

# client alert

INTELLECTUAL PROPERTY | TURKEY |

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## INDUSTRIAL PROPERTY LAW

The new Industrial Property Law No. 6769 (the “**IP Law**”), which has been long expected, was published in the Official Gazette dated 10 January 2017. It repeals the Decree Law No. 556 on the Protection of Trademarks (the “**Decree Law**”), the Decree Law No. 551 on the Protection of Patents and Utility Models, Decree Law No. 554 on the Protection of Industrial Designs, and Decree Law No. 555 on the Protection of Geographical Indications (they will hereinafter be jointly referred to as “**Decree Laws**”).

Until the establishment of the new IP Law, in Turkey all industrial property rights were regulated by the above-mentioned Decree Laws. Protection of all industrial property rights will now be regulated by the new IP Law, which combines all the above-mentioned Decree Laws. The new IP Law has been long expected, especially after the cancellation of some vital Decree Law provisions by the Constitutional Court - property rights can be regulated only by Codes, not Decree Laws. With this new IP Law, the Constitutional Court cannot cancel provisions solely by basing itself on the above-mentioned property rights principle.

This Client Alert aims to inform of new developments in relation to Trademark Protection. Changes in relation to other industrial rights will be handled in a separate Client Alert.

Most provisions of the Decree Law have been upheld in the IP Law, with some amendments as described below. The following sections refer to the main changes that came into force with the new IP Law in relation to the protection of trademark rights.

### COLOUR AND SOUND TRADEMARKS

In addition to the classic definition of trademarks, colour and sound trademarks are also included in the new IP Law definition.

### CO-EXISTENCE

According to both the new IP Law and Decree-Law No. 556, marks that are identical or indistinguishably similar with a registration or prior application for same or similar goods and services, shall not be registered as a trademark. However, according to the new IP Law, if the applicant can provide a notarised consent letter, trademark application shall not be refused based on prior identical or indistinguishable trademark.

## OPPOSITION DEADLINES

The Decree Law stated an opposition period of three months. The new legislation shortens to two months the opposition deadline against applications published in the official trademark bulletin.

## "NON-USE COUNTER ARGUMENT" OF APPLICANT

Further to opposition raised on the grounds of likelihood of confusion, if a cited trademark as ground of opposition is registered more than five years, the applicant can request evidence proving that the cited trademark is being used in Turkey or justified reasons for its non-use.

Subject argument can also be asserted within infringement actions and by trademark owners whose registered trademark met with a cancellation action based on a prior trademark.

## MEDIATION BEFORE THE TPI

In the event of opposition, the Institute may encourage the parties to reconciliation if deemed necessary, and mediation rules may also apply to the matters before the TPI.

## CANCELLATION BY THE TPI

Seven years as from the entry into force of the law, the TPI will be implementing administrative cancellation proceedings based on non-use, becoming generic, descriptiveness and use of guarantee trademark contrary to the technical specifications. Until the entry into force of the subject Article, the Courts will continue to handle cancellation actions.

## DIFFERENCE BETWEEN CANCELLATION AND INVALIDITY

At the time of the Decree Law, cancellation due to non-use was regulated under invalidity action terms and such regulation had caused confusion in relation to the proactive effect of invalidation. Indeed, the invalidity of a trademark caused retroactive effects, yet cancellation due to non-use caused no such retroactive effects. With the new IP Law, invalidity and cancellation are regulated separately, thereby removing this confusion. The new IP Law deems the absolute and relative grounds of refusal as grounds of invalidity, whereas descriptiveness, being generic due to not taking the appropriate measures and non-use, are deemed as grounds of cancellation.

The new law explicitly regulates that a cancellation decision is effective as of the date of the cancellation request submitted to the Institute. However, if the cancellation conditions arose at an earlier time, the Institute may decide that the cancellation decision will be effective as of such date upon request.

## EXCEPTIONS ARISING FROM TRADEMARK RIGHTS

According to the IP Law, the owner of a registered trademark shall not prevent its use where such use is deemed fair and is necessary to specify the intended purpose of the good or service in question, especially for accessory, spare parts and equivalent parts in the ordinary course of business.

## **APPLICATIONS WITHIN THE SCOPE OF THE MADRID PROTOCOL**

With the new IP Law coming into force, an international trademark application within the scope of the Protocol Relating to the Madrid Agreement shall be effected as a direct application to the Institute. International applications may therefore not be refused based upon the trademark application filed at a later date but submitted previously to the Institute.

## **PARTIAL RENEWAL OPTION**

The new IP Law allows trademark owners to renew trademarks partially. Under the provisions of the Decree Law, a trademark owner requiring a partial renewal had to withdraw the trademark partially for the goods and services not covered by the trademark renewal.

## **REMAINING SILENT FOR FIVE YEARS**

Where a trademark owner remains silent for five consecutive years as of learning, or is deemed to have learnt of, the existence of an infringing trademark and does not act against such trademark, the trademark owner then cannot use its earlier trademark registration as grounds for cancellation action unless the latter trademark is registered in bad faith. Although in practice this provision was already applied, the Law now clearly states the five-year period for remaining silent.

Also, “bad faith” has been set out explicitly as grounds for refusal within the new Law.

## **EXHAUSTION OF RIGHTS**

National exhaustion of rights was regulated within the Decree Law, and international exhaustion of rights is now clearly regulated within the new IP Law. Accordingly, further to the release of the product protected by the IP Law by the owner (or third parties upon the owner’s authorisation), acts in relation to the subject goods are not covered by the scope of the protection.

## **ACCELERATED DESTRUCTION**

Where seized or reserved products subject to crimes under this Law cannot be held in a deposit store, the judge shall decide on their destruction before the verdict following the expert’s report, provided that the products subject to the crime are in danger of damaging or strongly losing their value, or that their storage is highly problematic. Such destruction can be only be carried out for trademark infringement issues, and the Prosecutor’s Office retains a sufficient number of product samples before the destruction is implemented.

## **CRIMINAL PROVISIONS**

With the new IP Law, actions considered as trademark infringements have been expanded. Those who import or export, sell and stock with commercial purpose, transport or store the goods bearing the infringed trademark, shall be sentenced to imprisonment as well.

The content of the trademark infringement in the new IP Law is very similar to what was indicated in Decree-Law No. 556. The most substantial change is that importing and exporting the goods carrying the infringed trademark shall now be considered as infringement.

Although the criminal provisions for trademark infringements are stated clearly, any criminal provisions concerning other industrial rights are not regulated within the new IP Law.

## REGISTERED IP RIGHTS CANNOT BE USED AS A COUNTER ARGUMENT FOR VALID USE

Under the Decree Law, the infringement action could not be filed against industrial right owner since such registration was accepted as grounds for legitimate use. Under the new IP Law, it is accepted that the right owner of a trademark, patent or an industrial design cannot argue his industrial property as defence in the infringement action which has been raised by those right holders who have earlier dated priority right or application.

## PUBLICATION OF THE TRADEMARK IN REFERENCE WORKS

Under the new IP Law, if a registered trademark is published in print or online in a dictionary, encyclopaedia or other reference work without indicating the registration and giving the impression of generic name, the publisher shall correct the error or remove the trademark from the work instantly in the electronic version of the work and in the next edition of the printed work at the request of the right owner.

As stated in the introduction of this Client Alert, the changes wrought by the new IP law in relation to other industrial rights will be reviewed in a further issue.

*In compliance with Turkish bar regulations, opinions relating to Turkish law matters 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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