

COLOUR MARKS LOOKING PALE IN TURKEY

Internationally acclaimed Galatasaray Football Club's licensee filed an action against a paint manufacturer company by relying on the unfair competition created through the marketing of face-paints in the yellow-red colour combination.

The licensee company argued in the first instance that the exclusive license obtained from the Club provided the company the exclusive right to market goods/services with the yellow-red colour combination and defendant's face paint products in the same colour combination bearing the word "The Supporter" on their packaging infringed such exclusive rights.

The defendant responded such arguments by stating that the use of abstract colours/colour combinations could not be monopolized by any entity as otherwise would unlawfully impede competition; such use was fair and legal, thus could not be regarded as giving rise to unfair competition.

Upholding defendant's arguments the Commercial Court of First Instance rejected the case. Further to the appeal filed against the decision by the claimant, the Court of Appeals ("CoA") overruled first instance court's decision by stating that,

- It is correct that abstract colours/colour combinations cannot be protected through registered IP rights and be monopolized in that sense,
- Nevertheless, considering the recognition of the subject matter football club and its association with the colour combination at issue, in the present case, the marketing of the red-yellow face-paint mostly used by sports fans, with "the supporter" sign constituted an act in bad faith,
- Even though marketing of the red-yellow face-paint in a way that may not create an association with the football club could not be prevented, defendant's use in bad faith resulted in unfair competition.

The Court of First Instance resisted against CoA's decision and the case was referred to the Assembly of Civil Chambers of Court of Appeals ("the Supreme Court") for the final decision to be rendered.

By affirming that "the abstract colours can in no way be subjected to IP protection irrespective of being identified with a famous football club", it held that unfair competition

existed where terms like “supporter, football, sports club, champion etc” were used along with the colour-combinations as such, as it resulted in an association created with and parasitic benefit obtained from the commercial image of the club.

The Supreme Court explicitly stated in its decision that ‘the marketing of the product without “The Supporter” sign would not have given rise to unfair competition’.

The Supreme Court rules out abstract colours as trademarks in its decision and provides protection to abstract colours used as a way of commercial communication under specific circumstances under unfair competition law. The decision is important as it presents the Supreme Court’s interpretation of colour marks and forms a precedent which is generally followed by the courts of first instance for similar cases unless the interpretation of the law changes.

The Supreme Court’s rationale relies on the public interest in precluding monopolization of abstract colours that shall be open to everyone’s use thus the sake of free competition. Supreme Court’s interpretation differs from the European Court of Justice’s (“ECJ”), as in Europe the capability of colours to be registered and protected as trademarks are accepted in principle.

In ECJ’s landmark *Libertel*¹ case examining registrability of the colour orange as a trademark for telecommunication services, ECJ acknowledges limited inherent capacity for colours to function as a trademark, but nonetheless states that “it would not justify the conclusion that colours per se cannot, as a matter of principle, be considered to be capable of distinguishing the goods or services of one undertaking from those of other undertakings”.

The Court accepts that the abstract colours may not be inherently distinctive to function as a trademark however they can indeed be identified with undertakings or their goods/services through their extensive use for specific goods/services thus be capable of distinguishing them from others. Other factors like the originality of the tone of the colour would also be effective. In this respect, even though the public interest in precluding monopolization of abstract colors and distortion of competition shall always be an essential point, all factual circumstances must be taken into account while determining whether a colour/colour combination can be registered and/or protected as a trademark.

There may actually be cases where even though a colour is identified to some extent with an undertaking or its goods/services, providing an IP right on that colour may be regarded as

¹ Case C-104/01, *Libertel Groep BV v Benelux-Merkenbureau*

hindering competition. In a recent decision, US Southern District Court of New York² examined Christian Louboutin's claim against marketing of shoes with red outsole by Yves Saint Laurent, based on its "red sole"³ trademark registration. Louboutin presented before the Court that such red coloured outsoles were closely associated with Louboutin. The Court acknowledged that the red colour for outsoles has gained enough public recognition in the market and acquired distinctiveness in favor of Louboutin, still it was not proven that it was entitled to trademark protection. The fashion sector relied on colours and they were meant to provide aesthetical functionality to fashion goods rather than an indication of source. Therefore, allowing one brand or designer to appropriate red colour would hinder commerce, competition and art.

At this point, it is important to note that there aren't any provisions precluding registration of colours as trademarks in the Turkish trademark legislation. In the light of Turkey's long-standing candidacy for the EU membership and the legislative harmonization process the Turkish trademark legislation is in line with the Council Directive 89/104 and Community Trademark Regulation 40/94 purporting to almost a *verbatim* translation of these legal texts. Accordingly, under the Trademark Decree Law No. 556, just like the other signs, the colours have to consist of signs capable of being represented graphically and distinguishing goods/services of one undertaking from the other. Therefore, there is no valid legal ground to differentiate colour marks from others or to subject them to stricter registrability conditions. Further, it is Turkey's obligation to harmonize not only its legislation but also its implementation with the European practice by following the ECJ jurisprudence.

In this respect, Turkish Patent Institute ("TPI") which is the administrative authority to grant trademark, patent and design registrations in Turkey occasionally registers colour trademarks in Turkey, even without the requirement of proving acquired distinctiveness in case of abstract colour combinations, albeit the finding in the Supreme Court decision. A search of the official web site of TPI reveals that there are trademark registrations for abstract colours/colour combinations lacking any kind of form or contour. This shows that TPI does consider colours as signs that can be registered and protected as trademarks on the contrary of the interpretation of Supreme Court that abstract colour combinations cannot be subjected to intellectual property protection.

² United States District Court Southern District of New York 11. Civ 23 81 Christian Louboutin SA et al v Yves Saint Laurent America

³ The registration certificate contained a drawing of a red outsole on high heeled footwear along with its description.

In conclusion, it could be said that the protection of colour marks in Turkey is quite chaotic as in one hand the Supreme Court exclude colours from IP protection but merely provide unfair competition protection under certain circumstances and on the other hand trademark office registers abstract colours as trademarks. Nevertheless, the wide definition for unfair competition and the strong protection granted under the Turkish practice ensure that the colours are still protected to some extent.

Given the above, there are various to dos for the businesses that rely on color trademarks and aim to protect their trademarks in Turkey. The businesses that have not yet registered their color trademarks in Turkey may consider filing trademark applications and register their trademarks assuming that the current practice of Turkish Patent Institute does not change in the short term. The businesses that have color trademark registrations are recommended to regularly compile and archive as many as evidence with regard to enforcement and protection of their color trademarks in Turkey and throughout the world in order to be prepared against possible attacks in court actions by third parties based on the interpretation of protection of colours as marks by the Supreme Court.

February 2012

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