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Subject: Highlights of the new Trademark Law Implications Enacted through the Intellectual Property Law Numbered 6769 dated 10.01.2017 (*hereinafter will be referred to as the "IP Law"*)¹

The long awaited single and unified law on protection of intellectual property rights was submitted to the Turkish Parliament on April 6, 2016, passed the Parliament on December 22, 2016 and entered into force on January 10, 2017 through being published in the Official Gazette numbered 29944. The IP Law unifies the Turkish Decree-Laws on Trademarks, Patents, Industrial Designs and Geographical Indications into a single instrument of law.

Key Changes to the Turkish Trademark Law

- Pursuant to Article 5/3 of the IP Law, co-existence agreements and letters of consent are now enforceable, and allows the applicants to overcome the absolute grounds of rejection (= ex officio refusal grounds) by obtaining the prior right owner's consent.
- During the term of the Decree Law on Protection of Trademarks numbered 556; trademarks which were protected by the Paris Convention were protected with absolute grounds of rejection, however, this protection of well-known trademarks in accordance with the Paris Convention was abolished by the Constitutional Court. Said regulation which was abolished by the Constitutional Court is now regulated as a relative ground for refusal within the new IP Law. Accordingly, "Trademark applications which are identical with or similar to the well-known trademarks protected under Article 6 bis-1 of the Paris Convention shall be refused for classes identical or similar goods and services upon an opposition."
- Dilution of trademarks, which is an important defense for protection of well-known trademarks, has been kept in the IP Law and the level of being well-known is accepted as the well-known level being reached in Turkey. It is also accepted in the IP Law that, for existence of dilution, whether the compared trademarks are identical, similar or different will not be taken into consideration.
- Usage of a trademark in the trade name is now considered as an illegitimate use and can be prohibited by the registrant of the trademark. In the previous legislation, the only option was to file an invalidation action against the trademark which is used in a trade name.

¹ The actual title of the IP Law in Turkish translates as the Industrial Property Law, rather than the more common usage as "intellectual property". In fact, there has been debates regarding the name of the draft law and suggesting that the name should be "Intellectual Property Law". However, such recommendations were rejected by the law drafters before submitting the draft law to the Turkish parliament.

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- In practice, it was possible to file oppositions, appeals and trademark lawsuits based on bad faith claim due to the precedents of the Supreme Court. The IP Law regulates bad faith as a relative ground for refusal and invalidation, eliminating the inconsistency between the law and practice.
- The principle of honest and commercial use which was regulated in Article 12 of the Decree Law on Protection of Trademarks numbered 556 has been introduced to an important amendment and now the principle of honest usage of the trademark will be applicable for accessories, spare parts and equivalent parts and in situations where the purpose of usage of the goods and services needs to be stated.
- The IP Law shortened the opposition period from three months to two months commencing from the publication date.
- The trademark applications facing oppositions are now granted a defense of non-use, in which the applicant is able to challenge the opposition by claiming that the opposing party has not used the trademark in the last five years. In this context, the trademark applicant may request from the opposing party to submit substantial evidence of genuine usage of the trademark which is the basis of the opposition and unless genuine usage is proven by the opposing party, the opposition shall be rejected without further examination. The same defense is also applicable in trademark invalidation and infringement lawsuits, and if the claimant cannot prove and establish with substantive evidence that the trademark has been genuinely used in Turkey, the lawsuit shall be rejected without examination on the merits. In this respect we suggest that in future oppositions/appeals and lawsuits it will be beneficial to always submit evidence of trademark usage.
- The IP law also regulates loss of rights due to remaining silent. The owner of the trademark who knows or should have known that a later trademark has been used but remained silent for five years, will no longer be able to rely on its prior trademark registration as a legal basis for invalidation, unless it is a bad faith registration.
- Additionally the competent authority for trademark invalidation lawsuits based on non-usage, is changed from the courts to the Turkish Patent and Trademark Office. However the effective date of this provision is postponed for 7 years in order to let the authorities prepare for this shift. Therefore invalidation actions should be filed before the courts until 2023.
- In a possible infringement action filed by a priority right owner or an applicant of trademark application with a prior date, the trademark right owner cannot claim its industrial property right as a defense.

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- The scope of trademark infringing acts (in terms of criminal sanctions) is extended to include storage, importation and exportation as well. The Decree law was not clear thus created problems in practice.
- The Trademark Decree previously regulated the trademark exhaustion as limited to exhaustion in Turkey only. The IP Law expanded the trademark exhaustion principle to include international exhaustion as well, by removing “Turkey” from the relevant article.
- An expedited annihilation procedure has been introduced for the criminal actions set forth in the IP Law, for products which are confiscated by the public prosecution offices.

Conclusion

As it is known, previously IP rights were regulated under Decree Laws which were administrative regulations bearing the power of a law but were not enacted by the Parliament. However the constitutionality of the Decree Laws were questionable since pursuant to the Turkish Constitution, individual rights (i.e. right of property) can only be regulated by laws. Accordingly, the Turkish Constitutional Court cancelled some provisions of the Decree Laws throughout the years with the justification that property rights cannot be regulated under Decree Laws.

Moreover a modernization of the IP regulations became a necessity since the previous Decree Laws were outdated (they were adopted in 1995) and fell behind the new IP developments throughout the world. Therefore the legitimacy of the Decree Laws was in question for a while in Turkey as they were inadequate in meeting the needs of modern intellectual property practice, and the IP Law has been a modernizing step for the IP legislation in Turkey being prepared in accordance with the European laws and practices.

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