

# Turkey Merges Previous IP Related Decree-Laws into a Single Code

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The Turkish Patent Institute (TPI) shared the new Draft Industrial Property Code (the Draft Code) with the public at the end of February, collected remarks of the relevant stakeholders on it and the Draft Code has been sent onto the Parliament recently.

The Draft Code was introduced to the Turkish domestic law on 24 February 2016. The TPI shared it and allowed the stakeholders to convey their opinions within ten days. The period of consultation finished on 4 March 2016, there have been a few changes to the draft after this stage and very recently the Draft Code has been transmitted to the Parliament. It is expected that it will come into force within 2016.

Twenty years ago, Turkey was in the process of becoming a part of the Customs Union and one of its liabilities was to adapt its national IP law with EU legislation. For that purpose, Turkey rapidly constituted Decree Laws relating to IP rights in 1995. Decree Laws were preferred since they require less procedure and can be brought into force faster and they have also the power of law. Normally, they should have been transformed into laws when the urgency lifted, but they never did and even today, they still remain in force as Decree Laws. In Turkish Constitutional Law practice, decree laws have always been a questionable subject. According to Article 91 of the Turkish Constitution, property rights cannot be regulated by decree laws and should instead be regulated by a code constituted by the Parliament. The Turkish Constitutional Court revoked some provisions of the IP Decree Laws which regulate property rights by taking into consideration Article 91 of the Turkish Constitution. In the presence of cancellation decisions, the Parliament integrated cancelled provisions into the present Decree Laws rather than repealing them and bringing into force new laws related to IP rights.

The Draft Code unites all kind of industrial property rights, namely trade marks, designs, patents and geographical indications. In the general preamble of the Draft Code, it is stated that it was prepared to achieve following aims:

- To comply with recent developments in EU IP Law;
- To bypass the cancellation decisions of the Turkish Constitutional Court;
- To ensure the current regulations are clearer, more understandable and systematic.

The Draft Code contains five chapters and

approximately 200 provisions. Most of the provisions in the current Decree Laws are inserted into it and revisions are made in line with the latest Draft Law numbered 1/756 which has thus become caduceus. This article aims to provide information to the readers regarding the amendments foreseen in the Turkish trade mark law. Firstly, the name of the Draft Code is "the Draft Industrial Property Code" and compatibly with its name, it uses the term industrial property. We believe that the term intellectual property is more thorough and also in line with international texts, but the draft has been transferred to the Parliament as Industrial Property Code.

Currently, the TPI makes preliminary examination on trade mark applications ex-officio when a trade mark application is filed and rejects the application if it is in the scope of one of the absolute grounds for refusal. Article 7/1 (b) of the Decree Law numbered 556 Pertaining to the Protection on trade marks is one of the absolute grounds of refusal and it prevents registration of trade marks which are identical or indistinguishably similar with an earlier dated trade mark/trade mark application. Such provision does not exist in many other jurisdictions and in the jurisdictions where it exists, this obstacle is lifted by submitting letters of consent or co-existence agreements. Yet Turkish Trade mark Law does not foresee such a solution and the present ex officio refusal authority of the TPI blocked the registration of many foreign trade marks. The draft code at last enables the implementation of the co-existence principle and removes the ex officio refusal authority of the TPI if a notarised letter of consent from the senior trade mark owner is submitted to the Institute. Even though such ex officio refusal is not totally excluded, it is still a positive amendment.

Another important amendment is foreseen in the opposition proceedings. Accordingly, if a trade mark application has been filed and the trade mark shown as ground for opposition has been registered in Turkey at least five years before the filing date of the application, the TPI will demand evidence from the opponent party to show genuine use of the trade mark in Turkey or justified reasons for non-use. If the opponent party cannot submit evidence to prove the genuine use in Turkey, the opposition will be refused. Accordingly, the TPI may refuse an opposition if the use of the ground trade mark in Turkey cannot be proven. It is also regulated that this request can be used as a defense in an infringement action. If a trade mark has not been used without

justifiable reason for the goods or services within the scope of the registration within five years following the publication of registration, or its usage has been suspended for an uninterrupted period of five years, the right to repeal a trade mark due to non-use belongs to the competent court. As a result of the opinions of the stakeholders, this right is given to the TPI with a provision added to the draft; however, the enforcement date of this provision will be postponed for seven years with a provisional article in the Code.

Other minor amendments are that the terminology for signs to be registered as trade marks was changed to "A trade mark, provided that it is capable of distinguishing the goods and services of one undertaking from the goods and services of other undertakings and can be shown in the Registry ensuring that the subject of the protection provided to the trade mark owner is clearly and explicitly understandable, may consist of all kinds of signs such as words, including personal names, designs, colors, letters, numerals, sounds and shape of the goods or their packaging". The protection of well-known trade marks in the meaning of Paris Convention has been regulated as a relative opposition and invalidation ground. This is one of the regulations cancelled by the Turkish Constitutional Court recently. Bad faith claim is foreseen as a separate opposition and invalidation ground and a sign which contains geographical indication cannot be registered as a trade mark.

Regarding durations, the opposition period has been shortened to two months from three months and the five-year term for filing a cancellation action has been regulated within a separate provision. A trade mark/patent/design right holder cannot allege its registered right as a defense in an infringement action filed by a priority right holder. Consequently, having a registration does not naturally mean that there is no infringement. In the first version of the Draft Code, the principle of exhaustion of trade mark rights was limited to the products released within Turkey. Accordingly, national exhaustion principle was accepted. However, upon receiving opinions of the stakeholders, the relevant article was amended and an international exhaustion principle was inserted in the draft before being sent to the Parliament.

The Draft Code is now before the Parliament and is expected to be voted within the next few months. Once it enters into force it will greatly influence and change the Turkish IP Law practice.