

# Analysing Turkey's evolving trade mark landscape

Turkey's New Industrial Property Code came into force a year ago. **Uğur Aktekin** and **Zeynep Seda Alhas** of **Gün + Partners** examine how it has changed the protection of trade marks in the jurisdiction

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It has now been over a year since the entry into force of the long-awaited Industrial Property Code (the IP Code) in January 2017. While the IP Code replaced the decree-laws pertaining to the protection of trade marks, patents, geographical indications and industrial designs, by uniting them into a single code, it also introduced new provisions.

This article aims to summarise the new provisions in general and analyse the issues surrounding the implementation of the major new provisions in practice.

## Prosecution and oppositions

The graphical representation criteria for signs to be registered as trade marks has been changed. The criteria refers to "signs capable of being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor."

Under the previous regulation, the Turkish Trademark and Patent Office (the Office) accepted only one representation from a single dimension for national trade mark applications, but this amendment will enable three dimensional trade mark samples to be prepared with more than one representation from different angles.

Furthermore, colours and sounds are explicitly mentioned under signs that can be qualified as trade marks for the first time.

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Regarding the other amendments in trade mark law, the time allowed for oppositions has been shortened to two months, the protection of well-known trade marks within the meaning of the Paris Convention which was recently cancelled by the Constitutional Court has been re-introduced as relative opposition and invalidation grounds and bad faith is listed as separate opposition as well as invalidation grounds. Moreover, with effect from January 10 2024, revocation actions due to non-use will be dealt with by the Office.

One of the major developments on the prosecution side has been the possibility of a senior trade mark holder issuing a letter of consent for the registration of a trade mark application. Accordingly, the letter of consent has become a tool in overcoming senior identical or indistinguishably similar trade mark registrations/applications being held as reasons for refusal in the examination of a trade mark application on absolute grounds. This provision is a positive development for trade mark owners seeking the registration of new trade marks, as in practice many new trade mark applications were rejected due to the existence of senior trade marks that remained registered for many years but were not used. Trade mark applicants were having difficulty removing this barrier and were either forced to find new signs to adopt as trade marks or to enter into lengthy court proceedings to cancel those blocking registrations. However, since non-use revocation actions are not practical as they are heard by the judiciary and take years, it was not suitable to the needs of businesses who wanted to obtain a trade mark registration with minimum risks. Therefore, under the provisions of the former decree-law, which remained in force for more than twenty years, in most cases businesses would give up and adopt other less risky trade marks rather than pursuing the possibility of the registration of their first choice.

In the first year of its implementation, we have observed that the Office has strictly applied the formal rules and regulations with regard to letters of consent. However, a strange situation has arisen. Now senior non-used trade mark owners are trying to acquire large amounts of remuneration from businesses who genuinely seek registration of their trade marks. This is because the entry into force of the new provision on petitioning to revoke a trade mark due to non-use before the Office was delayed until 2024. Indeed, since the alternative to a letter of consent from a non-used trade mark owner is the filing of an action for revocation due to non-use and since these non-use actions are still heard by the judiciary in lengthy proceedings (these would last a much shorter time if heard by the

Office), the advantages of a letter of consent are limited. We believe that there will be a balance in negotiations for a letter of consent with a senior trade mark owner once the provisions granting rights to the Office for revoking a trade mark due to non-use come into force in 2024.

Another major change introduced by the IP Code in relation to trade marks has been the introduction of the non-use defence/proof of use request, which can be raised at both the opposition phase as well as in invalidation and infringement actions. According to Article 19 of the IP Code, if the trade mark on which the opposition is based has been registered for more than five years as of the application or priority date of the opposed trade mark application, upon request by the owner of the trade mark application, the Office must ask the opponent to prove the effective use of their trade mark in relation to the relevant goods or services in Turkey. As per Article 29 of the Implementing Regulation, the Office will grant the opponent one month to submit evidence of genuine use.

Detailed proof of use guidelines were issued by the Office following the entry into force of the Implementing Regulations in April 2017 and the guidelines were updated on October 2017. Under relevant provisions of said regulations and guidelines on proof of use, requests and submissions of proof of use are subject to strict forms and deadlines. The Proof of Use Guidelines were prepared in the context of the EU Intellectual Property Office and European Court of Justice precedents. The Proof of Use Guidelines regulate the submission of evidence of trade mark use and the Office's interpretation of evidence. In this regard, effective use of trade marks can be proved by means of submission of invoices, catalogues, price lists, product codes, products, packaging, signboard visuals, advertisements, promotions and their invoices, marketing surveys, opinion research, information regarding the trade mark owner's commercial activity and any other documents or statements. The Proof of Use Guidelines clearly state that only domestic use of a trade mark will be taken as proof of use and clarify that the term domestic includes free zones which are inside Turkish political borders.

As this is a new concept for oppositions in practice, we still observe a number of cases where the oppositions are based on non-used trademarks and therefore opponents are having difficulty in proving use. On the other hand, we also observe that the examiners at the Office have adopted different interpretations in assessing the use of trade marks, particularly genuine use, which needs to be guided by the decisions of the administrative appellate body of the Office. It is expected that it will take some time for both the Office and trade mark attorneys to adapt to oppositions on grounds of use.

Businesses who want to effectively protect their trade marks should maintain files containing proof of use of their trade marks in Turkey for a given period of five years. Businesses should also be advised to rely only on trade marks for which genuine use can be proved or that are not vulnerable to claims grounded on use.



**Uğur Aktekin**

Uğur Aktekin joined Gün + Partners in 2000 and has been a partner since 2003. He is co-chair of the firm's intellectual property practice and the technology, media and telecom industry practice.

Uğur's intellectual property practice focuses on trade marks, designs and copyrights.

He advises on implementing IP protection and enforcement strategies and portfolio management, representing clients before the Turkish Patent and Trademark Office, as well as cancellation, infringement and other court actions and domain name ADR proceedings, filing for interlocutory and precautionary injunctions, negotiating and drafting co-existence, settlement and licensing agreements.

Uğur has been involved in numerous anti-piracy campaigns, civil litigation, criminal raids and litigation involving software copyrights, cinematographic and musical copyrights, cartoon character copyrights, architectural copyrights, databases and television film formats.

His TMT practice covers media, advertising, consumer, internet, technology licensing, information technologies, computer software, computer games, data protection, data privacy and security.

He advises various local and multinational companies, primarily in the food and beverages, technology, media, telecom and entertainment sectors on all aspects of advertising and media laws, including clearance of advertisements, contracts, promotions and sweepstakes.

Uğur also advises on data protection legislation, website privacy policies and terms of use under Turkish law.



**Zeynep Seda Alhas**

Zeynep Seda Alhas joined Gün + Partners in 2006 and became a partner in 2017. She is both a lawyer and a trade mark attorney specialising in intellectual property law. She focuses on trade mark and design, anti-counterfeiting and copyright.

Zeynep's IP litigation practice focuses on trade marks, designs, unfair competition and copyrights. She advises a wide range of foreign and domestic clients from numerous business sectors on implementing IP protection and enforcement strategies.

She has vast experience in civil IP litigation, as well as domain name and unfair competition conflicts. Her work includes representing clients in cancellation, invalidation, infringement and other civil court actions and domain name ADR proceedings, filing for interlocutory and precautionary injunctions, negotiating and drafting co-existence, settlement and licensing agreements.

Zeynep has been involved in numerous anti-counterfeiting and anti-piracy campaigns, handled and supervised evidence gathering and criminal raid procedures all around Turkey and works with the firm's in-house investigations department closely.

She advises on portfolio management strategies, represents clients before the Turkish Patent and Trademark Office (TPTO) and supervises opposition and appeal procedures for trade mark, design and well-known trade mark applications to the TPTO.

## Litigation and enforcement

Turkey's new IP Code introduced major changes to civil and criminal litigation as well, and these require trade mark owners to be aware of the conditions of establishing a case and to be more involved with legal proceedings.

Firstly, it needs to be re-emphasised that genuine use of a registered trade mark in Turkey is more important than ever, not only from an administrative perspective as explained above, but also for all types of civil actions now.

The new IP Code states that non-use claims will be handled by the Office rather than the courts, but this provision will come into effect in 2024 as explained above. Thus the courts are still

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the competent authority to deal with non-use actions. Although Turkey experienced a legal gap in terms of non-use actions due to a Constitutional Court decision right before the enactment of the IP Code and there are still some discussions on its effects, non-use actions are still available and genuine use is necessary to maintain the right. Yet as a major change, the non-use plea that has been introduced to the opposition system explained above now also applies to civil litigation, to both infringement and cancellation actions.

Accordingly, if an infringement action has to be based on a senior trade mark, the claimant needs to be sure that it has been genuinely used in Turkey prior to the filing of the court action. Moreover, for cancellation actions, the IP Code also requires that the genuine use of the trade mark that is relied upon dates back to before the application's filing date and not only the court's filing date. Due to this rule, if a trade mark owner cannot prove that the trade mark has been used in the five years preceding the application date of the challenged trade mark, he/she can still lose the cancellation action, regardless of whether the trade mark was duly used prior to the court action.

This shows the importance the law-maker places on genuine use of the mark within the first five years of its registration.

The IP Code also clearly indicates the terms and conditions for the loss of right due to acquiescence which used to be assessed on a case-by-case basis by the courts before 2017.

The provision sets forth that if the owner of the senior mark has tolerated the use of the later registration for a consecutive term of five years, where he/she has known, or should have known of this use, the senior mark cannot be brought forward as an invalidation ground, provided that the latter registration was not done in bad faith. Accordingly, the right to file an invalidation action against a trade mark that was registered in good faith would lapse in five years from the date the owner of the senior mark has remained silent on its use, not registration. Thus trade mark owners are required to keep an eye on the actual use of trade marks that they deem infringing too.

A rather common defence in infringement actions before 2017 was a registration by the defendant, regardless of the fact that it did not predate the claimant's and such a defence would lead to the dismissal of the infringement action. Trade mark owners now should be aware that having a registration does not create immunity from infringement claims.

However, the first year of the IP Code suggests that the courts are still hesitant to overlook the registration of the defendant in infringement actions. For example, there has not yet been a case where the use of a registered right was prevented with a preliminary injunction. There is no doubt that due to this provision, defendants will be required to compensate the losses of claimants even for the term where their mark was registered. However, the expectation is that additional remedies such as preliminary injunctions should also be available, at least in cases where the defendant's registration was clearly in bad faith.

One last important amendment that trade mark owners should be aware of is that Turkey applies the principle of international exhaustion now, which is limited to products released in the market. This means that with the first release of a specific product by or with the consent of the right owner, the rights will be exhausted in Turkey. This would not apply to next-generation products.

As for criminal litigation, the major changes introduced by the IP Code are quite favourable to trade mark owners as they relate directly to their anti-counterfeiting budget, i.e. to costs of storage and destruction of the counterfeit products.

The IP Code now enables public prosecutors to have the seized goods delivered to Local Fiscal Administrations (LFA) for storage after having the necessary amount of samples taken to the trustee's office at the courthouse. Although in most cases public prosecutors call for the delivery of the products to private trustees, as the LFA would not have sufficient place for storage, and expect the rights holders to bear the costs, the LFA has started accepting seized products recently in some cases.

Furthermore, the IP Code also introduced the fast destruction process into Turkish trade mark law. Provided that the counterfeit nature of the seized goods is established with an independent expert's opinion, this new procedure entitles the public prosecutor – or the judge during the criminal case – before a final decision on the merits, to order the destruction of the goods that lie with the trustee, where the goods are at risk of damage or serious loss of value, or if the storage of the goods is very costly. This procedure may also be applied to goods that will cause damage to health if kept for a long time.

Criminal proceedings are highly favourable, fast and effective in Turkey, but for the best outcome, trade mark owners should make use of the above provisions in each and every case.