

**SARAY POPPY decision: a new approach to likelihood of confusion and vested rights?**

**Turkey - Gün + Partners**

**Examination/opposition**

**Registration**

**Cancellation**

**National procedures**

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- **IP Court found likelihood of confusion between SARAY POPPY and earlier POP marks**
- **'Pop' and 'poppy' found to be similar, even though they are generic**
- **Conclusions on vested rights are noteworthy**

On October 25 2017 the Turkish Court of Appeal upheld a decision of the Civil IP Court in which the latter had assessed the similarity between two trademarks by taking into account generic words that would not normally be considered in the examination of the likelihood of confusion. The decision also deals with the hot topic of how, and under which conditions, an earlier trademark provides vested rights to its owner.

An application was filed for the registration of the mark depicted below for goods in Class 30 of the Nice Classification:



An opposition was filed based on earlier registrations that included the word 'pop' and covered goods in Class 30. The opposition was rejected by the Turkish Patent and Trademark Office. The opponent filed a lawsuit for the cancellation of the office's decision and for the invalidation of the SARAY POPPY mark, which had become a registered mark by the time the action was brought.

The Ankara First IP Court, with its decision of July 8 2014, upheld the action; it ordered the cancellation of the office's decision and the invalidation of the SARAY POPPY mark, with the reasoning that it created a likelihood of confusion with the plaintiff's trademarks.

Compared to previous decisions and precedents, this decision is astonishing in two ways.

The first reason can be found in the determinations of the expert report that was taken as a basis for the decision by the IP Court. The experts concluded that, in the SARAY POPPY mark, the word 'saray' (meaning 'palace' in English) was not the essential part of the trademark, since it was an umbrella trademark of the defendant (the distinctive part of its trade name). The word 'poppy' was considered to be the essential part of the trademark, as it was framed with a purple/navy colour on a white background and written in bold and italic so as to draw attention. It was further determined that 'poppy' is used in daily life as an abbreviation of the term 'popular'. It was added that the plaintiff's ground trademarks included the word 'pop' (referring to 'pop music' or 'popular' in English) as an essential element; therefore, the essential element 'poppy' merely added the suffix '-py' to the word 'pop', thus creating a likelihood of confusion with the plaintiff's trademarks. The experts themselves admitted the non-distinctive character of the terms 'pop' and 'poppy', but still found a similarity between the parties' trademarks based on those words.

Since one of the absolute grounds for refusal according to the law is the non-distinctive character of a sign, the IP Courts do not normally consider generic and common words to be the essential elements of trademarks when assessing the likelihood of confusion. However, in this case the IP Court followed the expert report which determined that there was a likelihood of confusion between the marks only because 'pop' and 'poppy' are similar, even though they are generic, non-distinctive words. As the decision was upheld by the Court of Appeal, the question then arises whether the courts can be more flexible when examining the likelihood of confusion and, if so, what would be the possible consequences of this approach.

As well as the likelihood of confusion evaluation, the findings of the IP Court with regard to vested rights in prior trademarks are also noteworthy.

The IP Court mentioned two cumulative requirements for an applicant to rely on earlier trademarks as a defence to an opposition against a trademark application. One is that the applicant must have been using its prior trademarks in good faith for a long period of time and simultaneously with the opponent's trademarks, which is registered in the same class and consists of the same word element as the

applicant's trademarks. The other requirement is that the application must preserve the version used in the earlier trademarks.

In this respect, the court determined that the defendant's earlier trademark, depicted below, provided vested rights to the defendant.



However, the defendant could not exploit those rights for the following reasons. According to the court, the defendant stopped using its prior SARAY POPPY mark in 2005; it started using it again in 2010, which was after the application date of the trademark at issue. Therefore, the condition of simultaneous use with the plaintiff's trademarks was not fulfilled. Furthermore, the application was found to have differed from the registered trademark SARAY POPPY, since the word '*poppy*' was highlighted in the subject trademark, while the word '*saray*' was more prominent in the earlier trademark. Due to these reasons, the court concluded that the defendant could not take advantage of its earlier SARAY POPPY trademark, and the likelihood of confusion between the SARAY POPPY mark at issue and the plaintiff's well-known POP trademarks could not be ruled out.

As a general rule, earlier registrations belonging to the applicant that contain the same/similar signs and cover the same classes are assumed to provide vested rights to the applicant with regard to any new application. However, the IP Court in this case adopted a more specific approach and provided a concrete example of the conditions under which an earlier trademark can be deemed to provide a vested right to the applicant with regard to a later trademark.

The determinations of the IP Court in this case are notable and striking, and the fact that the decision was upheld by the Court of Appeal makes it even more remarkable. Upcoming decisions will reveal whether this case will change the IP Courts' approach, as well as Turkish trademark law practice.

*Güldeniz Doğan Alkan and Betül Bakır, Gün + Partners, Istanbul*

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