

The liability of hosting providers for trademark violations in connection with the online sale of counterfeit products under Turkish Law

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General Assembly of the Civil Chambers of the Court of Appeal, 2013/11-1138, 2014/6

The Court ruled that website operators will be held liable where the seller whose products are sold through the operator's website infringes another party's trade mark.

Analysis of the Recent Decision of Turkish Court of Appeal

There are no specific regulations governing the liability of online website sale operators in case the primary seller whose products are sold through the online sale website, infringes another party's trademark right. The issue is highly debatable in Turkey since should it be accepted that Article 4 of the Law of Intellectual and Artistic Works ("LIAW") numbered 5846, Article 61/e of the Decree Law Pertaining to the Protection of Trademarks numbered 556 ("Decree Law"), Article 50 of the abolished Code of Obligations numbered 818 (Article 61 of the current Code of Obligations numbered 6098) and the Internet Act numbered 5651, which can be considered as related with the liability of the online website sale operators; should apply to the liability of the online website sale operators in such case by analogy, such liability will be subject to a notification requirement to be sent to the website operator by the party who claims that its trademark rights have been violated by the primary seller.

In the case, the plaintiff claimed in the action that counterfeit goods have been sold on the website "gittigidiyor.com" and filed an action in order to prevent infringement of his IP rights by this sale. The defendant claimed that they have no liability in relation to such sale, purchase or advertisement of the products since the relevant act had not been carried out by it.

The Court of First Instance¹ based its judgment on the EU 2000 31/EC numbered Directive since there was no specific direct regulation governing the liability of online sale website operators at the time of the issuance of the decision. The Court has decided that before filing an action against the defendant online sale website operator company which is an online service provider, a notice should have been made to the same and partially rejected the action on these grounds.

The decision has been reversed by the Court of Appeal² and the Court of First Instance resisted in its first decision, yet, the said decision has been appealed again. The General Assembly of the Court of Appeal examined the decision as the appeal was made further to a resistance of the lower court.

Although the Court of First Instance has claimed that there was a legal gap regarding the matter in dispute since there was no explicit provision in the Turkish Law which foresees the liability of the online sale website operators, the General Assembly stated that above mentioned provisions of LIAW, Decree Law, Code of Obligations and TIA regulate the liability of the online sale website operators explicitly and accordingly there was no such legal gap.

Moreover, the General Assembly stated that in order to accept the liability of the online sale website operator for infringement of the trademark, the acts should have been done out of negligence as such acts should be considered as tortuous acts. To accept that an act has been done out of negligence by the online website sale operator, the operator should have been notified about the infringement for him to be aware of the said infringement and also the infringing act of the operator on the website must be contentious and done deliberately even

¹ Istanbul 1st Civil Court of Intellectual and Industrial Property Rights decision dated 13.03.2007 with the merit number 2006/407 and the decision number 2007/48.

² Court of Appeal 11th Civil Chamber decision dated 09.04.2009 with the merit number 2009/14937 and the decision number 2009/4283.

after the notification. In the present case, the General Assembly decided that the plaintiff petition shall be deemed a notice served to the defendant and therefore the infringing act has been done out of negligence by the operator.

Furthermore, the General Assembly decided that the claimant has legal interest in requesting the prevention of the acts infringing the trademark of the operator since it is determined in the "Gittigidiyor.com User Agreement" that the operator holds the right to prevent the access to the content of the website. Besides, Article 50 of Code of Obligations and Article 61/e of the Decree Law which were in force during the legal proceedings did not stipulate that the direct infringer and indirect infringer are compulsory case-mates. Therefore, it can be accepted and considered that the plaintiff can file separate actions against the operator and/or the seller.

In conclusion the decision of the Court of First Instance resolving for lack of hostility between the parties, has not been found appropriate and due to its negligence, the liability of hosting provider for trademark infringement arising from the online sale of counterfeit products, has been confirmed.

The "gittigidiyor.com" precedent has also provided a type of notice and action procedure based on the principles of contributory infringement and negligence considering a court action as a notice for the infringing party to be deemed negligent should the infringing parties fail to cease their infringing acts.