

## Could Use of a Registered Trademark Cause Infringement?

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Upon enactment of the new IP Code, which abolished Trademark Decree Law no. 556, the precedent of the Court of Appeals ruling no trademark infringement due to use of a registered right changed. The Istanbul District Court of Appeals affirmed this approach in its decisions.

The new IP Code no. 6769 introduced an important change to Turkish trademark law with its article 155 ruling that *“a trademark, patent or industrial design holder cannot rely on its registered right as a defense in an infringement action filed by a priority right holder.”* This means that having a valid registration will no longer create immunity for its holder, who will no longer be able to set it forth as a defense against infringement claims.

Before the enactment of the IP Code, having a registered IP right – even a published application – would mean immunity against infringement claims. The Court of Appeals precedents did set forth that the use of a registered right would not create infringement and would constitute a legitimate defense against infringement claims unless and until the registered right was duly invalidated. Although seriously criticized, this was the settled precedent and caused serious delays in prevention of infringements, as the preliminary injunction (“PI”) demands and infringement cases had to be delayed until the actual cancellation of the registered right from the registry. Infringers abused this precedent by obtaining registrations in bad-faith and using those as leverage against the senior right holders who will not be able to prevent the use – or obtain compensation for the term the IP right was registered, even though it was eventually cancelled.

The new principle set forth by the IP Code was a big change in the settled practice, hence we experienced for a while that the first instance courts, even the specialized ones, abstained from broader implementation of this new rule – i.e., while the infringement actions were heard, the PI claims were almost directly rejected.

The Istanbul District Court of Appeals 16<sup>th</sup> Civil Chamber, in its decision dated March 14, 2018, firstly applied the new ruling of the IP Code to the pending conflict and clearly held in its reasoned decision that a registration will not create an immunity to its owner against infringement and PI claims. Accordingly, the PI was granted in favor of the claimant, simply confirming that the use of a registered trademark can be prevented. In the following decisions the Istanbul District Court of Appeals 16<sup>th</sup> Civil Chamber adopted the same approach. Application of Article 155 was very consistent among the civil first instance courts as well.

The above referenced decision was rendered by the Istanbul District Court of Appeals upon appeal of a decision by the Bakırköy Civil IP Court, in relation to the refusal of the PI demand for prevention of the use of the defendant’s challenged trademark, in a trademark invalidation (based on the claimant’s earlier marks) and infringement case. The specialized Civil IP court grounded its dismissal of the PI demand based on the defendant’s registered trademark, but the Istanbul District Court of Appeals overturned

this decision, implementing without hesitation the new ruling of the IP Code, thereby preventing the use of the defendant's registered trademark and clearly stating that a later registration cannot be relied on for defending against an infringement claim of a priority right holder.

This decision constitutes one of the most significant practical impacts of the new IP Code in Turkey so far and is very important, since it reaffirms that registrations can no longer be used as leverage against brand owners.