

## CLIENT ALERT

INTELLECTUAL PROPERTY | TURKEY |

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### NEW DRAFT CUSTOMS LAW IMPACTS PROTECTION OF INTELLECTUAL AND INDUSTRIAL RIGHTS IN TURKEY

A new revision of the draft Customs Law was released on 25 January 2019. Subject draft law expands and changes several provisions on the protection of intellectual and industrial rights during customs proceedings currently in force, such as the simple destruction proceedings and the customs application system.

The subject draft of the new Customs Law mainly focuses on shortening and simplifying the procedures relating to intellectual and industrial property rights for both rights owners and Customs authorities, and we are of the opinion that the draft coming into force should succeed in these aims.

#### CHANGES TO SIMPLE DESTRUCTION PROCEEDINGS

Currently, simple destruction proceedings are regulated mainly by secondary legislation. Previous drafts of the new Customs Law had detailed subject proceedings more clearly within the Law.

Within the current system, simple destruction proceedings require both rights owners and holders of the disputed goods to submit written petitions to the relevant Customs authority to move forward, making it difficult for all parties to complete subject proceedings. It is also often unclear who will be covering the expenses for simple destruction.

According to the new draft law, it is made clear that parties will no longer be obliged to provide written notifications of acceptance of simple destruction proceedings. In addition, in cases where rights owners accept simple destruction but it is impossible to reach or obtain the consent of the holder of the disputed goods, it will be possible to continue the proceedings. This new provision clearly simplifies the procedure in favour of the trademark owner.

In current practice, rights owners often require the holders of disputed goods to cover all expenses of simple destruction. However, holders of such goods do not necessarily fulfil this obligation, and this would not be suitable in the practice described above where written undertakings are no longer necessary. Therefore, the new draft specifies that expenses will be covered by rights owners, who will thereafter have the right to seek redress.

#### ACCEPTANCE OF CRIMINAL PROCEDURES

Within the current framework of the law, legal redress by rights owners is specified as a "preliminary injunction" which can only be obtained through civil courts, and which must be followed by the filing of a civil action. However, in common practice, rights owners usually resort to criminal seizure decisions for their time and cost efficiency.

Subject seizure decisions, whilst widely accepted by the Customs Authorities, can cause difficulties as they are not under the explicit regulation of the Customs Law. Upon clear feedback on the matter from practitioners, the newest draft Law has resolved this ambiguity with the inclusion of criminal seizure decisions in the relevant provision.

A new provision refined from the previous draft of the new Law, the legislation now makes a distinction between shipments regarding their size, and provides for small shipments sent through cargo or the postal service.

It is stipulated that rights owners shall accept to take action on small shipments separately during their application to be registered before Customs Authorities. Therefore, rights owners not interested in receiving notifications about smaller shipments may opt out of the system.

The changed simple destruction proceedings described above applies to small shipments as well. Customs Authorities will be able to get in touch with holders of disputed goods directly, and have more power to solve faster simple destruction proceedings.

## REGULATION OF BAD FAITH OF RIGHTS OWNERS

One of the most important provisions of the new draft Law is that applications of rights owners registered before Customs Authorities for the protection of intellectual property can be suspended, or the request for renewal of the same can be rejected due to bad faith of rights owners or non-continuous use by rights owners of reserved rights.

This provision provides a great deal of discretion to the Customs Authorities in dealing with rights owners, granting them the power to suspend the use of the Customs IP registration system for certain rights holders.

Considering how broad the draft provision currently is, we expect that secondary legislation will define what may be considered bad faith and/or non-continuous use of rights. However, we believe that the subject provision will require rights owners to follow up notifications more strictly, as well as make it easier for Customs Authorities to deal with cases of double-registration by multiple attorneys/agents for a same rights holder (e.g. an agent acting on behalf of a rights owner without specific instruction for a case may be suspended from the system on grounds of bad faith).

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*In compliance with Turkish bar regulations, opinions relating to Turkish law matters that are included in this client alert have been issued by Özdirekcan Dündar Şenocak Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.*

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