

## Untimely annulment of Article 14 of Decree-Law No 556 creates legal gap

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In decision No 2016/148 E 2016/189 K dated December 14 2016, the Turkish Constitutional Court annulled Article 14 of Decree-Law No 556, following the referral by the Istanbul Second IP Court (in File No 2015/116 E) of an application for the annulment of said article on the ground of unconstitutionality. The decision of the Constitutional Court entered into force on January 6 2017, upon its publication in the *Official Gazette*.

Article 14 of Decree-Law No 556 governed the requirement to put trademarks to use. It stipulated as follows:

*"If, within a period of five years following the date of registration, a trademark has not been put to use without a justifiable reason or if the use is suspended for an uninterrupted period of five years, it shall be revoked."*

The article also provided examples of situations that would be accepted as use of a trademark.

The justification for the annulment of the article was that trademark rights are subject to a right to property, as set forth in Article 35 of the Turkish Constitution. The right to property, being a fundamental right, cannot be regulated with a decree-law under Article 91/1 of the Constitution. Therefore, the Constitutional Court annulled Article 14 on the basis that it was contrary to Article 91/1 of the Constitution.

In 2014 the Constitutional Court had annulled Article 42/1(c) of Decree-Law No 556, which regulated the right to request the invalidation of a trademark based on non-use, on the same grounds. Since Article 14 was in force back then, pending invalidation actions filed under Article 42/1(c) proceeded as revocation actions by reference to Article 14. However, with the annulment of Article 14, the only legal remedy available under Decree-Law No 556 against unused trademarks registered for more than five years was abolished.

On January 10 2017, just four days after the publication of the annulment decision, the Industrial Property Code No 6769 (the IP Code) was published in the *Official Gazette* and entered into force. The IP Code replaced the decree-law pertaining to the protection of trademarks (Decree-Law No 556), as well as

the decree-laws pertaining to patents, geographical indications and industrial designs, by unifying them into a single code. Therefore, with the entry into force of the IP Code, Decree-Law No 556, which used to be the primary legal instrument pertaining to trademark rights, was repealed and replaced by the IP Code.

The IP Code re-introduces into Turkish trademark law a legal ground for requesting the revocation of unused trademarks where the grace period has expired. The use requirement for trademarks is regulated under Article 9, with a similar wording to Article 14 of the now-repealed Decree-Law No 556; the right to request the revocation of unused trademarks is regulated under Article 26 of the IP Code. Therefore, it is currently possible to file a revocation action against an unused trademark registered for more than five years under the relevant provisions of the IP Code.

However, the situation is more complicated in respect of pending revocation actions filed on the basis of Article 14 of the now-repealed Decree-Law No 556. Since Article 14, the legal ground for those actions, was annulled by the Constitutional Court just four days before the IP Code entered into force, those actions face the risk of being dismissed based on the lack of legal ground.

Under Article 1 of the Turkish Civil Code, if there is no provision under the law that is applicable to the dispute, the judge shall decide the case in accordance with common law and, if no applicable rule exists under common law, the judge shall act as if s/he were the legislator and resolve the dispute in this manner. Under Article 33 of the Code of Civil Procedure, the judge shall apply Turkish law *ex officio*. As explained in the preamble of that article, the term 'Turkish law' encompasses all laws and regulations, as well as common law and international conventions to which Turkey is a party.

Since the judge shall decide *ex officio* on the rule that is applicable to a dispute and shall act as the legislator and resolve the dispute where there is no directly applicable rule, we are of the opinion that the IP courts should resolve the legal gap caused by the annulment of Article 14 of Decree-Law No 556 by applying the relevant provisions of the IP Code or international conventions, especially the Agreement on Trade-Related Aspects of Intellectual Property Rights, to pending revocation actions based on non-use. This is all the more justified by the fact that Article 14 was annulled by the Constitutional Court only on a formal ground - that trademark rights cannot be regulated with a decree-law - and the aim of this annulment was not to abolish the use requirement for

trademarks or the legal remedy against unused trademarks altogether. Indeed, just four days after the publication of the annulment decision, the relevant article was re-introduced into Turkish law by the IP Code.

This is not the first time that a legal gap has been created in Turkish law due to the annulment of a provision in a decree-law by the Constitutional Court. Similar situations were subject to decisions of the General Assembly in 2003 and 2004. The General Assembly, in decisions No 2003/21-18 E 2003/35 K and No 2003/21-349 E 2003/382 K of 2003, and No 2004/10-109 E 2004/115 K of 2004, ruled that judges cannot leave disputes unresolved on the basis that the plaintiffs' claims lacked legal ground due to the annulment of the relevant provision. The General Assembly emphasised that, if there is a legal gap concerning the provision applicable to a dispute, the judge should act as the legislator and identify the rule to be applied to the case, based on the interests of the parties, the rule of law and legal security.

In light of the annulment of Article 14 of Decree-Law No 556 by the Constitutional Court, the approach of the IP courts to pending revocation actions filed on the basis of that article is yet to be clarified. However, it is hoped that the IP courts will fill the legal gap by identifying the most suitable rule and proceed with the revocation actions, rather than dismissing the pending actions due to the untimely annulment of Article 14; this would result in the prolongation of legal proceedings, the incurrence of costs for the plaintiffs in the short term, and a possible loss of rights and the necessity to file new actions in the long term, depending on the approach taken by the District Courts and the Court of Appeals.

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