World Trademark Review

25 Oct 2018

Hope for Microsoft: opponent which filed new application for unused mark found to have acted in bad faith

Turkey - Gün + Partners

- **Microsoft and prominent grocery business are involved in dispute over marks POWER BI and POWER-B**
- **Board found that grocery business had filed new application for POWER-B in bad faith**
- **Grocery business sought to avoid consequences of possible partial revocation of its mark**

The Re-examination and Evaluation Board of the Turkish Patent and Trademark Office has reversed a decision of the Trademarks Department in which the latter had rejected claims of bad faith against a new application filed by the applicant to avoid the consequences of a possible partial revocation of its earlier trademark.

Background

In November 2014 Microsoft Corporation filed a trademark application in Turkey through WIPO for the mark POWER BI, covering specific goods in Class 9 and services in Class 42. Upon publication, an opposition was filed by a prominent grocery business in Turkey based on earlier registrations covering different sub-groups in Class 9 and a trademark covering all goods in Class 9. After examination of the opposition, it was concluded that Microsoft's POWER BI application was confusingly similar to one of the trademarks of the opponent, and the opposition was thus partially accepted for the goods in Class 9.

It was subsequently found that the opponent had not been using its trademarks for the proposed goods, namely on computer software. Therefore, Microsoft filed a revocation action on the ground of non-use against the opponent's trademark that had been considered confusingly similar to its own trademark application. In the meantime, Microsoft had filed a new trademark application covering the rejected goods on 23 November 2015, and the revocation action based on non-use followed this application on 21 December 2015.

An opposition was again filed by the same opponent against Microsoft's new trademark application, which was also accepted by the Patent and Trademark Office. An appeal against the refusal of this second trademark application in the name of Microsoft was filed, requesting the office to wait for the result of the revocation action before rendering its final decision on the opposition. However, the office did not wait for the outcome of the court action, and two more identical trademark applications were filed by Microsoft in order to avoid a possible loss of right while the court proceedings continued.

In the revocation action before the court, an expert report confirmed that the opponent had not used its trademark. Therefore, the trademark could be revoked partially for the goods in Class 9 which fell within the same sub-group as those covered by Microsoft's application. Although it was determined by the expert report that the opponent's trademark had not been used for Class 9 goods, the case was rejected since, in the interim period, Article 14 of the Decree Law No 556 regulating revocation actions due to non-use was annulled by the Constitutional Court.

In the parallel appeal proceedings before the office, even though it was obvious from the expert report that the trademark had not been used, the office rejected the last appeal filed against the refusal of the third POWER BI trademark application in the name of Microsoft. In the meantime, on 10 January 2017 the new IP Code entered into force, which makes it possible for applicants to ask for documents proving the use of a trademark if the five-year period has passed as from the registration date of the trademark, in the case of oppositions based on similarity. According to this article, if the opponent is not able to submit such proof, its opposition will be refused even if the trademarks are found similar.

Following the entry into force of the new IP Code, the opponent filed a new trademark application on 10 January 2017 that was identical to its earlier mark for the same type of goods. This time, Microsoft filed an opposition claiming that the application had been filed in bad faith as there was an ongoing revocation action filed against the applicant's senior identical trademark due to non-use.

During these proceedings, Microsoft's fourth trademark application for POWER BI was filed on 17 April 2017 under No 2017/34940 - that is, after the new IP Code entered into force. The opponent again filed an opposition against Microsoft's new application on the same grounds, but also relying on its new trademark application for POWER-B filed on 10 January 2017, not subject to use requirement.

Microsoft filed a response petition against the opposition asking for evidence of use of the trademark of the opponent against which the revocation action was filed. On the other hand, in terms of the new application by the opponent, it was mentioned within the response petition that an opposition was filed against this new application based on bad faith. The response petition thus requested that the office wait for the result of the opposition before rendering its decision regarding the opposition filed against Microsoft's application.

With regard to the opposition filed by Microsoft against the opponent's new trademark application, the office rejected the opposition, pointing out the existence of the former POWER-B trademarks of the opponent and finding that the information and documents submitted together with the opposition petition were not sufficient to prove the claim of bad faith.

As it was obvious that the opponent had filed this new application only to prevent third-party applications after it was determined via the expert report that the opponent did not use its trademark for the relevant goods, an appeal against the office's refusal decision was filed by Microsoft.

Re-examination and Evaluation Board decision

The Re-examination and Evaluation Board accepted the appeal, highlighting the facts in chronological order that led it to establish the bad faith of the opponent. The board first stated that the expert panel appointed in the court action regarding the partial revocation for non-use of two trademarks of the opponent had found out that the applicant had not used its trademark for the goods in Class 9; hence, the trademarks were subject to partial revocation. The board then stated that, following this expert report, the applicant had filed a new trademark application, identical to its earlier mark, for the same type of goods. Finally, the board concluded that, by filing a new application, the applicant had aimed to avoid the consequences of a possible partial revocation of its trademark POWER-B and, therefore, had acted in bad faith.

This decision of the board is final at the administrative stage. Following this long-running dispute, it is now hoped that Microsoft's appeal against the refusal decision of its final trademark application for

POWER BI (No 2017/34940) will be accepted and that the mark will finally be registered.

Comment

The decision is a good example of how the acts of a party in a trademark dispute could lead to a conclusion that it has acted in bad faith. The decision of the office also shows when bad faith may be found where a party files a new trademark application to avoid the negative effects of non-use.

Güldeniz Doğan Alkan

Gün + Partners

Canan Tınaz

Gün + Partners

TAGS

Portfolio Management, **Enforcement and Litigation**, **Technology**, **Europe**, **Turkey**