

Challenges and opportunities when combatting counterfeits in Turkey

Barış Kalaycı, Zeynep Seda Alhas and Begüm Soydan Sayılkan of **Gun + Partners** explain why brand owners need to take an active role to combat the counterfeits in Turkey

It is not a secret that Turkey is an important geographical location for production and sales of counterfeit products as well as the ones in transit. Most of the smuggled products entering Turkey also turn out to be counterfeits. This requires brand owners to take an active role in Turkey to combat the counterfeits, cover all possible bases, and also seek alternative and creative approaches.

There are certain civil and criminal actions that can be taken while combatting counterfeits.

The fastest, most straightforward, cost effective and result-oriented way is to file a criminal complaint against the counterfeiters, obtain a search warrant and perform a raid action at the counterfeiters' addresses (production sites, warehouses, stores, etc.).

With this action, counterfeits are seized by the police right away during the search at the counterfeiters' addresses, they are stored in the warehouses of the government, the counterfeiters stand trial during criminal proceedings which usually result in prison sentence and/or judicial fine and the seized products are destroyed by the government after finalisation of the case. Therefore, the criminal route is the mostly chosen way to combat the counterfeits.

However, collecting evidence before filing of the criminal complaint or obtaining a search warrant from the judge is not always easy. In cases where the raid should take place in a production site or warehouse, it is not always possible to obtain proper evidence such as an in-

voice from the counterfeiters and some of the criminal judges simply reject the claims to issue a search warrant due to lack of definite evidence proving the trademark infringement crime, although reasonable doubt should be sufficient in such cases according to the law.

Also, while the number is not high, some judges in Turkey simply do not 'believe' that counterfeiting is a crime and can 'advise' IP practitioners to follow civil courses of actions. Another problem is that the police sometimes cannot perform efficient raids in certain cities or areas especially in touristic locations.

In some cases, criminal complaints may not be effective

In cases where criminal complaints become ineffective or the criminal route is simply closed by rejection of a search warrant request, brand owners need to take some alternative – and sometimes innovative – actions to be able to fight counterfeiters.

The first alternative of a criminal raid would be obtaining a preliminary injunction (PI) from a civil court instead of a search warrant from the criminal judge, collecting the counterfeits based on the PI in the first place and then filing a criminal complaint to have the counterfeits seized – as a way that alternates following up a substantive civil infringement action, which usually takes longer compared to a criminal proceeding, despite being pretty effective.

Brand owners may assess whether to apply to the civil courts – the specialised IP courts in terms of the cases in Istanbul, Ankara and Izmir – and request for determination of evidence via expert examination and PI to prevent the production and sales of counterfeits and to collect the counterfeits at the same time.

In some cases, the courts may accept the PI request in exchange for deposit of a certain security amount to protect potential damages of the counter parties and related third parties but sometimes the courts do not require such security amounts considering that the products at question are counterfeits.

If the PI order is granted in exchange for deposit of a certain security amount, then the security amount should be deposited with the court and the execution process should be started within a week by the brand owners. Also, the brand owners need to initiate the substantive civil case based on trademark infringement within two weeks after stating the execution process of the PI. Otherwise, the PI order will be automatically cancelled.

In cases where counterfeits are subjected, these actions can also be completed within a couple of days due to the urgency of the matter. As a result, the determination and evidence and enforcement of the PI will be performed at the same time and the counterfeits will be collected at the presence of the experts with their confirmation on the counterfeit nature of the products.

After enforcement of the PI order, it is possible to file a criminal complaint and obtain a seizure warrant for the collected counterfeits. That way, the counterfeits will be stored in the warehouses of the government, the counterfeiters stand trial during criminal proceedings which usually result in a prison sentence and/or judicial fine and the seized products are destroyed by the government after finalisation of the case, and as a result, brand owners could achieve the same result.

If the criminal complaint is filed and the seizure warrant



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of the criminal judge is obtained after enforcement of the PI, then brand owners do not need to initiate a substantive civil case and may prefer to continue with the criminal case only, as the counterfeits will already be seized via criminal route.

Collaboration is highly important

In addition to the above and as a separate way of fighting counterfeits, it would be beneficial for brand owners to follow up the smuggling operations and collaborate with the anti-smuggling units of the police and gendarmerie because majority of the smuggled products turn out to be counterfeits. Unfortunately, smuggling cases are mainly focused on whether a tax evasion has occurred or not and neither the Prosecutors nor the Judges of such cases investigate if the products subject to their cases are counterfeits or not.

More importantly, the smugglers can easily get fake products back by submitting some invoices or as a result of the proceedings it can be

decided for sales of the smuggled products via the Customs Liquidation Services of the government. However, if the products are counterfeits, this means that counterfeit products will enter the market again which would make the effort of anti-smuggling units also ineffective.

Therefore, it is very important for brand owners to follow up the smuggling operations and file a separate criminal complaint based on trademark infringement if the smuggled products are also counterfeits to ensure that the products will not be released and will be destroyed at the end of the criminal proceedings.

A must for Turkey is to file customs IP applications for the relevant IP rights before the Customs General Directorate. Thanks to the Customs IP Programme, the customs officers may prevent the entrance of counterfeits into the country. They basically render temporary suspension decisions about the suspicious products and inform the brand owners and/or their representatives to enable them to examine and identify the counterfeit products and then take necessary actions within 10 working days.



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If the products are confirmed to be counterfeits, then the brand owner can file a criminal complaint, obtain a seizure warrant, and deliver it to the customs so that the suspended products will be permanently seized. Alternatively, it is also possible to request a PI from the civil IP courts but as the criminal route is more cost and time effective, it is usually recommended to file a criminal complaint to seize such products, as well.

Online infringements have to be dealt with

Last but not the least, it should be noted that online infringements are also one of the biggest problems of brand owners. Due to increased online sales in recent years, with COVID-19, there are many online stores selling counterfeits. Brand owners should closely monitor the online stores and accounts and resort to the take down process.

Depending on the circumstances of the matter, it should also be evaluated to perform offline



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investigations into important online targets, file criminal complaints and seize products from the physical addresses of such infringers and have a criminal case started against them to be able to deter them for good.

Although it may sometimes be hard to deal with online sales of counterfeits, the brand owners cannot let go of these platforms and must enforce their rights online as well.

In addition to judicial remedies brand owners can also resort to administrative remedies before the Advertisement Board, which is established under the Ministry of Trade's General Directorate of Consumer Protection and Market Surveillance. The Advertisement Board is entitled to carry out administrative surveillance and implement administrative sanctions against advertisements and promotions of counterfeits such as cease of misleading and infringing uses and issuance of monetary fine, which also constitute an important remedy for the brand owners to deter counterfeiters.