

## EUROPATENT case considers Re-examination and Evaluation Board's discretion to examine absolute grounds for refusal

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05 January 2024



### TURKEY

Legal updates: case law analysis and intelligence

- This long-running case went all the way to the Court of Cassation
- The Trademarks Department had partially refused the application for EUROPATENT on the grounds of descriptiveness and lack of distinctiveness; the board then decided *ex officio* to refuse the application for all the services applied for, citing additional grounds for refusal
- The case was analysed under the provisions of the now-repealed Decree Law No 556, which was in force at the relevant date

Absolute grounds for refusal with respect to trademark applications filed before the Turkish Patent and Trademark Office are examined and decided by the Trademarks Department within the office. In a recent case, the discretion of the Re-examination and Evaluation Board to examine absolute grounds for refusal was put under the spotlight.

### The EUROPATENT case

#### **Trademarks Department decision**

The Trademarks Department conducted its initial examination of the absolute grounds for refusal with respect to the trademark application depicted below, seeking registration for services in Classes 36, 41 and 42:



It decided *ex officio* to partially refuse the application for several services in these classes (including “education, library services, publication, broadcasting, news reporting services; scientific and industrial research; engineering, architectural design, computer services; legal services, IP consulting and management services”), evaluating that the sign was not capable of being registered as a trademark as it was devoid of any distinctiveness and was descriptive of these services.

### **Re-examination and Evaluation Board decision**

Following the trademark owner’s appeal of the partial provisional refusal, the Re-examination and Evaluation Board - the ultimate authority within the office - dismissed the appeal. Further, the board decided *ex officio* to refuse the application for all the services initially applied for, including those services which had been allowed to proceed to publication by the Trademarks Department. The board cited additional grounds for refusal in its decision, finding the sign customary and deceptive (in addition to being descriptive and lacking distinctiveness). This decision thus widened the refusal of the application compared to the initial phase.

### **First-instance court decision**

As the board’s decision is final at the administrative stage, the trademark owner brought the matter before the specialised Ankara IP Court, seeking the cancellation of the board’s decision.

The first-instance court rejected the cancellation request, opining that the cited absolute grounds for refusal were valid for the application in question.

### **Court of Cassation decision**

Following the trademark owner’s appeal, the Court of Cassation handled the case, analysing the matter under the provisions of Decree Law No 556 on the Protection of Trademarks. This decree law was repealed and replaced with the IP Code No 6769 in 2017, but was applicable in the present case as it was in force at the date of filing, as well as at the date of the board’s decision.

The Court of Cassation took the view that the board was not entitled to:

- decide *ex officio* to refuse a trademark application with regard to the goods and services that were initially allowed to proceed to publication by the Trademarks Department; and
- take into consideration absolute grounds for refusal that had not been considered by the Trademarks Department and, therefore, had not been made subject to the appeal aiming to overcome the provisional refusal.

In reaching its decision, the court reasoned that the board cannot make a decision in a way that excludes the applicant’s right to appeal.

### **Second decision of the first-instance court**

The case was re-heard by the first-instance court following the Court of Cassation’s decision. However, the first-instance court reached the same conclusion as in its original decision and dismissed the cancellation request, stating as follows:

- The absolute grounds for refusal are related to public order; the administrative bodies can and should take decisions that will ensure public order at every stage.
- If the Court of Cassation’s reasoning were accepted, then a trademark application that should be refused based on absolute grounds but is overlooked by the Trademarks Department will be registered unlawfully; neither the board nor the courts will be entitled to take such refusal grounds into consideration *ex officio* at a later stage.

- The main element of the trademark at issue was the word 'Europatent', which will be perceived as 'European patent'. Therefore, the board was correct to decide that the sign lacked distinctiveness and was descriptive, customary and deceptive as to the services covered.

### **General Chamber decision**

As the first-instance court resisted the Court of Cassation's decision, the matter was reviewed by the General Civil Chamber of the Court of Cassation. The General Chamber agreed with the Court of Cassation, concluding that the board was not entitled to decide *ex officio* to refuse a trademark application for the goods and services that were initially allowed to proceed to publication, and to take into consideration additional absolute grounds for refusal. The case will now return to the first-instance court, which shall abide by the General Chamber's decision.

## **Comment**

This decision is in line with the provisions of the decree law in force before 2017, which was applicable to the case at hand. Nevertheless, the first-instance court's reasoning is arguably equitable and it would be disproportionate to expect the board not to decide on the absolute grounds for refusal of a trademark, in cases where the Trademarks Department simply overlooked such grounds.

It is understood that the legislature noted this inconsistency between the provisions of the law and the resulting (un)fairness in practice. Therefore, as well as enacting the IP Code in 2017, it also enacted a supplemental legislation (the Regulation on the Re-examination and Evaluation Board of the Turkish Patent and Trademark Office), which clearly reserved the board's discretion in such circumstances:

“ *The board is bound by the request and the justification when examining an appeal. However, it may, on its own initiative, take into account significant and serious procedural errors and issues that the directorate that made the decision subject to appeal should have examined ex officio, regardless of the request or justification.* ”

If this provision had been applicable in the present case, it is believed that the Court of Cassation's approach and ruling would have been different.

Considering the above provision, trademark owners are advised to regularly monitor trademark applications filed in or designating Türkiye, and intervene - by filing an appeal, if necessary - if their trademark application is partially refused based on an absolute ground for refusal, as the board can change or extend the scope of the provisional refusal under the current legislation.

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