

Landmark Decision on Time Limits in Trademark Cancellation Actions

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Intellectual Property Turkey

In a landmark decision (Case 2006/367- 2007/257, November 9 2007), the Istanbul Civil IP Court of First Instance ruled on the issue of time limits in trademark cancellation actions.

On May 23 2000 the defendant, a local company, registered the trademark ICE BOYS for goods in Class 25. In September 2005 Gilmar SpA filed an action for cancellation of the trademark on the grounds that it was confusingly similar to its earlier registered trademarks ICE and ICEBERG.

The defendant alleged that:

- there was no likelihood of confusion between the marks;
- the time limit for filing a cancellation action (five years) had expired; and
- Gilmar had lost the right to file a cancellation action by remaining silent for such a long period of time.

Under the Trademark Decree-Law, the time limit for filing an invalidation action is five years starting from the date of registration. However, there is no limit in case of bad-faith registration of a well-known mark by a third party without the rights holder's consent. One area of debate was whether the expression 'date of registration' should be interpreted as the date of application for registration or the date of publication in the *Official Gazette*.

The court held that the trademark ICEBERG is well known in Turkey. Therefore, the defendant, which operates in the same sector as Gilmar, should have been aware of the trademarks ICE and ICEBERG and should have acted as a prudent merchant under Article 20(2) of the Commercial Code. The court stated that in today's global economy, a prudent merchant should be aware of all trademark registrations not only in Turkey, but also in other countries - at least in the sector in which it operates. Consequently, the court found that the defendant had acted in bad faith and rejected the argument that the time limit for filing a cancellation action had expired.

Moreover, the court concluded that even if the defendant had not acted in bad faith, the lawsuit was not time barred since the five-year limitation period should be calculated not from the date of application for registration, but from the date of publication of the trademark in the *Official Gazette* (in 2002).

The principle that an applicant may lose the right to file a cancellation action due to its silence is not explicitly contained in the Trademark Decree-Law, but is recognized in the doctrine and case law of the Court of Appeals. Referring to the EU First Trademarks Directive (89/104/EC) and the Community Trademark Regulation (40/94), as well as to the case law of the Court of Appeals, the court ruled that the principle of loss of rights due to silence applies only where the following conditions are met:

- The owner of the earlier trademark is aware of the registration and use of the later trademark;
- The owner has not filed a lawsuit or taken any other action against the registration and use of the later trademark;
- The owner has remained silent for a period of at least five years; and
- The owner of the later trademark has registered and is using the trademark in good faith.

Applying these principles to the case at hand, the court found that Gilmar had remained silent for a period of only three years and nine months from publication of the trademark. Therefore, Gilmar had not lost its right to file a cancellation action.

The decision of the Istanbul Civil IP Court of First Instance has recently been appealed by the defendant and is still under examination by the Court of Appeals. The interpretation of the Court of Appeals will be significant as few decisions have addressed the issue of time limits in cancellation actions.

For further information on this topic please contact Ugur Aktekin or Hande Hancer at Mehmet Gün & Partners by telephone (+90 212 354 00 00) or by fax (+90 212 274 20 95) or by email (ugur.aktekin@gun.av.tr or hande.hancer@gun.av.tr).