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COMMENTARY

DESCRIPTIVE, OR NOT DESCRIPTIVE— THAT IS THE QUESTION: A REVIEW UNDER TURKISH LAW OF LIKELIHOOD OF CONFUSION WHEN TRADEMARKS SHARE DESCRIPTIVE TERMS

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I. INTRODUCTION

In a landmark decision, Diamond Kuyumculuk Ticaret Limited Şirketi v. Med-Art Sağlık Hizmetleri ve Kuyumculuk Sanayi ve Limited Sirketi (the "BLUEDIAMOND decision"),¹ the General Assembly of the Civil Chambers of the Court of Appeals of Republic of Turkev found a likelihood of confusion between two trademarks, each covering, inter alia, jewelry and clock goods and design services, based only on the common use of the word "diamond," which is inarguably descriptive for at least some of the overlapping goods and services at issue in both marks. The court of appeals viewed the word "diamond" as a "main element" of both marks and failed to consider the many differences between the marks at issue, thus ignoring the general principle, followed in the European Union (EU) and elsewhere, that marks are to be compared and assessed in their entireties (referred to herein as the "global assessment principle"), and not by isolating and comparing individual elements.

II. THE BLUEDIAMOND DECISION

The plaintiff, the holder of three registrations of certain trademarks having the "diamond" term as their main element

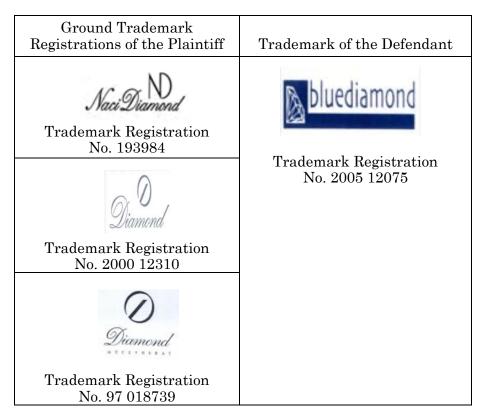
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^{1.} Merit No. 2013/11-52 and Decision No. 2013/1416 (General Assembly of the Civil Chambers of the Court of Appeals of Republic of Turkey, October 2, 2013).

(reproduced below),² filed a partial invalidation action against the trademark BLUEDIAMOND for goods and services in Classes 14 and 42,³ on the ground of the likelihood of confusion between the trademarks. The action was initially heard by the Istanbul 4th Civil Court of Intellectual and Industrial Property Rights (the "local court").



In a well-reasoned decision, the local court ruled that the word "diamond" is a descriptive term widely used in the jewelry sector. Since "diamond" was the sole common element between the

3. The defendant's BLUEDIAMOND trademark application covers: "Clocks, watches and chronometrical instruments; chronometers and their parts; watch straps, ornaments, statues, statuettes, vases, trophies given in sports competitions, tableware (except cutlery), cigar and cigarette holders, plates, cups, glasses, cigarette cases, tobacco boxes, ashtrays, paper holders, towel racks. Jewellery items (including imitations); gold, bracelets, rings, chains, jewellery and precious stones, lockets, cufflinks, tie pins, lapel pins, brooches" of Class 14 and "Design services" of Class 42. The application covers a variety of goods in Class 8, which were not at issue.

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^{2.} The plaintiff's trademark registrations with "diamond" as their main element mainly cover: "Jewellery and clocks" goods of Class 14, "Design services; packing design services, industrial design services" of Class 42, and "Services of bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods, such services may be provided by retail stores, wholesale outlets, by means of electronic media or through mail order catalogues" of Class 35.

plaintiff's and the defendant's marks, the local court found no likelihood of confusion between the trademarks when perceived as a whole and dismissed the case.

The plaintiff appealed to the 11th Civil Chamber of Court of Appeals,⁴ which reversed the decision rendered by the local court, finding that the disputed trademarks were similar enough to raise likelihood of confusion. The file was then returned to the local court for rehearing based upon this decision. On remand, the local court stated that, in order to deem two trademarks similar under Article 8/1(b) of the Decree Law No. 556 Pertaining to the Protection of Trademarks (the "Decree Law"), the trademarks should be similar as a whole and the similarity should be intensive enough to create likelihood of confusion among the consumers. The local court found, however, that the court of appeal's analysis did not reflect this principle but instead grounded its decision exclusively on the similarity of what it determined was the main element of both marks ("diamond") and the overlap in the goods and services.

Thus, the local court declined to adopt the decision of the court of appeals, and again dismissed the plaintiff's action, finding no likelihood of confusion between the disputed trademarks. Once again, the plaintiff appealed, this time to the General Assembly of the Civil Chambers of the Court of Appeals of Republic of Turkey ("the assembly of civil chambers"), a higher chamber that renders the final decision regarding a dispute when there is a conflict between the decisions of the local court and of the court of appeals. The assembly of civil chambers reversed the decision of the local court, in line with 11th civil chamber decision of the court of appeals.

The assembly of civil chambers stated that, since the legal protection provided with the grant of a trademark is gained with the registration according to Article 6 of the Decree Law, a trademark holder is entitled to enforce all legal rights arising from the registration of its trademark. Such rights are not diminished by the fact that elements of the mark may be descriptive or weak. Thus, according to the assembly of civil chambers, a trademark comprising a descriptive term, once registered, enjoys the same degree of protection as a distinctive trademark, including the right to exclude others using the descriptive element. If a third party wants to be able to use a descriptive element of a registered mark, its remedy is not to seek registration, but to try to cancel the mark.

After determining that, in the absence of a challenge to the validity of the registration, the plaintiff was entitled to enforce the rights arising from its trademark registration, the assembly of civil

^{4.} Merit No. 2007/220 and Decision No. 2008/105 (11th Civil Chamber of Court of Appeals, April 11, 2008).

chambers moved on to evaluate whether BLUEDIAMOND is similar to the plaintiff's trademarks having "diamond" as their main element in a degree to raise likelihood of confusion, and whether BLUEDIAMOND will be cancelled in a possible cancellation action filed by the owner of the trademarks having "diamond" as their main element. The assembly of civil chambers agreed with the court of appeals' 11th civil chamber's analysis, relying solely on the common use of the descriptive term "diamond" and disregarding the differences in the non-descriptive elements of the marks.

III. EVALUATION OF THE BLUEDIAMOND DECISION

When the BLUEDIAMOND decision is examined, it becomes apparent that neither the assembly of civil chambers nor the 11th Civil Chamber of the Court of Appeals properly examined the likelihood of confusion between the trademarks in question. The assessment of the likelihood of confusion was superficial, and the descriptive nature of the term "diamond" was completely excluded. This holding essentially deems that, once a mark has been registered, individual elements of the mark are separately enforceable, regardless of descriptiveness. The BLUEDIAMOND decision creates a troubling precedent that is at odds with stated law as well as with international standards.

Indeed, according to the "Common Communication on the Common Practice of Relative Grounds of Refusal—Likelihood of Confusion (impact of non-distinctive/weak components)" (published on October 2, 2014, as a part of the EU Intellectual Property Office ("EUIPO") Convergence Programme⁵), the assessment of the likelihood of confusion of weak trademarks with non-distinctive or weak components requires a special evaluation.⁶ Pursuant to the

- · which marks are subject to assessment of distinctiveness
- the criteria to assess the distinctiveness of the mark
- the impact on likelihood of confusion when the common components have a low degree of distinctiveness
- the impact on likelihood of confusion when the common components have no distinctiveness

^{5.} The Common Practice is the result of collaboration between EU and non-EU trademark offices in the context of the Convergence Programme and aims at increasing transparency, certainty, and predictability for examiners and users alike. Within this concept, the trademark offices of the European Union have agreed on a common practice with regard to the impact of non-distinctive/weak components of marks in the examination of likelihood of confusion (relative grounds), assuming that the goods and/or services are identical.

^{6.} In this Communication, it is determined that in order to arrive at a common practice regarding non-distinctive/weak components of marks for the purpose of assessing likelihood of confusion, assuming that the goods and/or services are identical, the below points shall be determined in particular:

Communication, the distinctiveness of the earlier mark shall be globally assessed, and the distinctiveness of all of the components of the trademarks at issue shall be considered.

Indeed, the Court of Justice of the European Union (the "CJEU") has issued many decisions determining the fundamental principles of assessment of likelihood of confusion of trademarks that include descriptive phrases. For instance, in *Mega Brands v. OHIM*,⁷ the lower, General Court had found likelihood of confusion between the *Magnexi* and *Magnexi* trademark applications for "toys and playthings, in particular multi-part construction toys, its [sic] parts, its [sic] accessories and its [sic] fittings" on the one hand, and the prior registered mark MAGNET 4, on the other.

One of the main arguments of the applicant was that the General Court had erred in finding that the "MAGNET" element in the earlier registration was the dominant element of the mark, notwithstanding its own finding that such element was descriptive. The applicant also asserted that the General Court had failed to take the figure "4," found in the earlier registration, into consideration in the assessment of likelihood of confusion.

The CJEU reversed, ruling that the global assessment of likelihood of confusion in relation to the visual, phonetic, or conceptual similarity of the signs in issue had to be based on the overall impression given by the signs, bearing in mind in particular their distinctive and dominant components.^{8,9} The CJEU also determined that an evaluation of similarity between the two marks meant more than taking just one component of a composite trademark and comparing it with another mark. On the contrary, the comparison had to be made by examining each of the marks in question in its entirety. This does not necessarily mean that the overall impression conveyed to the relevant public by a composite trademark may not, in certain circumstances, be dominated by one or more of its components. However, in this case, the CJEU criticized the General Court for finding that the descriptive term "MAGNET" was the dominant element without providing any justification for it and referred the case back to the General Court.

In light of the above, the assessment of the likelihood of conducted confusion by the court of appeals in the BLUEDIAMOND decision was erroneous. A proper evaluation would have addressed the level of distinctiveness of the earlier trademarks included components of the and that

Both Turkey and the EU Member States shall implement the principles determined by this Common Communication in their assessment of likelihood of confusion of weak trademarks with descriptive phrases.

^{7.} Mega Brands v. OHIM, Case C182/14 P (CJEU, Apr. 9, 2014).

^{8.} OHIM v. Shaker, Case C334/05 P, para. 33 (June 12, 2007).

^{9.} Nestle v. OHIM, C193/06 P, para. 34 (Sept. 20, 2007).

consideration in its comparison of the marks as a whole. By contrast, the court of appeal's assessment ignored all but the one common element, assessing the likelihood of confusion between the trademarks at issue as if they did not include any distinguishing elements.

If the court of appeals had rendered its decision in line with the approach followed by the CJEU, it would have determined that "diamond" was a descriptive term and, as such, a subsidiary element of each trademark. The court of appeals would thus have included consideration of the distinctive, and hence fundamental, word and design elements of the trademarks, which should have led to a clear finding that no confusion would be likely.

This is not to say that the assessment of the likelihood of confusion should be made only by separately comparing component words of the trademarks. Such evaluation should be made on the trademarks as a whole, making up a "global assessment." Consumers do not experience trademarks as separate elements; they perceive trademarks as a whole, with descriptive and distinctive elements combined. Thus, similarities or differences in certain elements may be unimportant to the perception of the trademarks as a whole.

When the trademarks in guestion in the BLUEDIAMOND decision are evaluated globally, it is clear that they incorporate different and distinctive design and word elements, and are not confusingly similar, despite the common use of the term "diamond." However, considering the established CJEU precedents¹⁰ and principles, as well as the principles set out in the "Common Communication on the Common Practice of Relative Grounds of Refusal-Likelihood of Confusion (impact of nondistinctive/weak components)," the court of appeals' assessment of likelihood of confusion, centered around a finding that the word "diamond" was the main component, with a complete blind-eye to the remaining components of the trademarks, is clearly erroneous.

It should be noted that the BLUEDIAMOND decision of the court of appeals is not a binding precedent that local courts must adopt; nevertheless, court of appeals decisions have considerable effects on the local courts. Because the number of recent decisions rendered on this issue is limited, it is premature to determine whether the BLUEDIAMOND decision will have a significant influence in Turkish law. As yet, there is no rooted implementation regarding the assessment of the likelihood of confusion in weak trademarks and there are still decisions given by local courts at

^{10.} Mega Brands v. OHIM, Case C182/14 P (CJEU, Apr. 9, 2014); Ecoblue v. OHIM, Case C-23/09 P (CJEU, Jan. 22, 2010); Formula One Licensing v. OHIM, Case C-196/11 P (CJEU, Dec. 11, 2014).

the first instance, and by the court of appeals, that contradict the BLUEDIAMOND decision.

IV. CONCLUSION

In sum, assessing the likelihood of confusion between trademarks requires a detailed evaluation involving various factors. In the court of appeals' determination in the BLUEDIAMOND decision that a trademark holder should be entitled to use all legal rights arising from the registration of its trademark, regardless of the descriptiveness or weakness of the mark, the court of appeals elevated this principle to its extreme. By considering only the descriptive words involved, and disregarding the rest of the marks at issue, the court of appeals failed to properly conduct a global assessment between the trademarks, leading to an erroneous—and potentially dangerous precedent, wherein a weak trademark is granted as wide a scope of protection as is a strong one.