

A new take on the concept of vested trademark rights

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Registration
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The Re-examination and Evaluation Board (REEB) of the Turkish Patent Institute (TPI) recently found that prior identical trademark registrations which were less than five years old did not provide the owner with vested rights in favour of a new application, as the registrations were still vulnerable to cancellation (Decision 2015-M-11090, November 26 2015). The REEB accepted the opponent's appeal and rejected the contested trademark application.

Facts

On June 28 2013 the applicant applied to register the TOMS trademark in Class 18. Following its publication in the **Official Trademark Bulletin**, the opponent – which owned several trademarks for TOD'S, mainly in Classes 03, 09, 14, 18 and 25 – opposed the application pursuant to Article 8(1)(b) of Decree-Law 556 on the Protection of Trademarks. This provides for refusal on the grounds of likelihood of confusion of the applied-for trademark with the opponent's prior trademark registration or application.

The Trademarks Department Directorate (TDD) of the TPI rejected the opposition, finding a lack of similarity that would lead to confusion between the trademarks. The opponent appealed, requesting re-examination of its opposition.

Decision

The REEB reversed the TDD's decision. In so doing, it validated the opponent's claims as to the similarity between the TOD'S and TOMS trademarks. The REEB stated that the marks were visually and aurally similar, and covered the same or similar goods; thus, there was a likelihood of confusion between them. In this regard, the decision is unsurprising; its real significance emerges from this point onwards.

The REEB commented on the applicant's prior trademark registrations and stated that the TOMS trademarks, which had been registered in 2012 at the earliest, were still vulnerable to cancellation on the grounds of non-use, as it was less than five years since their registration. They thus did not provide the applicant with vested rights in favour of the application at issue.

Comment

The timeframe prescribed by Decree-Law 556 for filing a cancellation action based on prior rights is, in principle, five years from the date of registration. In the case at hand, the applicant's prior TOMS trademarks – which the applicant contended conferred vested rights with regard to its latest application for TOMS in the same class – had been registered in the last five years. This meant that they were still vulnerable to cancellation at the time of the REEB's decision.

In its decision the TPI clarified not only that the opponent's rights preceded the applicant's rights, but also that judicial avenues were still open for the opponent to seek cancellation of the prior TOMS trademarks.

According to almost all legal arrangements on trademarks, prior trademark registrations containing the same sign and covering the same classes are assumed to afford vested right in favour of the applicant regarding any new application. However, the decision at hand disregarded the prior registrations and confirmed that not all prior registrations afford vested rights in favour of the applicant with respect to a later trademark application.

This is arguably the first time that the TPI has issued such a precise and far-reaching decision. In a few earlier decisions it had found that prior registrations did not afford vested rights in favour of a later application; but those cases involved special circumstances such as bad-faith filings. For instance, in Decision 2015-M-3459 of May 8 2015, the REEB examined the likelihood of confusion between the contested application for ANN TAYLOR and the prior trademark ANNTAYLOR. The REEB allowed the opposition and refused registration, stating that even if the applicant owned a prior registration for the same trademark in the same class, it enjoyed no prior rights because the opponent had used the same trademark around the world for years and the applicant had not filed its application in good faith; and because the prior trademark was subject to a cancellation action which was pending before the IP court.

In its latest decision the REEB came up with a more straightforward explanation, concluding that if prior trademarks have been registered within the last five years, they are still vulnerable to cancellation – even if

no such action is pending – and therefore do not provide the applicant with vested rights. In so doing, it set forth a general rule and impliedly confirmed that there is no need for the existence of bad faith in order to disregard prior registrations which supposedly afford vested rights; it will suffice if those trademarks have been registered in the last five years.

The TPI has thus adopted a new approach to the concept of vested rights, which departs significantly from its prior decisions. It remains to be seen how this will affect Turkish trademark law practice and whether the TPI will apply this principle in future decisions.

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