

Turkish Court of Cassation issues landmark ruling on “cancellation” of WIPO panel decisions

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Legal updates: case law analysis and intelligence

- The Court of Cassation clarified it is not possible to request the “cancellation” of WIPO panel decisions under the UDRP
- The decision marks the first time the court has clarified it does not have authority to cancel a WIPO panel UDRP decision
- However, the court does have the authority to provide a decision on the merits of the dispute (eg, whether the use is infringing)

In a case involving a registrant whose domain name was transferred to a complainant by a WIPO panel at the end of UDRP proceedings, the Turkish Court of Cassation has clarified that it is not possible to request “cancellation” of WIPO panel decisions rendered pursuant to the UDRP.

Background

The plaintiff (registrant in the UDRP proceedings) registered the gTLD ‘donerstop.com’ on 6 June 2014. The defendant (complainant in the UDRP proceedings) applied to register the trademark DONERSTOP on 31 October 2013 and registered the ccTLD ‘donerstop.com.tr’ on 7 November 2013. The trademark application for DONERSTOP faced no opposition, nor any other obstacles during the opposition process. Therefore, it was granted registration on 1 October 2014.

Based on its rights over the earlier trademark application and ccTLD, the defendant filed a UDRP complaint before WIPO. The WIPO panel allowed the defendant’s complaint and decided to transfer the domain name ‘donerstop.com’ to the defendant, based on:

- the defendant’s earlier rights;
- the absence of legitimate interests on the part of the plaintiff; and
- the bad faith of the plaintiff.

The plaintiff filed a civil lawsuit in Türkiye, which is a mutual jurisdiction as per the UDRP. It requested:

- the cancellation of the WIPO panel decision;
- the return of the domain name to its ownership, and
- the transfer of the domain name in return for a payment to be made to the defendant.

Lower court decisions

Both the first-instance and the regional court of appeals dismissed the case. They held as follows:

- There is no administrative or legal basis to cancel a WIPO panel decision rendered pursuant to the UDRP.
- Upon analysing the merits of the case, the plaintiff had indeed registered the domain name in bad faith, and bad faith cannot be protected by the rule of law.

Specifically, the first-instance court noted that the contested decision was not an arbitral award rendered pursuant to the International Arbitration Act, and that the UDRP applied by WIPO provides no basis to “cancel” WIPO decisions. Therefore, the plaintiff’s request to cancel the UDRP decision must be dismissed.

Furthermore, the first-instance court analysed the merits of the case and concluded that the defendant had earlier rights over DONERSTOP and the plaintiff’s website, presented under the disputed domain name, would lead to a likelihood of confusion with the defendant’s trademark. The plaintiff had acted in bad faith in registering and using the disputed domain name, and bad faith must not be protected under the Turkish Civil Code.

The regional court of appeals also mentioned the UDRP proceedings and the policy in its decision. It further stated that, considering that online marketplaces become known more quickly than traditional marketplaces nowadays, it was not possible for the plaintiff to be unaware of the defendant’s trademark and domain name when it registered the contested domain name. It also noted that the plaintiff had demonstrated no use of its contested domain name, and this absence showed that the plaintiff had no intent to use the name commercially, but rather planned to sell the domain name to the interested parties. In this respect, the regional court of appeals also confirmed that the plaintiff’s acts were in bad faith, and that bad faith must not be protected under the Turkish Civil Code.

Court of Cassation decision

With its decision dated 18 December 2023, the 11th Civil Chamber of the Turkish Court of Cassation upheld the lower courts’ decisions, by clarifying that the decisions rendered by WIPO panels pursuant to the UDRP cannot be subjected to a cancellation request that can be heard before the Turkish courts.

Comment

The decision is significant as it is the first time that the Turkish Court of Cassation has drawn attention to the fact that it is not possible to request the “cancellation” of a WIPO panel decision rendered pursuant to the UDRP. Nevertheless, it is possible to file a lawsuit arising from UDRP disputes – for example, a negative declaratory action, where a registrant whose domain name is due to be transferred to a complainant can request a determination of the absence of any trademark infringement, or an invalidation action addressing the trademark registration constituting the basis for the panel’s decision for transfer of the domain name.

As cited in Paragraph 4(k) of the UDRP, a domain name registrant that loses in administrative proceedings can challenge the panel’s decision by filing suit in certain courts. If the registrar receives from the registrant an official documentation that it has commenced a lawsuit against a complainant within 10 business days, the registrar will suspend the matter and take no further action until it receives:

- satisfactory evidence of a resolution of the dispute between the parties;
- satisfactory evidence that the domain name registrant’s lawsuit has been dismissed or withdrawn; or
- a copy of an order from the court in which the lawsuit was filed dismissing the lawsuit or ordering that the domain name registrant has no right to continue to use the domain name.

The UDRP does not explicitly state what the panel’s and the registrar’s actions will be if they receive a decision finding that the panel’s decision to transfer a dispute domain name to the complainant is illegal. We understand from this provision that such judgments rendered by the local courts may be taken into consideration by WIPO, and the domain name may continue to belong to the registrant. For instance, in the recent case, if the Turkish courts determined that the plaintiff’s acts and domain name do not infringe the defendant’s rights, we would expect WIPO not to enforce the panel’s decision in the opposite way. Otherwise, there would be no sense to challenge the panel’s decision before the courts.

Regardless, the current precedent of the Turkish Court of Cassation confirms that the court does not have the authority to cancel a UDRP decision; however, it has the authority to provide a decision on the merits of the dispute (eg, whether the use is infringing).

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