

**New IP Code enters into force: 2017 will be the year of IP rights  
Turkey - Gün + Partners**

**Examination/opposition  
Cancellation  
Government/policy**

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Following the merger of various IP-related decree-laws into a single code, the brand new Industrial Property Code (No 6769) entered into force as of January 10 2017.

At the beginning of 1990s, Turkey was in the process of becoming part of the EU Customs Union and one of its obligations was to adapt its domestic IP law to comply with EU regulations. In order to achieve this, Turkey rapidly enacted IP-related decree-laws in 1995. Decree-laws were preferred since they require less procedure and can be enacted faster, while having the power of law. It was expected that they would be transformed into laws when Turkey became a part of the Customs Union; however, they have remained in force as decree-laws until now.

Decree-laws have long been a debated subject in Turkish constitutional law. It is stated in Article 91 of the Turkish Constitution that property rights cannot be regulated by decree-laws, but should be regulated by a code enacted by the Turkish Parliament. The Constitutional Court thus annulled a few articles of the IP decree-laws based on Article 91 of the Constitution (see, eg, "[Constitutional Court annuls Article 42/1\(c\) of Decree-Law 556](#)"). Afterwards, the Parliament preferred to integrate annulled provisions into the IP decree-laws rather than repealing them and bringing into force codes related to IP rights.

The new IP Code unites trademarks, designs, patents, utility models and geographical indications. According to the general preamble of the IP Code, it aims to:

- comply with recent developments in EU IP law;
- bypass the annulment decisions of the Constitutional Court; and
- make the current legislation clearer, more understandable and more systematic.

The IP Code consists of five chapters, 193 articles and six provisional articles. Book 1 of the IP Code regulates trademarks, Book 2 regulates geographical indications, Book 3 regulates designs, Book 4 regulates patents and utility models, and Book 5 regulates common provisions. Most of the provisions in the IP-related decree-laws have been inserted into the IP Code and revisions were made in line with the draft law No 1/756, which became obsolete in 2013. Article 188 of the IP Code changed the name of the Turkish Patent Institute to the Turkish Patent and Trademark Office (TPTO).

This article aims to provide a summary of the novelties introduced by the new IP Code.

First of all, the name of the code is "the Industrial Property Code" and, therefore, uses the term 'industrial property'. An 'industrial property right' is defined as a "trademark, geographical indication, industrial design, patent and utility model" in Article 2-(i). Even though the IP Code abolished Decree-Law No 556 along with other IP-related decree-laws, according to the provisional Article 1 of the IP Code, the provisions of Decree-Law No 556 will be applied to trademark applications filed before the enforcement of the IP Code - that is, applications filed before January 10 2017.

Currently, the TPTO conducts an *ex officio* preliminary examination of a trademark application and rejects the application if it falls within one of the absolute grounds for refusal. Article 7/1(b) of Decree-Law No 556, which contains one of the absolute grounds for refusal, prevents the registration of trademarks which are identical or indistinguishably similar to an earlier trademark registration/application. Such provision does not exist in many jurisdictions and, in the jurisdictions where it does exist, this obstacle may be lifted by submitting letters of consents or co-existence agreements. Decree-Law No 556 did not offer this solution and such *ex officio* examination by the TPTO blocked the registration of many trademark applications.

The new IP Code, however, enables the implementation of the co-existence principle. According to Article 5-(3) of the IP Code, the TPTO cannot refuse a trademark application *ex officio* if a notarised letter of consent by the owner of the earlier trademark is submitted to the TPTO. Even though an *ex officio* refusal by the TPTO is not totally excluded, the possibility of co-existence is still a welcome amendment.

According to Article 19-(2) of the IP Code, during opposition proceedings, if the applicant for the opposed trademark so requests and the trademark on which the opposition is based has been registered in Turkey for at least five years before the application date of the opposed application, the TPTO must require the opponent to prove the genuine use of its trademark in Turkey for the five years preceding the application date of the opposed application or justify the reasons for non-use. If the opponent cannot prove the genuine use of its trademark, the opposition will be refused; if the opponent proves genuine use only for some

goods/services, the TPTO will examine the opposition only for these goods/services. Therefore, the TPTO may now refuse an opposition if the genuine use in Turkey of the trademark on which the opposition is based cannot be proved. This can also be used as a defence in invalidation and infringement actions.

In addition, according to Article 26-(1)(a) of the IP Code, the TPTO may revoke a trademark if, within a period of five years following the publication of its registration, this trademark has not been put to use, without justifiable reasons, for the registered goods or services, or its use has been suspended for an uninterrupted period of five years. However, the enforcement date of this provision is postponed for seven years under the provisional Article 4 of the IP Code and, until then, the right to revoke a trademark due to non-use will belong to the competent IP courts.

Further, there was no specific provision for the 'loss of right by remaining silent' principle in Decree-Law No 556. The Court of Appeals accepted that the genuine rights holder could lose its rights by remaining silent for a long time, even if the counterparty acted in bad faith. However, the timeframe for this principle was unclear and different time periods were used by the Court of Appeals in different decisions. It is widely agreed in Turkish trademark law practice that this period should be determined based on the circumstances of each case and the 'principle of honesty'. Article 25-(6) of the IP Code finally introduces a specific provision for this principle by stating:

*"Where a trademark owner has remained silent for the five consecutive years during which he has known or should have known that the later trademark was being used, he cannot rely on its trademark as an invalidation ground unless the subject trademark registration was filed in bad faith."*

Therefore, the new IP Code introduces a five-year period for this principle and also excludes trademarks filed in bad faith from its scope. With this article, the five-year term for filing an invalidation action is regulated under a separate provision.

Moreover, according to Article 163 of the IP Code, in case seized counterfeit products are damaged or incur a substantial loss of their value, or their preservation constitute a serious burden, the judge or court can order their destruction following an expert examination before a final decision on the merits of the case is rendered. This 'fast destruction procedure' is a positive amendment.

Another new provision contains a description of signs that may be registered as trademarks. Article 4 of the IP Code introduces a new condition for registration, namely that it "can be shown before the registry that the subject of the protection provided to the trademark owner is clearly and explicitly understandable". This condition did not exist in Article 5 of Decree-Law No 556. Under Article 4 of the IP Code, the definition of signs capable of acting as trademarks has been changed from "any signs capable of being represented graphically such as words, including personal names, designs, letters and numbers, the shape of the goods or their packaging, and similarly descriptive elements capable of being published and reproduced by printing", to "any signs such as words, including personal names, designs, colours, letters, numerals, sounds and the shape of the goods or their packaging". This terminology is now in line with Article 3 of [Directive 2015/2436](#).

In addition, according to Article 5-(i) of the IP Code, signs containing registered geographical indications cannot be registered as trademarks. According to Article 6-(4) of the IP Code, trademark applications which are identical or similar to well-known trademarks within the meaning of Article 6*bis* of the [Paris Convention](#) shall be rejected by the TPTO upon opposition by the genuine rights owner in respect of the same or similar goods or services. This may also be used as a relative ground for invalidation. Article 7/1-(i) of Decree-Law No 556, which related to the protection of well-known trademarks within the meaning of the Paris Convention, was cancelled by the Constitutional Court in 2015.

Further, bad faith is regulated as a separate ground for opposition and invalidation in Articles 6-(9) and 25-(1) of the IP Code. The opposition period has been shortened from three to two months under Article 18 of the IP Code. According to Article 7-(5)(c):

*"A trademark owner cannot prevent third parties from using its trademark, especially for accessories, spare parts or equivalent parts, where this is necessary to specify the purpose of the goods or services, provided that such usage is compliant with the principles of good faith and commercial life."*

This exception was not clearly stated in Article 12 of Decree-Law No 556, which regulated the exceptions to the rights arising from a trademark registration. Therefore, the IP Code is now in line with the terminology of Article 14 of [Directive 2015/2436](#).

Article 152 of the IP Code states that:

*“acts relating to the products subject to the protection of industrial property rights shall fall outside the scope of such rights, where such acts occurred after those goods were released into the market by the rights owner or with his consent”.*

Consequently, the exhaustion of IP rights has been limited to products released onto the market and does not apply to next-generation products before their release onto the market. The IP Code therefore adopts the principle of international exhaustion, unlike Decree-Law No 556, which adopted the principle of national exhaustion.

Finally, according to Article 155 of the IP Code, a trademark, patent or industrial design holder cannot rely on its registered right as a defence in an infringement action filed by a priority right holder. Unlike what was stated in the Court of Appeals' precedents, possessing a registration will not necessarily mean that there is no infringement.

It is expected that the new IP Code will influence and change Turkish IP Law practice by bringing complete or partial solutions to some of the fundamental problems of Turkish trademark law. We will witness the practical impact of the new code following the adoption of the implementing regulations by the TPTO, and observe its implementation by the TPTO and the courts.

*Uğur Aktekin and Güldeniz Doğan Alkan, Gün + Partners, Istanbul*

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