



Higher Board decides in favour of UGG based on well-known trademark status and principle of interdependence

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- Deckers, the owner of the UGG mark, opposed the application for UGG WATCH in Class 14
- The Higher Board reasoned that there would be a likelihood of confusion despite the low degree of similarity between the goods
- The board still attaches considerable importance to well-known recorded trademarks

The Re-examination and Evaluation Board (the Higher Board) of the Turkish Patent and Trademark Office has issued its decision in a case involving the marks UGG and UGG WATCH, applying the principle of interdependence and considering the well-known status of the UGG mark as a criterion for the likelihood of confusion analysis.

Background

The trademark application for UGG WATCH was filed for "jewellery (including imitation jewellery); gold, jewellery, precious stones and accessories made thereof, cufflinks, tie pins, statues and knickknacks of precious metal; clocks and chronometrical instruments (including chronometers and their parts, watch straps); trophies given in tournaments, made of precious metal; rosaries" in Class 14 by an individual before the office.

Deckers Outdoor Corporation filed an opposition against this, relying on several UGG trademarks registered before the office. The opposition was based on the following grounds:

- likelihood of confusion between the trademarks (Article 6/1 of the IP Code);
- genuine rights ownership of Deckers over the UGG trademark (Article 6/3 of the IP Code);
- well-known status of the UGG trademark under the Paris Convention and in Turkey (Articles 6/4 and 6/5 of the IP Code); and
- the applicant's bad faith (Article 6/9 of the IP Code).

None of Decker's UGG trademarks was registered in Class 14 before the office. Also, Deckers' UGG trademark is recorded as well-known in the office's registry.

The office's Trademarks Department partially accepted the opposition for "jewellery (including imitation jewellery); gold, jewellery, precious stones and accessories made thereof, cufflinks, tie pins, statues and knickknacks of precious metal; clocks and chronometrical instruments (including chronometers and their parts, watch straps)". It stated that there was a likelihood of confusion between the trademarks for those goods, and that there was a likelihood of deriving unfair benefit from the earlier trademark's reputation, as well as harming the mark's reputation or distinctiveness. Both the applicant and the opponent filed an appeal against the partial acceptance decision before the Higher Board.

Higher Board decision

Before evaluating the parties' arguments, the Higher Board referred to the principle of interdependence and stated that the low level of similarity between signs can be offset by a higher degree of similarity between the goods/services, or vice versa.

It then went on to reject the applicant's appeal, reasoning that UGG is used as the main and distinctive element of the parties' trademarks. Therefore, the trademarks in question are almost identical and there will be a likelihood of confusion between them, considering the fact that Deckers' mark is recorded as a well-known trademark and despite the low degree of similarity between the goods.

With regard to Deckers' appeal, the Higher Board remarked that the low degree of similarity between goods was compensated by the high degree of similarity between the trademarks, since they are almost identical, and also by the well-known recorded trademark UGG.

Overall, the Higher Board rejected the applicant's appeal and accepted the opponent's appeal, and rejected the application for UGG WATCH entirely. The decision was finalised and the applicant now has only the possibility of filing a cancellation action against the Higher Board's decision before the competent IP courts.

Comment

In general, the office refers only to the principle of interdependence in the context of general criteria for evaluation in its decisions, so implementing this principle is narrow. However, in the concerned matter, the office clearly applied this principle considering the highest degree of similarity between the trademarks even if the similarity for the remaining goods (ie, trophies given in tournaments, made of precious metal, and rosaries) was considerably lower.

Also, it is apparent that the Higher Board still attaches considerable importance to well-known recorded trademarks. However, on 5 February 2020, the Court of Cassation <u>issued a decision</u> (2019/2980 E - 2020/991 K) stating that the office does not have the authority to create a registry for recording well-known trademarks according to existing law; in addition, well-known status must be evaluated on a case-by-case basis. After the decision, the future of recording well-known trademarks is still under debate.

This matter shows that the office continues to take well-known recorded trademarks into account when evaluating the likelihood of confusion. Following the Court of Cassation's decision, the office may completely change its reasoning regarding well-known trademarks while evaluating the likelihood of confusion.

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