

New Draft Industrial Property Code unifies previous laws in single code

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On February 24 2016, the Turkish Patent Institute (TPI) produced the new Draft Industrial Property Code. It was circulated for a period of consultation which finished on March 4 2016. It is expected that the draft code will be sent to the Council of Ministers within the next few weeks. The authorities are hopeful that it will come into force before the end of the year.

In order to become a part of the Customs Union, Turkey had to harmonise its national IP laws with EU regulations. To this end, Turkey quickly brought into force decree laws relating to IP rights in 1995, since the procedure for introducing decree laws is less cumbersome and faster, and these have the power of law. However, these were never converted into laws and still remain as decree laws today.

Decree laws have always been a problematic issue in Turkish constitutional law. Indeed, the Turkish Constitutional Court cancelled some provisions of the IP decree laws that related to property rights which, according to Article 91 of the Turkish Constitution, cannot be regulated by decree laws, but should instead be regulated by law. In light of the cancelled provisions, the legislature integrated those provisions into the present decree laws rather than abolishing the decree laws and implementing new laws with regard to IP rights.

As stated in the general preamble of the draft code, in order to comply with recent developments in EU IP law, avoid the cancellation decisions of the Constitutional Court and render the relevant regulations clearer, more understandable and more systematic, a draft code was prepared relating to all industrial property rights (ie, trademarks, designs, patents and geographical indications). The draft code consists of five chapters and approximately 200 provisions. These provisions are mostly contained in the current legal texts and the revisions are made in line with the latest Draft Law 1/756. This article addresses the amendments regarding the trademark provisions and general provisions that can also apply to trademarks.

First, the draft code uses the term 'industrial property' – in fact, even the name of the code is the 'Industrial Property Code'. The use of the term 'intellectual property' is considered to be more comprehensive and in line with international trends. Therefore, this is one of the more important changes that should be implemented before the draft code is sent to the Council of Ministers.

The draft code also introduces the co-existence principle into Turkish trademark law. Accordingly, the TPI cannot *ex officio* refuse a trademark application if a notarised letter of consent from the senior trademark owner to the registration of the application is submitted to the TPI. This is an important change that can overcome the present *ex officio* refusal authority of the TPI under Article 7/1(b) of the decree law, which blocked the registration of many foreign trademarks. Although such *ex officio* refusal is not precluded, this is nevertheless a welcome revision.

During the opposition proceedings, if the applicant so requests and the trademark which constitutes grounds for opposition has been registered in Turkey at least five years before the application date of the opposed trademark, the TPI will demand evidence from the opponent to show genuine use of the trademark in Turkey or justified reasons for non-use. If the opponent cannot prove genuine use, the opposition will be refused. This amendment therefore enables the TPI to reject an opposition if the use of the opponent's trademark cannot be proved. It can also be cited as a defence in an infringement action.

The first version of the draft law shared by the TPI provided that if, within a period of five years following publication of registration, a trademark has not been put to use without justifiable reason for the registered goods or services, or use has been suspended for an uninterrupted period of five years, the trademark shall be repealed by the competent court. Following the consultation on the draft, a provision has been added to the draft law stating that the right to repeal a trademark on the grounds of non-use rests with the TPI. However, the enforcement date of this provision has been postponed for seven years. The other main amendments to draft code with regard to trademarks are as follows:

- The opposition term has been shortened to two months (from three months).
- Signs to be registered as trademarks - are regulated in the draft code as follows: "A trademark, 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 trademark 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 signs containing geographical indications cannot be registered as a trademark.
- The protection of well-known marks in line with the Paris Convention (which was recently cancelled by the Constitutional Court) has been re-introduced into the draft code as a relative ground for opposition and invalidation.
- Bad faith has been added as a separate ground for opposition and invalidation.
- The five-year period for filing a cancellation action has been regulated under a separate provision.
- The principle of exhaustion of Trademark Rights has been limited to the products (instead of trademarks) released to the market. The principle does not apply to a next-generation product before it has been released in Turkey.
- In contrast to the precedents of the Turkish Supreme Court, trademark, patent or design right holders cannot allege their registered right as a defence in the infringement action filed by a priority right holder. This means that having a registration does not necessarily mean that there has not been an infringement.

Having gathered all comments regarding the draft code, the TPI and the Ministry of Customs and Commerce - to which the TPI is attached - will evaluate the proposed amendments and decide whether to include any of them in the draft code. The draft code will then be sent to the Council of Ministers for consideration. It is expected that the draft code will be approved by the Council of Ministers and will greatly influence the development of IP law in Turkey.

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