exclusive right for purposes other than those falling within the function of a trademark, as mentioned in The Court of Justice of the European Union's Skykick decision dated 29.01.2020 and numbered C-371/18.

However, if there is no other indication supporting bad faith of the trademark owner,

mere registration of a trademark for a broad list of goods and services without the intention to use does not constitute bad faith and, thus, is not necessarily grounds for an invalidation action. The European General Court's decision dated 13.12.2021 and numbered T 136/11 confirmed this by stating that the mere registration of broad trademarks does not depart from honest commercial and business practices.

On the other hand, when faced with bad faith actions of trademark owners relying upon overly broad trademarks, third parties may also raise the abuse of rights defence in infringement actions filed against them, or they may file actions for prevention and cessation of unfair competition.

There is no provision in the IP Code for abuse of rights, but Article 2 of the Civil Code, which applies to all legal disputes, states that the abuse of rights is not protected by law. Therefore, claims and defences that constitute abuse of rights are not considered by Turkish courts. In this framework, third parties may have infringement actions that are filed based on overly broad trademarks dismissed, which had been based on abuse of rights. Indeed, in such cases, trademark owners abuse their rights, as they have no legitimate interest in protecting their non-used trademarks, but use infringement actions as a legal weapon against third parties to reach their own goals, such as gaining monetary or business profits from them.

Also, as per the Commercial Code, actions for prevention and cessation of unfair competition may be filed against trademark owners who, for instance, send numerous cease and desist letters or file several oppositions, court actions or criminal complaints.

In its decision dated 25.12.2014 and numbered 2009/14 E. 2014/327 K., the Ankara 3rd IP Code decided that the activities of the defendant, i.e. sending a multitude of cease and desist letters to the plaintiff and its customers, filing determination of evidence proceedings, and conducting raids at several premises of the plaintiff, while there is a pending infringement action filed against the plaintiff, exceed the right to an effective remedy and constitute unfair competition and abuse of rights. The court decided to prevent and cease unfair competition and granted non-pecuniary damages.

In conclusion, trademark applicants facing problems in using and registering their trademarks due to broad senior trademarks, might have other options for clearing their way, namely: (i) invalidation actions based on bad faith; (ii) raising an abuse of right defence; or (iii) filing actions for prevention and cessation of unfair competition.

## Employing a Trademark as a Domain Name Alone is Not Sufficient to Prove Genuine Use



The first instance Civil Court for Intellectual and Industrial Rights ("IP court") in its decision rendered in October, 2020, pointed out that the use of the subject mark solely as a domain name is not deemed sufficient to prove the use of the mark as a trademark.

The decision concerns a revocation action for non-use filed against a trademark that has been registered for more than five years, but which has not been used properly and effectively with respect to the relevant services within the scope of its registration in Turkey by the trademark owner.

In revocation actions based on non-use, the defendant carries the burden of proof, and the IP courts generally obtain expert reports from court-appointed experts for examination of the evidence and commercial books of the defendants.

In the relevant case file, the defendant party submitted evidence regarding the records

of the domain name, including the subject trademark and the content of the website operated under this domain name, in which the subject trademark has not been used as it is registered, but was used in a very different form from its registration.

The file was examined by the court-appointed experts, and they concluded that there is no evidence proving the use of the trademark as it is registered for the relevant services in the commercial records of the defendant and, as well, on their website. However, in view of the existence of the domain name consisting of the subject trademark that has been in use for five years, it is sufficient to prove the use of the trademark. However, the IP court, disregarding the determinations in the expert report, highlighted the importance of the requirement of the use of the trademark on the goods and services within the scope of its registration for commercial purposes, found the existence of the domain name alone to be insufficient, and decided to revoke the subject trademark due to non-use.

As emphasized in the "Proof of Use Guidelines" of the Turkish Patent and Trademark Office published in 2017, in order to evaluate "genuine use," the use of a trademark should be separately evaluated in terms of criteria, such as the type of goods or services the trademark is registered for, the amount of sales, whether the trademark is used in accordance with its basic function, whether

a market share has been created in terms of the relevant goods or services, the customer environment it addresses, and the size of the business; and it should be examined whether there is genuine use in light of all these criteria. In the recent decisions of the Court of Cassation, it is also clear that use of a trademark solely as a domain name is not accepted as sufficient to prove the genuine and serious use of a trademark, if there is no other commercial use of the trademark on the goods and services within the scope of its registration under this domain name. As a matter of fact, in its decision dated 28.03.2014 under Merit No. 2013/16785 and Decision No. 2014/6143, the Court of Cassation did not accept the use of the subject trademark only with the domain name and trade name as trademark use, and stated that the sign should be used in a way to show the connection with the relevant goods or services and in accordance with the function in order to qualify as trademark use. In the relevant decision, it was emphasized that a trademark should be placed on the product, its packaging, or used during the provision of the service to which a service mark is related. It was also stated in the decision that the use of a trademark alone in the business documents or catalogs cannot be accepted as trademark use.

In another invalidation action filed on the basis of priority right ownership and bad faith, the plaintiff's use of the trademark subject to

the case as a domain name over a long period time was not accepted as trademark use, and the claim was dismissed on the grounds that the plaintiff could not prove its priority use on the subject trademark. This decision was upheld by the decision of the 11th Chamber of the Court of Cassation, dated 01.11.2017 under Merit No. 2016/3969 and Decision No. 2017/5976.

In this respect, this decision along with the recent decisions of the Court of Cassation sets a precedent for future disputes and concludes that use of trademark as a domain name, by itself, is insufficient to prove genuine use.

## The Benefits of Filing a Criminal Case Based on Trademark Infringement for Counterfeit Products Subjected to the Crime of Smuggling



Turkey's geographical location and dynamic population make Turkey an important market for smuggled products and one of the major transit countries. In its most basic definition, a smuggled product corresponds to the products entering the country without permission or with underreporting/false declaration. Products subject to the crime of smuggling comprise a wide range of sectors from pharmaceuticals to tobacco and alcohol products, from textiles to phones and car components. In some product groups, particular conditions are required for the occurrence of the crime of smuggling, and there are also aggravating provisions.

According to the data of the Ministry of Interior, 420 thousand bottles and 795 thousand liters of alcohol, and 23 million pharmaceuticals were seized in 2019 based on smuggling provisions. The amount of smuggled pharmaceuticals increased by 324% compared to 2018. Smuggled products that are subjected to trade cause tax losses for the state. In addition to the monetary damage,

the public health is also threatened due to the introduction of prohibited and regulated products without checking their conformity.

Most of the smuggled products entering the country are also counterfeit. This creates a similar monetary loss to the state and even a more serious public health threat. Counterfeit pharmaceuticals and alcoholic beverages directly cause death, our children are threatened by the paints with carcinogenic effects in counterfeit toys and stationery material, and all of us are at the risk of explosion in products, such as counterfeit batteries and chargers used for phones. Also, the use of profits generated from smuggled and fake products is a severe topic that must be dealt with separately.

Essentially, a counterfeit product is the use of the trademark, or its identically similar form, on products without the permission of the trademark owner. Due to the Customs IP Program "CIP," when counterfeit products enter the country through customs, it is more likely that these products will be identified, and the entry will be prevented by informing the right holders. Therefore, counterfeiters export the products either by misrepresentation or by other illegal routes. For example, mobile phone accessories that bear registered trademarks without permission, brought from China outside of the legal route, would be considered as smuggled products according to Law No. 5607, and counterfeit products

according to IP Law No. 6769. Due to the fact that the vast majority of smuggled products are simultaneously counterfeits, the Ministry of Justice emphasized the need for cooperation between the institutions by including the following statement; "The institutions and organizations must cooperate to prevent tax losses of the state and to protect IP rights, and the IP right holders must be notified of suspicious products." in its Circular No.160 dated 20/02/2015.

The crime of smuggling is not a complaint-based crime, and the state is directly targeted with it. For this reason, an ex-officio investigation can be initiated by prosecutors. However, trademark infringement is a complaint-based crime, and it is only possible to prosecute the crime with the complaint of the trademark right holder. However, the trademark owner must be aware of the act and the suspects in order to exercise its legal rights. In this context, the Customs General Directorate expanded the CIP program for the products seized and delivered by the police to the Customs Liquidation Service (TASİŞ) under Communiqué No. 38850468-164. Accordingly, the representative of the trademark right holders should be notified of the seized products as soon as they are taken to the warehouse by TASİŞ.

However, there is no system used by the police and gendarmerie, similar to the CIP program implemented in customs. This situation makes

coordination between IP right holders and units combatting crimes of smuggling difficult, and causes both smuggled and counterfeit products to be investigated only for the crime of smuggling. The lack of complaint of the IP right holder might result in the re-entering of the smuggled and counterfeit products to the market with a possible release or sale decision to be made in the smuggling file.

In practice, some prosecutors and judges believe that the acts that constitute trademark infringement and crimes of smuggling should be evaluated as a single act; for this reason, they believe that a case should only be brought for the crime of smuggling, which is considered to be a more serious crime. However, besides the difference in actus reus and mens rea of these two separate crimes, the trial procedures and the subjects harmed by the crime are also different. The 19th Criminal Division of the Court of Appeal (CoA) put an end to these discussions and decided that smuggling and trademark infringement crimes are different crimes that need to be investigated and tried separately with Decision No. 2016/13094E. and 2017/3661K.

The District Courts, especially in Istanbul, also follow the CoA's decision with its consistent decisions. Therefore, if the products subject to the investigation carried out in accordance with smuggling provisions are also counterfeit products, a different judicial process should be initiated based on the crime of trademark

infringement per Article 30 of the IP Law, measures such as seizure decisions should be taken to prevent the release/sale of the products, and the products should be destroyed.

At this point, since a separate file is carried out based on the crime of trademark infringement, informing the relevant authorities dealing with the crime of smuggling will prevent the release or sale of fake products.

In order to inform the representatives of the trademark owners of the smuggled products, a system similar to the CIP Program could be established, or that the current CIP program could be integrated into the gendarmerie and police who deal with crimes of smuggling.

At the same time, it is essential to provide regular training on IP rights to institutions, such as prosecution offices, courts, police, gendarmerie, and TASIS, which are dealing with crimes of smuggling, to ensure unity in practice and strengthen the fight against products that pose dangers to society, and which also infringe upon the IP rights of the trademark owners.

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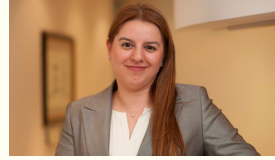


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## FIRM OVERVIEW

We are one of the oldest and largest business law firms in Turkey and are ranked among the top tier legal service providers. We are widely regarded as one of the world’s leading IP law firms.

Based in Istanbul, we also have working and correspondent office in Ankara, Izmir and all other major commercial centers in Turkey.

We advise a large portfolio of clients across diverse fields including life sciences, energy, construction & real estate, logistics, technology media and telecom, automotive, FMCG, chemicals and the defence industries

We provide legal services mainly in Turkish and English and also work in German and French.

We invest to accumulate industry specific knowledge, closely monitor business sector developments and share our insight with our clients and the community We actively participate in various professional and business organisations.

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