

TURKEY

How to tackle broad trademarks registered with no intention to use

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Filing trademarks on a broad coverage of goods and services lists without intention to use is a 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 trademarks having overly broad specifications may request third parties to pay a high amount of money 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 and criminal complaints against third parties.

Those who face problems in using and registering their trademarks due to the existence of trademarks having overly broad specifications may file a revocation action against the trademark registrations 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 passed yet.

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 doctrine and court precedents give guidance on what forms 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 and so from entering into 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 on bad faith.

In terms of invalidation actions based on bad faith, intention of a trademark owner at the time of filing an application with an overly broad specification 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 a trademark with an overly broad specification is filed with the intention of undermining the interest of third parties or to obtain an exclusive right for purposes other than those falling within the function of a trademark.

However, if there is no other indication supporting bad faith of the trademark owner, mere registration of trademark for a broad list of goods and services without intention to use does not constitute bad faith and thus a ground for an invalidation action.

On the other hand, when faced with bad faith actions of trademark owners relying upon trademarks with a broad specification, third parties may also raise abuse of rights defence in infringement actions filed against them or 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 apply 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 which are filed based on trademarks having broad specifications dismissed 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 December 25 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 in 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 senior trademarks with a broad specification, 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.