

Article 10: a hidden gem of the Turkish Industrial Property Code

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- Article 10 grants trademark owners the right to request the transfer of a trademark in case of unfair registration in the name of a commercial agent and/or representative
- The provision offers an underestimated and rarely applied tool for genuine trademark owners
- A recent Court of Cassation decision involving the marks HOLLIS and OCEANIC highlights the significance of this provision

Relevant rule of law

Article 10 of the Industrial Property Code (“the IP Code”) reads as follows:

“ If an identical or indistinguishably similar trademark is registered in the name of a commercial agent or representative without the trademark owner’s consent, the trademark owner may request the court to prohibit the use of its trademark and to transfer the registration to it, unless the commercial agent or representative has a legitimate reason. ”

This legal provision originates from the repealed Decree Law No 556 on the Protection of Trademarks, and its history thus spans almost 30 years. In the repealed decree law, the relevant provision read as follows:

“ Where a trademark is registered in the name of the agent or representative of the proprietor of the trademark without said proprietor’s consent, the proprietor shall be entitled to oppose the use of the trademark unless the agent or representative has valid justification. ”

While the repealed decree law required that the registered trademark be identical to that of the rightful owner, in practice, the Court of Cassation had considered that identity was not a requirement. Instead, indistinguishable similarity could also be sufficient for this provision to apply. With the enactment of the IP Code, it is now clearly regulated that this provision is applicable in cases

where an identical or indistinguishably similar trademark is registered.

Although this provision provides a practical solution in cases where the commercial agent or representative of a trademark owner registers, without authorisation, a trademark on their own behalf, it remains an underestimated and rarely applied option in practice. A recent decision of the Court of Cassation highlights the significance of this legal provision.

Background

The plaintiff was the new owner of the HOLLIS and OCEANIC trademarks, which had been taken over from American Underwater Products dba Oceanic USA, Hollis Industries and Robert Hollis. It argued that it was the genuine owner of the trademarks, which have been used worldwide for over 150 years. The plaintiff further argued that the defendant, who had sold HOLLIS and OCEANIC-branded products in Türkiye between 1992 and 2017, had applied to register the trademarks in 2017 in bad faith. The plaintiff primarily requested the transfer of the contested trademark registrations to itself; if this request were not accepted, it sought the invalidation of the defendant's trademark registrations, as well as a prohibition from using the disputed trademarks.

IP Court decision

After reviewing the merits of the case, the IP Court evaluated that the defendant could be identified as the commercial agent of the trademark owner, and that the trademarks in dispute had been registered without authorisation. The court thus decided to transfer the trademark registration for OCEANIC to the plaintiff/trademark owner, in terms of the goods for which the trademark owner had genuine rights. The court also ordered the defendant not to use the OCEANIC trademark in relation to these goods. With regard to the remaining goods, the OCEANIC trademark was declared invalid on the ground of bad faith and, therefore, was not transferred to the plaintiff.

The IP Court further stated that the defendant's HOLLIS mark that was subject to the court case was not identical or indistinguishably similar to the plaintiff's trademark. Therefore, it could not be transferred to the trademark owner. However, it could be invalidated on the ground of bad faith.

Appeal decisions

Upon the defendant's appeal, the IP Court's decision was approved by both the Regional Court of Appeals and the Court of Cassation, and thus became final.

Comment

This ruling is significant in that it serves as a reminder that Article 10 of the Industrial Property Code provides trademark owners with the right to request the transfer of a trademark registration in case of unfair registration in the name of a commercial agent and/or representative. This provision is arguably a hidden gem of the IP Code, as it is rarely relied upon by rightful owners, who generally prefer requesting only the invalidation of trademarks registered without authorisation. However, by requesting the transfer of a trademark registration registered without authorisation in the name of a commercial agent and/or representative, it is possible to sustain the trademark registration as from the date of protection, rather than letting it become obsolete.

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