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Turkey: Proposed Major Changes by the Draft IP Law

Trademarks – Geographical Indications Prosecution & Enforcement

Turkey is preparing to change the existing Decree-Laws concerning the protection of trademarks, patents, industrial designs and the geographical indications by replacing them with a draft IP Law covering all the aforementioned rights. The draft was released on February 24, 2016 for public consultation until March 04, 2016 and has now been referred to the Parliament for enactment. At this stage, we wish to draw your attention to some major proposed changes of which we will continue to update you.

Trademarks

Colors, Motion and Sound Marks

Colors and sound marks have been included in the definition of signs which may be protected as a trademark. More importantly, the requirement of capability to be represented graphically and reproduced by printing is removed in view of existing electronic means, in order to pave the way for motion marks.

Registered Geographical Indications Cited Among the Absolute Grounds of Refusal

Trademark applications consisting solely of or identically comprising the registered geographical indication will be rejected on absolute grounds at the examination phase by the Institute.

Introduction of Consent Letters

The draft IP Law introduce the Letter of Consents, by which the owner of an earlier trademark may consent to the registration and the use of an identical or similar trademark, later filed for the same or similar goods or services.

A Letter of Consent should be notarized and submitted to the Institute either simultaneously with the filing of the trademark application or upon refusal.

Opposition Period of 2 months as of Publication Date in the Official Trademark Bulletin

The opposition period - which used to be 3 months - has been shortened to 2 months, still calculated as of the publication date of the application in the official Trademark Bulletin. The Bulletin is published 2 times each month since the beginning of 2016.

Bad Faith Cited as an Explicit Ground for Opposition and Invalidity

Among the grounds for opposition, bad faith is explicitly cited in the draft IP Law. The bad faith issue was considered by the Turkish Patent Institute in opposition actions and by the Courts in invalidity actions in practice. Now the practice and law will become harmonized.

Madrid Protocol Trademark Applications' Filing Time

The trademark applications filed via the Madrid Protocol system and designating Turkey will be granted at the first hour and minute of the day received by the office, thereby getting ahead of any national trademark filing on the same day.

Counter Claims of Non-use by the Applicant During an Opposition

The IP Draft Law enables the applicant of the opposed trademark to require, from the opponent, evidence of the use of the trademark on which the opposition is based, if the opponent's trademark has completed the 5 years of grace period for the non-use. The examination of the opposition will be limited with the goods/ services for which the use has been proven by the opponent. Failure of the opponent to prove the use will result in rejection of the opposition.

Mediation During Opposition Proceedings

The Institute, in an effort to encourage mediation, will be entitled to invite parties to settle the oppositions through mediation as per the Mediation Law.

Cancellation by Turkish Patent Institute (will be in force 7 years later)

The Institute will implement administrative cancellation proceedings within 7 years of entry into force of the IP Law. These proceedings will include cancellation of a registered trademark on grounds of:

- (1) non-use
- (2) becoming generic (on the products / services on which the trademark is used),
- (3) deceiving public (as to the characteristics, quality or geographical source)
- (4) use of guarantee trademark contrary to the technical regulation.

Fair Use Clause Broadened

The fair use definition has been broadened whereby the proprietor shall not be able to prohibit a third party from using a trademark, in the course of trade, for the purpose of identifying or referring to goods or services, where the use of that trademark is necessary to indicate the intended purpose of a product or service, in particular as accessories, spare parts or equivalent parts.

Renewal of Trademarks for Limited Classes/Goods

The draft IP Law foresees the possibility of renewal of a trademark on limited classes or listing of goods/services. The provisions will be determined in the Implementing Regulations; nevertheless we do expect a simplified procedure where the trademark owner will opt for the classes and/or goods/services to be renewed. In the current practice, there is only one option, which is the submission of an independent request for limitation of the trademark before the renewal.

Extension of Trademark Infringement Acts

Unlike the current trademark law, the draft IP Law specifically provides that the use of a trademark as an essential part of a company/establishment name or its illegal use in comparative advertisements can be prohibited.

Counter Claims of Non-Use by the Defendant in Cancellation and Infringement Actions

The draft IP law states that during the examination of a cancellation action instituted on the basis of the risk of confusion between the trademarks, the non-use of the trademark on which the cancellation action is based can be asserted **as a counter-claim** by the defendant. Likewise, the draft also states that the non-use counter-claim can be put forward in the trademark infringement actions by the defendant.

Invalidity vs. Cancellation

The Decree Law refers only to the grounds of invalidity with retroactive effect whereas the current established jurisprudence makes a distinction between the cancellation and invalidity. The draft IP Law, in line with current practice, sets the absolute and relative grounds of rejection of a trademark as grounds of invalidity while a few grounds, such as genericness, deceptiveness, failure to use guarantee marks/collective marks according to the technical regulations and non-use, are stated to be grounds of cancellation.

Acquiescence

The draft IP Law clearly sets that where the trademark owner has known or should have known about the use of an infringing trademark but did not act against such use for more than 5 uninterrupted years, the trademark owner will not be able to claim the cancellation of the infringing trademark on grounds of its prior trademark registration, unless a third party has acted in bad faith.

Simplified Destruction for Trademark Infringements

In case the number, size and kind of the products subject to a crime cannot be stored, upon the Public Prosecutor securing the necessary samples, the Court can order the destruction of the counterfeit goods at the stage of indictment. This provision will be applicable only for trademark counterfeiting.

International Exhaustion of Rights

The draft introduces the international exhaustion of rights principle so as to replace the current national exhaustion principle.

Registered IP Rights – No Longer a Valid Defense Against Infringement Claims

It was accepted that the Trademark and Industrial Design rights which have been successfully registered before the Turkish Patent Institute would constitute a legitimate right against an infringement claim unless the registered right is cancelled and removed from the Registry. Such case law caused preliminary and permanent injunction requests to be delayed or rejected until the cancellation of the infringer's trademark or the design right. The Draft IP Law now aims to codify a common provision by which the registered trademarks, patents and industrial design registration rights do not constitute a legitimate defense against any infringement claim brought by the owner of the earlier IP right. The provision will

evidently require an intensive clearance search – *even in the existence of a registration*- before utilizing any IP right.

Criminal Provision

While the draft IP Law introduces criminal provisions for trademark infringements, there are no criminal provisions concerning patent, industrial design and geographical indication infringements.

The draft IP Law regulates criminal offences concerning trademarks by stating that producing goods or providing services, exposing for sale or selling, importing or exporting, purchasing, keeping, transferring or storing for commercial purposes, by infringing others registered trademark rights upon use of the same or confusingly similar trademark shall be sentenced to an imprisonment term of between one and three years and to pecuniary fines.

Geographical Indications & Traditional Product Names

Traditional Product Names

Traditional product names have been included in the definition of intellectual property rights. A traditional product name is defined as a product proven to be used on the respective market for at least 30 years and which is manufactured of traditional raw material or material, via traditional production or processes or traditional compositions.

Audit of Geographical Indication and Traditional Product Names

The term for audit of the use, manufacturing and sale of the geographical indications as well as traditional product names shall be effected biannually (previously 10 years) as from the publication date of the registration in the official Bulletin.

The use of an emblem, which is to be created by Institute, is required to be used on the product and / or its packaging, particularly with respect to geographical indications.