

Current Intelligence

■ Evaluation of the likelihood of confusion between weak trademarks

General Assembly of the Civil Chambers of the Court of Appeals, Turkey, Merit No 2013/11–52; Decision No 2013/1416, 02 October 2013

In a landmark decision, the Assembly of Civil Chambers has determined that a likelihood of confusion will arise between trade marks by accepting the word ‘diamond’ in trade marks subject to comparison as a fundamental element, although it was descriptive of the goods in respect of which the trade marks were registered and used. This note criticizes the inappropriateness of the decision by expounding the inconveniences which may arise due to the approach of the Court of Appeals under Turkish law.

Legal context

Article 7 of Decree Law 556 Pertaining to the Protection of Trade Marks (the ‘Decree Law’) regulates absolute grounds for refusal of trade marks. Article 7/1(b) of the Decree Law stipulates that trade marks identical, or indistinguishably similar, to a previously registered trade mark or trade mark application cannot be registered. This provision is different from Article 8/1(b), which states that if a trade mark application is identical, or similar, to a previously registered trade mark or trade mark application, such trade mark application will be refused upon the opposition of a third party, as is the case in EU law. In contrast, Article 7/1(c) of the Decree Law prohibits registration of descriptive phrases as trade marks. However, there is an exception under the last paragraph of Article 7, whereby distinctiveness can be acquired via use.

Facts

The plaintiff, who was the holder of the trade marks ‘diamond’, ‘diamond mücevherat’ (‘mücevherat’ meaning ‘jewellery’) and ‘Naci Diamond’ which were registered for Classes 14, 35 and 42, filed a cancellation action against the trade mark ‘bluediamond’ registered for the goods and services in Classes 8, 14 and 42. The plaintiff sought cancellation of the defendant’s ‘bluediamond’ trade mark for Classes 14 and 42 on the ground of likelihood of confusion between the trade marks under Articles 7/1(b) and 8/1(b) of the Decree Law.

The defendant claimed that there was no irregularity in the registration of his ‘bluediamond’ trade mark; that no one can be granted absolute rights on the word ‘diamond’, which indicates the kind and variety particularly for Class 14 goods; and that there was no likelihood of confusion between the trade marks.

The court of first instance dismissed the case, holding that the word ‘diamond’ was a descriptive term in English, widely used in the jewellery sector, and that, accordingly, it was not possible to register the word ‘diamond’ on its own because of its descriptive nature. In addition, the court considered that there was no likelihood of confusion between the trade marks when they were perceived as a whole, since the trade marks both contained additional phrases and devices.

However, the decision of the trial court was reversed by the Court of Appeal, 11th Civil Chamber (Merit No 2007/220; Decision No 2008/105, 11 April 2008) on the grounds that the plaintiff’s ‘diamond’, ‘diamond mücevherat’ and ‘Naci Diamond’ trade marks and the defendant’s ‘bluediamond’ trade marks were similar under Article 8/1(b) of the Decree Law. The Court of Appeal based its decision on the similarity between the main element (‘diamond’) and the registered goods and services, holding that the evaluation of the similarity of the trade marks must be done separately for each concrete case, since the concept of ‘similarity’ is not clear under the Decree Law. The court further stated that, in order to deem two trade marks similar under Article 8/1(b), they should be similar when they are evaluated as a whole, and the similarity should be significant enough to create a likelihood of confusion among consumers.

The court of first instance insisted on its decision, and the matter was brought before the Assembly of Civil Chambers of the Court of Appeal (‘the Assembly’). The Assembly reversed the decision of the Court of first instance in line with the Chamber’s decision and stated that the legal protection provided by a trade mark is gained by registration. Accordingly, a trade mark will confer full legal rights to its owner unless and until it is cancelled by a finalized cancellation decision at the conclusion of cancellation proceedings.

The Assembly noted that the trade mark holder is entitled to use all legal rights arising from the registration of his trade mark and cannot automatically be kept from such usage on the ground that his trade mark was descriptive or weak. It added that the defendant should not have been in a position to register a mark confusingly similar to the plaintiff’s, even if the plaintiff’s mark was descriptive. If the defendant considered that the plaintiff’s trade mark was descriptive, he should have filed a cancellation action based on that ground.

On this basis, the Assembly evaluated the plaintiff’s trade mark and determined whether the trade marks were identical or similar enough to be cancelled in a possible cancellation action. In its view, in order to cancel a trade mark

under Article 42 of the Decree Law, the earlier trade mark or application should be identical or similar and they should be used on identical/similar goods and services, to accept that there is a likelihood of confusion between the trade marks. This was the case here, since both covered Classes 14 and 42, the expression 'diamond' was the main element in the trade marks and there was a likelihood of confusion.

Analysis

In a likelihood of confusion analysis, dominant and distinctive elements of the trade marks should first be identified, descriptive and generic phrases being merely secondary elements. Even if they are somehow registered on their own, the other elements of the trade mark subject to comparison should also be carefully considered. This fundamental principle has also been accepted by the CJEU (see Colak, U., Turk Marka Hukuku, Istanbul, On Iki Levha Yayıncılık, 2012, p. 284–288). In order to determine which phrases are subsidiary elements of a trade mark, the goods and services covered by the trade marks should also be considered. In this respect, the term 'diamond' can be considered as a descriptive phrase for jewellery-related goods in Class 14.

A meticulous evaluation should be made when comparing trade marks including descriptive phrases. However, merely disregarding subsidiary elements and basing the evaluation on fundamental elements may not always be sufficient, since a descriptive phrase can be protected as a trade mark if it acquires distinctiveness thorough use and gains a secondary meaning. However, in this action, such claims were not raised by the parties, and the Assembly did not consider whether the term 'diamond' had gained a secondary meaning. In this respect, the Assembly's likelihood-of-confusion analysis resulted in an erroneous outcome. If it had applied its usual evaluation of the likelihood of confusion, it would have determined that 'diamond' was a descriptive word which was a subsidiary element of the trade marks.

Further, making a likelihood of confusion evaluation by only comparing the phrasing in a trade mark is also a wrong approach, since such evaluation should be made by evaluating the trade marks as a whole (Court of Appeal, 11th Civil Chamber, Merit No 2000/10 286, Decision No 2001/1183, 13 February 2001). This is because consumers will not evaluate trade marks' elements separately; they will perceive the trade mark as a whole.

Practical significance

In summary, evaluating the likelihood of confusion between trade marks requires a detailed evaluation with

reference to several different aspects. This evaluation needs even more sophisticated work if it involves descriptive terms or phrases. The Assembly's approach towards likelihood in cases involving descriptive or generic phrases was narrow and caused significant practical challenges.

Accepting descriptive or generic phrase of a trade mark as a fundamental element of a trade mark and making a likelihood of confusion evaluation by comparing the inaccurately determined phrases will render the notion of genericity meaningless. If the expression 'diamond' for jewellery-related goods is not accepted as generic or descriptive, then it would be unrealistic to expect the courts to determine other similar phrases as generic or descriptive for other goods. Adopting such an approach will lead to people registering generic or descriptive terms on related goods and services. This would allow them to make unfair profits through unfair competition, since exclusive rights will be granted to them through trade mark registration.

On the other hand, the Assembly has not made an evaluation of whether the term 'diamond' is diluted for the relevant goods at the Registry. The evaluation of dilution is important to determine the legal strength of a trade mark since, the more diluted a term is, the narrower the protection granted to it will be. In this respect, if a trade mark subject to evaluation involves 'descriptive phrases' which are weak trade marks, essentially, the evaluation of dilution will have a greater importance in establishing the protection granted to the trade mark. Through a simple search, the Court of Appeal would have determined that there are dozens of trade mark registrations before the Turkish Patent Institute involving the term 'diamond', which clearly signifies that the term is highly diluted by being registered in combination with other word or device elements. Granting exclusive rights to the plaintiff over such a term would be unfair and unlawful.

In conclusion, the Court of Appeal's approach to analysing the confusing similarity between trade marks where descriptive terms are subject to registration or use is unacceptable. It leaves no room for third parties to adopt, register or use trade marks that consist of a descriptive element identical to the one that is already registered, without such registration first being challenged by a court action.

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