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**USING EXCEPTIONS TO THE TERRITORIALITY
PRINCIPLE IN TURKISH TRADEMARK LAW TO
PROTECT FOREIGN TRADEMARKS NOT
REGISTERED OR USED IN TURKEY**

By Uğur Aktekin and Hande Hançer***

I. INTRODUCTION

The impact of intellectual property rights, in particular trademarks, on the global economy is significant because rapidly developing information technologies have transformed the world into a borderless environment. Trademarks have spurred a growing trust in brand recognition and loyalty among consumers that has, in parallel, propelled the growth in trademark value and the ensuing need for stronger trademark protection among trademark owners. Following the globalization of the world economy and the explosive growth in the development of information technologies, the current struggle of trademark owners to protect their trademarks is neither limited to their countries of origin nor the countries where they do business. Trademark owners must also embrace a worldwide strategy that includes countries where trademark owners have an imminent plan to do business or countries where trademark owners intend to focus their possible future plans. Today, as a result of the proliferation of Internet usage, it is possible that any event in any part of the world is heard around the globe within seconds and, in the same manner, it is now extremely easy for any trademark to become rapidly known virtually in every country in the world. This development in information transfer undoubtedly creates greater trouble for trademark owners in their fight against trademark squatters who liberally file trademark applications and often succeed in obtaining registrations.

Take the case where a company creates a trademark to use on its own goods and services, advertises this trademark, develops and establishes an economic value for it, makes plans to utilize it in another country, and begins investing in this plan but somehow discovers that a third party has already applied for or registered the trademark in this other country. Under these circumstances, is the company obligated to turn a blind eye to the fact that its own

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trademark is registered and in use by another entity in a market that it has not yet entered? Should this company allow the registration and use of its own trademark, which is the result of its intellectual and economic effort, by another person or company on the ground that trademark protection is deemed “territorial”? If the protection of intellectual property rights is strictly limited only to a territorial basis, the answer to this question is “yes.” But, in considering cross-border exploitation of the intellectual property rights, as well as the effective international cooperation among most jurisdictions with respect to the protection of the intellectual property rights, there are exceptions to this “territoriality principle.” The resulting exceptions free the trademark owner from an obligation based solely on territoriality principle to condone the unfair registration of its trademarks by different entities in a country.

This article examines the nature and scope of the exceptions to the territoriality principle under Turkish trademark law that provide protection to foreign trademarks registered abroad but not yet registered or used in Turkey, with a focus on case law.¹

II. THE TERRITORIALITY PRINCIPLE AND TURKISH TRADEMARK LAW

In general, the territoriality principle is a universal theory of public international law that embodies the idea that each sovereign state shall have the sole power to exercise jurisdiction within its own territory.² This principle also prevents a state from exercising its sovereign rights beyond its territory, unless allowed to do so under other principles accepted by public international law.

In the field of intellectual property, the territoriality principle has been the main theory with respect to the legal status of trademark rights and other intellectual property rights. Accordingly, the territoriality principle suggests that the exclusive protection granted through intellectual property rights in one state

1. The legal system of Turkey is a civil law system, and case law is not the major source of law. The main source of Turkish Trademark Law is the Decree-Law No. 556 Pertaining to the Protection of Trademarks, enacted in 1995. Case law, however, is an important tool for interpreting the rules codified under Decree-Law No. 556 and for allowing new concepts to emerge that are not expressly stated in Decree-Law No. 556 but implied by the *ratio legis*. In addition, unlike most common law systems, in Turkey, the courts do not follow the doctrine of *stare decisis*, i.e., the courts are not strictly bound by previous decisions or the previous decisions of the Highest Court, namely the Court of Appeals (except the decisions of the General Assembly of the Court of Appeals), but, traditionally, the decisions of courts tend to be consistent with the previous decisions of the Court of Appeals.

2. Kenneth C. Randall, *Recent Book on International Law: Book Review—Universal Jurisdiction: International and Municipal Legal Perspectives by Luc Reydamms (2003)*, 98 Am. J. Int'l L. 627 (2004).

can be solely exercised within the territory of that state and those rights do not automatically allow the owner of the intellectual property to exercise its exclusive rights in another state.

In this context, each state has the power to set the material and formal conditions for trademark protection within its borders, and an applicant for trademark ownership must fulfill these conditions. In exercising this power, each state must establish the necessary legal requirements for the protection of intellectual property rights and grant such protection only within its borders. This process establishes the fundamental principle that fulfilling a state's conditions will result in registered trademark status and afford the trademark owner legal protection within that state. However, the protection granted to the intellectual property owner in one state does not automatically ensure the protection of this intellectual property in another state.

A. The Emergence of the Territoriality Principle Under Turkish Trademark Law

The territoriality principle is also in effect under Turkish trademark law, and it is regulated in the Decree-Law Pertaining to the Protection of Trademarks Number 556 (Decree-Law No. 556).³ Accordingly, under Article 6 of Decree-Law No. 556, which states that "Protection for a trademark under this *Decree Law* is obtained by registration," it is explicitly set forth that in order for a trademark to be protected in Turkey, it must be registered in Turkey.

In Turkey, the territoriality principle has two manifestations. The first is that, as explained above, a trademark for which protection is sought in Turkey shall be registered before the Turkish Patent Institute⁴ (TPI) in accordance with Decree-Law No. 556. Therefore, in principle, a trademark that is not registered in Turkey shall not be protected.

The second manifestation is that the owner of a duly registered trademark in Turkey is the entity that is recorded in the trademark registry until the ownership of this entity is challenged successfully and the trademark is deleted from the register. This means that the registration of a trademark creates a

3. The Decree-Law No. 556 is an adaptation of the Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community trade mark (CTM), and most of the articles are the equivalents of the CTM regulation.

4. Founded on June 24, 1994, the TPI is the governmental institution responsible for registering national patents, trademarks, industrial designs, and geographical indications as well as integrated circuits. The TPI is an administrative body and under Turkish Trademark Law systems; oppositions to trademark applications are dealt with by the TPI through administrative proceedings. More information regarding the functions of the TPI in terms of trademark opposition can be found in INTA International Opposition Guide available at <http://www.inta.org/Oppositions/Pages/IOG.aspx>.

legal presumption with regard to the ownership of the trademark in question, regardless of whether or not the registration is rightful. This legal presumption also applies to trademark applications that have not yet been registered. Although trademark applications do not guarantee the protections of registered trademarks, the owner of the trademark application enjoys the presumption that he has the right to apply for this trademark.

In conclusion, pursuant to the territoriality principle, only registered trademarks enjoy protection under the rules of Decree-Law No. 556, and the protection stays in effect until a registered trademark is deleted from the register either with the consent of the owner or after a court ruling.

B. Is the Territoriality Principle a Total Ban on the Protection of Foreign Trademarks Under Turkish Trademark Law?

At first consideration, the territoriality principle does not seem very favorable for trademark owners who have neither used nor registered their trademark in Turkey but own trademark registrations abroad.

Indeed, in cases where the foreign trademark in question has been registered in the name of a third party in Turkey, the territoriality principle gives priority to the registered trademark. Accordingly, the genuine owner of this foreign trademark is not allowed to register its trademark in Turkey because Decree-Law No. 556 does not allow the registration of identical or indistinguishably similar trademarks for identical or similar types of goods or services in the name of two different entities.⁵

The scenario could worsen if the use of a registered trademark could not be prevented according to the established precedents of the Turkish Court of Appeals (the TCA).⁶ The TCA has ruled in a

5. The existence of a senior trademark registration or trademark application is an absolute ground for refusal before the TPI. In this regard, where there exists an identical or indistinguishably similar trademark registration or trademark application with an earlier date of filing for an identical or the same type of goods or services, the owner of the foreign trademark will not be entitled to have its own trademark registered before the TPI, because co-existence is not permitted as a result of public order concerns, even in the case where a letter of consent is obtained from the proprietor of the senior trademark. The rule derives from Article 7/1(b) of Decree-Law No. 556 ruling that “trademarks identical or indistinguishably similar with a trademark registered earlier or with an earlier filing date for registration in respect of an identical or same type of goods or services” shall not be registered.

6. The Court of Appeals (known as Yargıtay in Turkish) is the Highest Court in Turkish Judicial System, for civil and criminal law matters. In Turkey there are only two different levels of courts, the local courts and the Court of Appeals. Local courts are specialized depending on the subject matter of the conflict, but in principle there is no hierarchy between different local courts. The Court of Appeals has also different chambers (21st Civil Chamber and 11th Criminal Chamber), each of which specializes in a different

number of cases that use of a registered trademark, whether authorized or unauthorized, does not constitute trademark infringement, and, accordingly, that the infringing use cannot be prevented unless the trademark registration is cancelled and deleted from the register.

In this context, from a narrow approach, the territoriality principle suggests that if a foreign trademark is registered in the name of a third party in Turkey without the authorization of the genuine owner of this trademark (in our example this would be the rightful owner of the foreign trademark who neither registered nor used the trademark in Turkey), this third-party entity will enjoy the priority and the exclusive rights granted to this trademark, whereas the genuine owner of the foreign trademark will not be allowed to register and/or use its own trademark in Turkey.

Fortunately, the territoriality principle does not have such a narrow and strict application, and Turkish Trademark Law provides exceptions to protect the rights of the genuine owner of a foreign trademark provided that certain conditions exist, which have been established by the TCA's precedent in its interpretation of the existing rules of Decree-Law No. 556.

Indeed, when there is an unauthorized registration or trademark application in Turkey for the foreign trademark, as an initial step, the genuine owner of the foreign trademark has to prove that it has a prior right to the trademark. To substantiate the foreign trademark owner's prior right, the foreign trademark owner has the burden of refuting the legal presumption arising as a result of the registration. The foreign trademark owner must file a cancellation action against the registered trademark⁷ and file an opposition⁸ proceeding against a pending application.

In the following parts we discuss these exceptions, namely the legal grounds on which the owner of a foreign trademark can bring a cancellation action or file an opposition against the unauthorized registration/application in Turkey.⁹

matter; however, again, there is no hierarchy between these chambers. As far as the trademark law matters are concerned, there are specialized local intellectual property (IP) courts, and the appeals of the decisions of these courts are dealt by the 11th Chamber of the Court of Appeals. Accordingly in this article, unless stated otherwise, the "Court of Appeals" refers to the 11th Chamber of the Court of Appeals.

7. Under Turkish Trademark Law, the TPI does not hear the cancellation proceedings. The cancellation proceedings are not administrative proceedings and should be initiated before the specialized IP Courts or other competent civil courts in the absence of IP courts in a given province. Currently there are 12 specialized IP Courts in total, in Istanbul, Ankara, and Izmir. There is no hierarchy between different IP Courts and they are all courts of first instance. The decisions of these courts are appealed before the Court of Appeals. *See supra* note 6.

8. The opposition proceedings are administrative proceedings and are handled by the TPI.

9. Under Turkish Trademark Law, the legal grounds are almost the same for both cancellation actions and oppositions.

III. EXCEPTIONS TO THE TERRITORIALITY PRINCIPLE

The most commonly seen exceptions to the territoriality principle are the rights granted to the “person who creates and uses the trademark for the first time” within the scope of the principle of “Genuine Right of Ownership” envisioned in Article 8/3 of Decree-Law No. 556 and the “well-known trademarks set forth in Article 6*bis* Section (1) of the Paris Convention,” which is implemented by Article 7/1(i) of Decree-Law No. 556. It should also be noted that Article 3¹⁰ of Decree-Law No. 556 mandates that the member countries of the Paris Convention (Paris Convention for the Protection of Industrial Property)¹¹ enjoy the same protection granted to Turkish nationals.

Another exception is granted for trade names, in particular when the trademark is also the distinctive core of the trade name of the genuine trademark owner. Trade names can be the basis of an opposition. Similarly, when the trademark is a personal name or the name of a copyrighted work, it is protected under the scope of Article 8/5 of the Decree-Law without any requirement for registration in Turkey, and the owner of such a trademark or a copyrighted work may seek to cancel a third-party registration under this law.

Also, if a trademark is registered by the commercial agent or representative of the trademark owner without the permission or consent of the trademark owner and without any other justification, the trademark owner is protected and entitled to cancellation of the registration pursuant to Article 8/2 of the Decree-Law.

Finally, the most important exception relates to bad faith, which is a ground for opposition pursuant to Article 35 of the Decree-Law and also introduced as a *per se* ground for cancellation by the General Civil Assembly of the Court of Appeals (GCA)¹² in

10. Article 3 of Decree-Law No. 556 states that “the protection conferred by this law is available to natural and legal persons who are domiciled or who have industrial or commercial establishments within the territory of the Turkish Republic, or to the persons who have application rights resulting from the terms of the Paris or Bern Conventions or the Agreement Establishing World Trade Organisation.”

11. Turkey became party to the Paris Convention in 1925, adopted The Hague text of the Paris Convention in 1930, approved the London text in 1957, accepted the Stockholm text of the Agreement in 1975 by reserving Articles 1-12, and in 1994 abrogated these reservations with the 94/5093-numbered Council of Ministers decision and accepted the Stockholm text in its entirety.

12. The General Civil Assembly of the Court of Appeals is composed of the Presidents of each Civil Chamber and, in general, intervenes in the event of an inconsistency between the decision of the court of first instance and the relevant chamber of the Court of Appeals. When a decision of the court of first instance is overruled by the Court of Appeals, the court of first instance has the right to either abide by the overruling grounds of the Court of Appeals or to insist on its former decision. If the court of first instance decides to abide by the overruling decision of the Court of Appeals, the court starts a new trial and examines

its RG 512 decision¹³ of 2008.

***A. The Protection of the Foreign Trademark Owner
Within the Scope of the “Genuine Right of Ownership”
Principle***

The “genuine right of ownership” principle is an exception to the “first to register” principle. This means that although the rights to a trademark are acquired through registration under Article 6 of Decree-Law No. 556, this principle stands for the idea that the genuine owner of a trademark is in fact the one who created and used the trademark for the first time and made the trademark known to the relevant sector of the public.

This principle is regulated under Article 8/3 of Decree-Law No. 556¹⁴ and confers to the nonregistered owner of a trademark the right to prevent the registration of identical or indistinguishably similar versions of trademark. In other words, the genuine right of ownership principle ensures that the prior rights of the entity that first created and genuinely used the trademark prevail against the “registration.”

This principle has also been the basic exception to the territoriality principle, although the force with which it can be applied has been somewhat lessened by recent decisions of the TCA, which require use of the foreign trademark in Turkey (albeit at a minimum level). Nevertheless, this principle provides the basis for all exceptions to the territoriality principle, because the foreign trademark owner should first prove prior rights in a trademark in order to refute the legal presumption arising as a

the material facts following the decision of the Court of Appeals. If, however, the court of first instance insists on its former decision, then the file is sent to the General Civil Assembly of the Court of Appeals and the final ruling on the matter is made by the General Assembly.

The ruling of the General Assembly is final and binding for the relevant local court as well as the relevant chamber of the Court of Appeals. However, it should also be noted that the binding power of the decision of the General Assembly is applied only to the case that had been handed over to the General Assembly. This means that it is not obligatory that all local court and the relevant chambers of the Court of Appeals shall follow the principles set forth by the General Assembly in one case for all the other similar cases. Nevertheless, it is a tradition to follow such principles as long as they fit the circumstances of another case.

13. GCA Decision No. 2008/11–501 E. 2008/507 K. dated 16.7.2008.

14. Paragraph 3 of Article 8 of Decree-Law No. 556, which regulates the “Relative Grounds of Refusal” are as follows:

Upon opposition by the owner of a non-registered trademark or of another sign used in the course of trade, the trademark applied for shall not be registered provided that:

- a) the rights to the sign were acquired prior to the date of filing for registration of the trademark, or the date of priority claimed for the application for registration,
- b) the sign confers on its owner the right to prohibit the use of a subsequent trademark.

result of an unauthorized registration or application with the TPI and then argue in combination with other grounds.

1. The Conditions Necessary to Establish the Genuine Right of Ownership in a Trademark

Article 8/3 of Decree-Law No. 556 outlines two conditions that establish the genuine right of ownership in a trademark. These are: (i) the trademark shall be created and used for the first time by the opposer/plaintiff in commerce (priority), and (ii) as a result of this use in commerce; the trademark shall gain notoriety among consumers (genuine use).

The conditions set forth in Article 8/3 have been explored and developed by case law and doctrine. Although there is consensus on the implementation of these two conditions, namely that (1) there is a prior, real commercial use of the mark, and that as a result, (2) the mark has gained “notoriety” within the market, since 2006 there has appeared an uncertainty with regard to whether prior commercial use must take place in Turkey. These two conditions are explained below with a focus on case law and doctrine, addressing the latest discussions with regard to the requirement of use in Turkey.

a. Priority on the Basis of Creation and First Use of the Trademark

The first condition to be fulfilled is to prove the prior rights against the registration and/or trademark application. The plaintiff and/or the opposer should first be able to prove the fact that he created and used the trademark for the first time in connection with the goods and/or services of the trademark or the trademark application of the third party that is challenged.

When a foreign trademark is at issue, the same principles apply. Accordingly, the genuine right owner of the foreign trademark should prove that the trademark had been created and used before the unauthorized registration and/or application was filed in Turkey.

The very first case to address the genuine right of ownership principle is the 1999 *DOLCE VITA* decision of the TCA.¹⁵ In this decision the TCA accepted as fact that the genuine right of ownership belonged to the plaintiff, even though the plaintiff had not registered the trademark in Turkey. However, the plaintiff's earliest registration dated back to 1978 in Spain, and was followed by subsequent registrations in 22 countries. Considering the fact that the plaintiff had also used and promoted the trademark in various countries (except Turkey), the court held that the

15. TCA, Decision No. 1998/1734 E. 1998/5156 K. dated 6.7.1999.

applicant's registration in Turkey should be cancelled because of the prior and genuine rights of the plaintiff.

In the *DOLCE VITA* case, the TCA granted the foreign trademark owner strong protection for its trademark, despite its failure to have registered first in Turkey. The decision also established a basic principle, adopted long ago by the local courts, which the TCA described as follows:

Both Swiss and Turkish trademark laws are based on three essential principles regarding the acquisition and the protection of the trademark rights. The priority right to the trademark belongs to the person who created, used and made it known. This person is entitled to the status of "genuine right owner," and the registration of his trademark only has [an] explanatory effect. On the other hand, the registration in the name of a person who did not create the trademark but filed for registration has [a] constitutive effect. This constitutive effect continues until the genuine right owner files a cancellation action. [This is] because the genuine right of ownership does not provide a second independent and *several right*. It is accepted that the genuine right owner of the trademark is entitled to demand the cancellation of the subsequently registered trademark in the name of a person who somehow managed to obtain the registration of the identical or indistinguishably similar version of his trademark.

The TCA followed the same approach in the *ALVORADO*¹⁶ case. The plaintiff, owner of the *ALVORADA* trademark registered abroad for teas, sued for the cancellation of the national trademark *ALVORADO*, which was registered for the same goods. The local court, namely the Istanbul IP Court, rejected the claims of the plaintiff, concluding that the plaintiff had never used the trademark in Turkey whereas the defendant had invested in the trademark and used the name within the territory of Turkey.¹⁷ On the claimant's appeal to the TCA, the TCA overruled the decision of the local court using the same principles applied in the *DOLCE VITA* case. The court ruled that the plaintiff created the trademark and registered the same in more than 15 member countries of the Paris Convention well before the defendant had registered the trademark in Turkey, and therefore, the genuine right of the plaintiff in the trademark was protected.

In the *CYRILUSS*¹⁸ decision, the TCA again ruled that although the plaintiff had never registered the trademark *CYRILUSS* in Turkey, the trademark was registered in the name of the plaintiff in France and had been used by the plaintiff since

16. TCA, Decision No. 2001/9903 E, 2002/3699 K. dated 19.04.2002.

17. Istanbul IP Court, Decision No. 2001/283 E., 2001/475 K. dated 6.2001.

18. TCA, Decision No. 2002/2411 E. 2002/5314 K. dated 28.5.2002.

1995. Therefore, it ruled that the registration obtained for the same trademark in Turkey by the defendant should be cancelled.

The TPI has followed the same approach in opposition proceedings as well. In the SAN FRANCISCO COFFEE COMPANY decision,¹⁹ the Trademarks Department Directorate (TDD) accepted the prior rights of the opposer, although the opposer did not have a senior registration or prior use in Turkey. In this case, the TDD, while accepting the opposer's genuine rights, determined that the opposer created the trademark long before the date of the applicant's trademark application and had registered the trademark and had extensively used it in Germany. The TDD also found the trademark SAN FRANCISCO COFFEE COMPANY to have been an arbitrary, artificial word combination that could not have been chosen by the applicant as a mere coincidence and therefore rejected the trademark application for infringing the prior rights of the opposer.

Various decisions of the TPI have followed the same approach, and two recent decisions of the TPI demonstrate that the holder of genuine and prior rights has a strong chance of success in defeating the unauthorized application, particularly when the trademark in question is an arbitrary and highly distinctive trademark. In the AUSTIN POWDER decision,²⁰ the opposer filed based on its rights to the AUSTIN trademark which, although never registered or used in Turkey, was registered in the name of the opposer in many countries in the European Union, as well as in the United States. The TDD noted that the distinctive element of the trademark application was AUSTIN, and the opposer sufficiently proved its prior rights to the AUSTIN trademark by providing evidence of the earlier registrations obtained in different jurisdictions. Accordingly, the TDD concluded that the applicant did not coincidentally choose the trademark and was aware of the earlier rights of the opposer. Similarly, in the SHOCKSTAR²¹ decision, the TDD opined the opposer to have sufficiently proven the earlier rights to the SHOCKSTAR trademark by demonstrating the prior registrations obtained in the United States, Brazil, Canada, Chile, and Guatemala; the trademark application filed by the counterparty for the SHOCKSTAR trademark covering the same goods was rejected.

19. TDD, Decision No. 2007-O-254606 dated 02.08.2007. (The decision was not appealed by the applicant and became definitive and binding.) All TPI decisions referenced in this article are final decisions that were not appealed by the applicants.

20. TDD, Decision No. 2010 – O-80205 dated 04.03.2010.

21. TDD, Decision No. 2010 – O-107834 dated 25.03.2010.

b. Trademark Notoriety from Extensive Use

The second condition in Article 8/3 requires that a certain degree of notoriety be attached to the trademark in question in order for the opposer/plaintiff to claim genuine rights in the trademark. The reasoning behind this condition is to ensure the balance of interest between the entity that first created the trademark and the entity that registered or filed an application for the trademark. An entity may create a trademark, but if the trademark has never been used by this entity (or by other entities under the authorization of the owner-creator), then this entity should not be entitled to claim any genuine rights in the trademark. Unlike copyrightable works, the trademark is strictly linked to the commercial exploitation of the trademark in relation to its goods and services.

Accordingly, in order to claim genuine rights in a trademark, the trademark must be used in the market to the extent that it gains a certain level of notoriety. However, the “attributing notoriety” need not extend to the level of creating a well-known trademark. It is sufficient that the trademark be known even in a limited environment. Consequently, in the case that the owner of the unregistered trademark endeavors to advertise this trademark in the relevant sector and carries it to a certain level of recognition, this use should be deemed sufficient, and to have fulfilled the condition of notoriety.²²

In the CYRILUSS²³ decision, the TCA expressly stated that Article 8/3 of Decree-Law No. 556 aims to protect the entity that obtained the unregistered rights in the trademark and provides priority to the unregistered owner of the trademark even if the trademark did not reach the level of a well-known trademark.

c. The Foreign Trademark Should Be Used in Turkey

As explained above, while the genuine right of ownership principle essentially stands contrary to the first-to-register principle, it has also been the basic exception to the territoriality principle as member countries of the Paris Convention should enjoy the same protection granted to Turkish nationals that is mandated by Article 3 of Decree-Law No. 556.

22. This concept is explained as follows: “The notoriety that gives birth to trademark rights by way of first time use and on which Article 8/III is therefore based, means that the good on which the trademark is used becomes known to the consumers that it appeals [to] and [it] also means that it is known in a certain place, area or market. In this case, notoriety or [a] well known state limited to a certain environment is in question.” Sami Karahan, *The Condition of Notoriety in the Protection of the Non-Registered Trademark*, 4 FMR 2 (2004).

23. TCA, Decision No. 2002/2411 E. 2002/5314 K. dated 28.5.2002.

The TCA has long accepted that the genuine right of ownership principle is not limited on a territorial basis. Indeed, as seen in the DOLCE VITA, ALVORADO, and CYRILUSS decisions, the TCA did not seek proof of use of the foreign trademark in Turkey as a condition to establish the genuine rights of the owner of the foreign trademark who created and first used the trademark in other jurisdictions.

In the GRINICCI²⁴ decision, the TCA found trademark registration in Korea sufficient to establish the trademark owner's genuine rights in Turkey. In this decision, the TCA ruled that because the plaintiff's trademark was registered in Korea, a signatory to the Paris Convention, prior to the date of protection of the defendant's trademark, the plaintiff's trademark was protected by Article 3 of Decree-Law No. 556 in Turkey. The TCA's decision advised that the protection provided under Article 8/3 of Decree-Law No. 556 is not only applicable to the trademarks that are *de facto* created, used, and made known in Turkey, but also to the trademarks not registered in Turkey but in other countries that are parties to the international agreements to which Turkey is also a party.

However, a number of academic authors led by Professor Sami Karahan, Ph.D.,²⁵ have criticized the TCA's approach in the GRINICCI decision. They argue that the protection provided under Article 8/3 does not cover foreign trademarks that have never been used in Turkey and have not acquired "well-known" status. According to these authors, if it is accepted that the registration of a trademark in one country is sufficient to claim genuine right of ownership in another country, then this understanding will lead to the conclusion that a single registration in one country provides protection in every country, and this will rule out the territoriality principle in its entirety. These authors recommend that a foreign trademark that has never been registered in Turkey enjoy protection only if it has at least been used in Turkey.

In view of the facts that Article 8/3 cannot be construed to impose any conditions under which the prior use must have taken place in Turkey and that Article 3 requires that the protection conferred by Decree-Law No. 556 be available to natural and legal persons who are the nationals of those countries that are members of the Paris Convention, the argument advanced by these authors does not seem substantiated.

However, this approach has already influenced the TCA in recent decisions where it sought evidence of use of the foreign trademark in Turkey. Indeed, starting in 2006, the TCA raised a principle that envisioned prior use taking place in Turkey in order

24. TCA, Decision No. 1998/5372 E. and 1999/256 K. dated 29.09.1999.

25. KARAHAN, Sami, Tescilsiz Markaların Korunmasında Marufiyet (Bilinirlik) Şartı, FMR, C.4, S.2004/2, Yıl 4.

for a foreign trademark that is not registered in Turkey to benefit from the genuine right of ownership principle. For instance, the THERMOFLEX decision²⁶ appears to depart from the TCA's earlier and recurring precedents with the following statement: "The Court shall grant a period to the plaintiff party in which to submit their evidence regarding whether the plaintiff company operates in Turkey or not[,] and if they are known with their trade names and based on Article 8 of the Paris Convention and Article 8/3-5 of the Decree-Law No. 556 the Court shall evaluate if the plaintiff company is entitled to demand the cancellation of the trademark of the defendant."

This "new" approach of the TCA has resulted in inconsistent application of the genuine right of ownership principle among the local courts and the TPI. For instance, after the THERMOFLEX decision, a local court hearing a pending action requested that the plaintiff submit evidence supporting whether or not its unregistered trademark in Turkey was being used in Turkey, and only after considering the obvious bad faith of the defendant did the court rule on the cancellation of the trademark.²⁷

On the other hand, some local courts still follow the older precedent of the TCA and have introduced new interpretations to the nonterritoriality aspect of the genuine right of ownership principle. In this respect, one of the local courts, namely Bakırkoy IP Court, ruled in the CSC²⁸ decision that the genuine rightful owner of a trademark is the entity that used it for the first time. In addition, this principle is not territorial, but rather *business related*. In other words, the local court suggested that the genuine rightful owner of a trademark is the entity who created and first used the trademark in a given business field in any jurisdiction.

In opposition proceedings, the TPI has also followed a different path for some time, despite various prior decisions that have favored genuine rightful owners. Indeed, while the TDD did not seek proof in support of the use requirement in Turkey in its 2007 SAN FRANCISCO COFFEE COMPANY decision, two years later in the NOBU decision,²⁹ the TDD sought evidence to satisfy the principle of "being used as a trademark in Turkey." Despite the fact that the opposer fairly proved that the NOBU trademark was the name of a famous restaurant, the TDD rejected the opposition based on the grounds that the opposer failed to prove prior use of the trademark in Turkey before the filing date of the application at issue. The decision was appealed before the Re-Examination and

26. GCA, Decision No. 2006/10250 E. 2006/12614 K. dated 01.12.2006.

27. Istanbul 1st IP Court, Decision No. 2006/31 E. and 2009/128 K. dated 09.06.2009.

28. Bakırkoy IP Court, Decision No. 2008/99 E. 2009/71 K. dated 26.05.2009. The decision has not become final as the defendant filed an appeal before the TCA and for this reason the names of the parties and the trademarks are kept confidential.

29. TDD, Decision No. 2009-O-109620 dated 30.03.2009.

Evaluation Board (REB) of the TPI, and in its 2009 decision³⁰ the REB accepted that the registrations of the NOBU trademark in the United States and European Union in the name of the opposer should be sufficient to establish the genuine rights in Turkey as well, even if the opposer had never used the trademark in Turkey. The REB also considered NOBU to be highly original and distinctive, and found that the applicant who operated in the same business would have been acquainted with the opposer's trademark.

The influence of the THERMOFLEX decision extends to the very recent EXCEL decision,³¹ in which the TCA overruled the local court,³² reasoning that although the local court had granted the prior rights to the plaintiff, it failed to obtain evidence as to whether the trademark had gained priority through extensive use in Turkey. Indeed, the local court³³ had followed the older precedential decisions of the TCA and ruled that the plaintiff sufficiently proved its genuine rights in the EXCEL trademark, as it had registered the trademark at WIPO in 2001 and used the trademark in many different jurisdictions. However, the TCA ruled that the plaintiff should have proven that he gained priority in the EXCEL trademark in Turkey through extensive use, because the foreign registrations as well as the use of the trademark in different jurisdictions was not sufficient to claim genuine rights in the trademark.

The change in the precedent followed by the TCA that affected foreign trademark owners in a negative way has been restored to a certain extent to that of the 2008 decision³⁴ and followed by the GCA, which accepted the existence of "bad faith" as a per se basis for cancellation. Accordingly, as grounds for cancellation in cases where bad faith is apparent, neither the courts nor the TPI require use of a trademark by the genuine right holder of a trademark. However, in some instances, it may be more difficult to establish evidence of bad faith, as compared with establishing the genuine rights of the trademark holder, and thus succeed.

B. Protection Provided to the Owners of Well-Known Trademarks Within the Meaning of the Paris Convention

The protection granted to well-known trademarks has been one of the major exceptions to the territoriality principle. Indeed,

30. REB, Decision No. 2009-M-4286 dated 2.09.2009.

31. TCA, Decision No. 2009/3298 E. 2010/9702 K. dated 04.10.2010.

32. Istanbul 3rd IP Court, Decision No. 2006/538 E. 2008/322 K. dated 29.12.2008.

33. Istanbul 3rd IP Court, Decision No. 2006/538 E. 2008/322 K. dated 29.12.2008.

34. See *infra*, Parts III.D.2. through III.F.

Article 7/1(i) of Decree-Law No. 556 sets forth that “well-known marks according to Article 6*bis* of the Paris Convention,³⁵ use of which are not permitted by their owners,” cannot be registered, and it accepts this situation as an absolute ground of refusal.

Accordingly, even if a “well-known” trademark is not registered in Turkey, the owner of the trademark may oppose or seek the cancellation of the same or an indistinguishably or confusingly similar version of the trademark if registered or a pending application in Turkey in the name of a third party.³⁶ If that registration or application for registration has occurred without the authorization of the genuine owner of the well-known trademark, the owner of the well-known trademark is entitled to demand the cancellation of the other trademark.

Within the framework of Article 6*bis* Section (1) of the Paris Convention and Article 7/1(i) of Decree-Law No. 556, which refers to the former article of the Paris Convention, the protection granted to well-known trademarks extends to unauthorized registrations and/or applications covering the same and/or identical goods and/or services. However, it is not clear how the well-known trademark will be protected within the context of the Paris Convention with regard to different goods and services.

1. “Well-Known Trademark Within the Meaning of the Paris Convention”

It is accepted that the notion of a “well-known trademark” within the meaning of the Paris Convention is different from the

35. Article 6*bis* Section (1) of the Paris Convention is as follows: “The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.”

36. Paragraph (i) of Article 7 of the Decree-Law No. 556 regulating the absolute grounds of refusal in trademark registration is as follows:

[The f]ollowing signs shall not be registered as a trademark:

...

i) well known marks according to Article 6*bis* of the Paris Convention, use of which are not permitted by their owners,

...

Accordingly, as per Article 6*bis* Section (1) of the Paris Convention, the attempt to register the same of a well-known trademark constitutes fundamentally an absolute ground of refusal and it shall be taken into consideration during the first examination performed within the framework of absolute grounds of refusal. However, in practice, because it is not always possible for the TPI to decide on its own which trademark is “well-known according to Article 6*bis* Section (1) of the Paris Convention” the mentioned absolute ground of refusal can be applied solely with regard to globally Well Known trademarks by the TPI.

notion of a trademark known worldwide or a “famous trademark.” Although no certain definition exists, a number of authors, led by Professors Dr. Sabih Arkan and Dr. Ünal Tekinalp, define “well-known trademarks” within the meaning of the Paris Convention as “trademarks known by the relevant parts of public in the country and abroad, belonging to citizens or habitants or the owners of commercial or industrial enterprises of one of the member states of the Paris Convention.”³⁷

Professor Dr. Sabih Arkan takes a further step in this definition and suggests that it is sufficient that the trademark be known by the public pertinent to the good(s)/service(s) in question in the country where the protection is sought, in order for the trademark to be accepted as well-known under the Paris Convention.³⁸ According to Professor Dr. Sabih Arkan, the “public” is “not the government authority to which the registration demand is directed to be acquainted with the well-known status of the trademark, but the relevant part of the public that knows the trademark in question.”³⁹

In terms of the use requirement, Professors Dr. Unal Tekinalp and Dr. Sabih Arkan defend the view that in order to grant protection in Turkey to a well-known trademark under the Paris Convention, its use in Turkey is not required. Therefore, there is a consensus among TCA decisions that within the meaning of the Paris Convention, it is sufficient for a trademark “to be known in the relevant business field” in order to be accepted as a “well-known trademark” even if the trademark has never been used in Turkey.⁴⁰

The very first case of the TCA that dealt with the protection of well-known trademarks in Turkey was the 2000 COCKPIT-KOKPIT decision.⁴¹ It stemmed from a cancellation action filed before the local court, Istanbul 2nd Commercial Court.⁴² In these proceedings, the plaintiff claimed that he created the THE COCKPIT trademark in 1980, he registered it in 39 countries, and the trademark acquired well-known status. Basing his rights on

37. Ünal TEKİNALP; Intellectual Property Law, İstanbul 1999, p. 379.

38. Sabih ARKAN, I Trademark Law, Ankara (1997). In the same direction, see Hanife DİRİKKAN, *Protection of the Well Known Trademark*, Ankara 53-54 (2003).

39. Sabih ARKAN, *Protection of the Foreign Trademarks in Turkey*, XX Batider 8 (1999).

40. DİRİKKAN, *supra* note 38, at 51 (“The objective of the Paris Convention is to prohibit that unfair advantage is gained from a trademark well known in one country within that country or in others (. . .) It is not acceptable in international commerce that the person who registered a trademark be well known in one country or in more without any requirement for it to be protected.”).

41. TCA, Decision No. 2000/5902 E. and 2000/5459 K. dated 23.6.2000.

42. Istanbul 2nd Commercial Court, Decision No. 1997/634 E. 1999/217 K. dated 4.3.1999. Before the establishment of the specialized IP Courts, the cancellation proceedings were dealt with by the Commercial Courts.

the well-known status of THE COCKPIT trademark, the plaintiff asked for the cancellation of the defendant's KOKPIT trademark. The local court rejected the plaintiff's claims, because the plaintiff failed to prove that its trademark had been used in Turkey and had acquired well-known status in Turkey. On appeal, the TCA initially approved the decision of the local court. However, following an application for a revision of the decision, the TCA overruled the local court.⁴³ In this very famous decision, the TCA ruled that the plaintiff sufficiently proved that the trademark THE COCKPIT was registered in many countries, such as the United States, Germany, Canada, Japan, Romania, Austria, Holland, Denmark, Greece, Hungary, England, Poland, Norway, and Morocco, and, therefore, the local court had accepted that the trademark had acquired well-known status in many countries throughout the world. In explaining its grounds for overruling the local court, the TCA found that it would always be possible for the plaintiff to start importation of the covered goods into Turkey, even if the plaintiff's trademark was not well-known in Turkey as a result of no prior use of the trademark in Turkey. For this reason, it would be contrary to the principle of good faith to allow the registration of an identical trademark in Turkey.

In the same vein, in the ROCCO BAROCCO decision,⁴⁴ the TCA accepted that a trademark registered in one of the countries belonging to the Paris Convention and having acquired well-known status in that country would be protected in Turkey even if the trademark had never been used in Turkey.

Further, in the LECCE PEN decision,⁴⁵ the GCA expressly stated that well-known trademarks, pursuant to Article 6*bis* Section (1) of the Paris Convention, are superior to registered trademarks in Turkey, even if they are not registered in Turkey. Although the GCA ruled against the plaintiff, after its examination of the material facts, its ruling was based on a technical flaw in the evidence—specifically, the plaintiff was unable to prove the well-known status of the trademark prior to the protection date of the Turkish trademark. The principles applied in this decision confirm the position of Turkish trademark law with regard to well-known trademarks that are not registered in Turkey.

In order to assess the well-known status of a trademark, the Turkish courts, either local or high courts, typically apply the principles set forth by the Joint Recommendation of WIPO

43. There are two appeal stages before the TCA. In the first stage, the relevant chamber of the TCA examines the decision of the local court and makes a decision. This decision of the relevant chamber is subject to a second appeal, which is called an application for the review of the decision, because the same chamber reviews its former decision considering the objections of the appellant.

44. TCA, Decision No. 1999/9678 E. 2000/3001 K. dated 13.4.2000.

45. GCA, Decision No. 2003/11-578 E. 2003/703 K. dated 19.11.2003.

Concerning Provisions on the Protection of Well-Known Marks.⁴⁶ Accordingly, as set forth in Article 2 of the Joint Recommendation, the following factors are considered:

the degree of knowledge or recognition of the mark in the relevant sector of the public; the duration, extent and geographical area of any use of the mark; the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; the duration and geographical area of any registrations, and/or any applications for registration of the mark, to the extent that they reflect use or recognition of the mark; the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent authorities; the value associated with the mark.

The TPI has also prepared a set of criteria composed of 14 articles that should be considered when assessing the well-known status of the trademark at issue. For the most part, these 14 articles have been accepted in the guidelines provided by WIPO Joint Recommendation.⁴⁷

As it is not possible to demonstrate all these factors in a given fact pattern, these guidelines are intended to help the courts in

46. Joint Recommendation adopted by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) of WIPO as guidelines for the protection for well-known marks. The text can be found at http://www.wipo.int/about-ip/en/development_iplaw/pub833-toc.htm.

47. Although the criteria set forth by the TPI is rather long and detailed, it is not required that all criteria be met in a given case. The main requirements can be listed as follows:

- History giving information about the background, size, employees, capital, interest, branches, and offices of the trademark proprietor.
- The list indicating the worldwide registrations and applications for the trademark.
- Copies of the documents indicating sales volumes, turnover, and promotional/advertisement expenses for the last five years in connection with the trademark.
- Advertisement materials, namely, brochures, catalogues, copies of TV, radio, and printed advertisements for the goods and/or services performed under the trademark.
- Copies of the newspaper and magazine articles regarding the goods and/or services performed under the trademark.
- The court/administrative decisions from several countries if any, establishing the well-known status of the trademark. The court/administrative decisions if any, given for the purpose of the infringement to the said trademark.
- The rewards granted to the trademark proprietor by the independent authorities in connection with the goods and/or services performed under the trademark.
- Copies of the public opinion polls/listings regarding the awareness of the trademark.

evaluating the well-known status of a trademark. In both the COCKPIT-KOKPIT and ROCCO BAROCCO decisions, the TCA found the number of worldwide registrations to be sufficient to support the well-known status of the respective trademarks and concluded that it would not be fair to allow the registrations of identical trademarks in Turkey. Similarly, in the KILLER LOOP⁴⁸ decision, the TCA considered the evidence filed by the plaintiff, namely, the registrations in different countries, as well as documents regarding the use of the trademarks in many jurisdictions, as the material parameters for establishing the well-known trademarks.

Again following the guidelines of the WIPO Joint Recommendation, it is also accepted under Turkish trademark practice that to be deemed as having “well-known” status, a trademark need not be well known by the public at large in the member state; it is sufficient that the trademark be known in the relevant sectors of the public. According to Article 2/2 of the Joint Recommendation, the relevant sectors of the public include: “(i) actual and/or potential consumers of the type of goods and/or services to which the mark applies; (ii) persons involved in channels of distribution of the type of goods and/or services to which the mark applies; (iii) business circles dealing with the type of goods and/or services to which the mark applies.”

Therefore, it would be fair to state that under Turkish trademark law, the phrase “well-known trademark within the meaning of [the] Paris Convention” is used to refer to well-known trademarks in the relevant business field, regardless of their use in Turkey.

In the BLACK & DECKER decision,⁴⁹ for instance, the TCA accepted that the well-known status acquired *within the relevant business field* attributed to the trademark in question was sufficient to establish the trademark as well-known according to the Paris Convention. In the very recent BBY decision,⁵⁰ the TCA again accepted that it was not required that the trademark at issue be used in Turkey to establish the well-known status of the trademark.

The local courts also follow the TCA’s approach. For instance, the Istanbul 2nd IP Court, in one of its decisions,⁵¹ ruled that “it is not essential that a trademark be ‘famous worldwide and known by everyone’ in order for it to be accepted as well-known within the meaning of the Paris Convention, but rather, “it is sufficient that it

48. TCA, Decision No. 2000/8992 E.2000/10212 K. dated 18.12.2000.

49. TCA, Decision No. 2004/1146 E. 2004/12103 K. dated 09.12.2004.

50. TCA, Decision No. 2008/8198 E. 2009/12579 K. dated 07.12.2009. The decision has not been published yet. For this reason, the trademark is kept confidential.

51. Istanbul 2nd IP Court, Decision No. 2007/66 E. and 2007/284 K. dated 20.11.2007.

is known by the relevant part of the public; however, this recognition in the relevant sector shall be to a considerable extent.” The same court went further and ruled that even if the plaintiff’s trademark was not registered in Turkey, the recognition abroad would be a sufficient parameter and the exact imitation of the trademark by the defendant would be seen as an indication that the trademark was known in the relevant sector in Turkey.

2. The Scope of Protection

There is a consensus that the owner of a well-known trademark is entitled to prevent the registration of an identical and/or confusingly similar trademark for the same and/or similar goods. However, the issue of protection of well-known trademarks for different goods and services is not clear. In fact, Article 7/1(i) of Decree-Law No. 556 does not distinguish between same, similar, and different goods and/or services, in providing that “well-known marks according to Article 6*bis* of the Paris Convention” cannot be registered, where the use of such marks is “not permitted by their owners.” In addition, Article 16/3 of TRIPS⁵² requires that Article 6*bis* Section (1) of the Paris Convention, mentioned above, be implemented for different goods and services as well.

For example, in the VITRABLOK⁵³ decision, the TCA, after repeating the principle that a well-known trademark should be protected even if the trademark has not been registered or used in Turkey, rejected the cancellation claim of the plaintiff based on the grounds that the defendant’s trademark was registered in Class 17, whereas the well-known plaintiff’s trademark was registered in Class 11. As the discussion in this respect still continues, the TCA does not have an established precedent.

However, in the ALDI⁵⁴ decision, the TCA accepted the protection of a well-known trademark even for different goods and services. In this case, the plaintiff, the owner of the well-known ALDI trademark, which is not registered in Turkey but registered in some countries in Classes 9 and 16, demanded the cancellation of the defendant’s trademark registered in Classes 35 and 36. In its decision, the TCA stated that “with Article 16/3 of the mentioned Agreement the implementation area of Article 6*bis* Section (1) of the Paris Convention is expanded, the protection for different goods and services of well-known trademarks is

52. Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the 1C Annex of the WTO Foundation Agreement signed on 15.04.1994 and came into effect on 01.01.1995. Turkey approved the WTO Foundation Agreement on 26.01.1995 with the 4067-numbered Law. Turkey has become party to TRIPS by approving this Agreement. Agreement text and other supplementary agreements with TRIPS are published in the Council of Ministers decision.

53. TCA, Decision No. 1997/8665 E. 1998/1705 K. dated 13.3.1998.

54. TCA, Decision No. 2004/12807 E. 2005/10230 K. dated 24.10.2005.

maintained. ‘The relevant business field’ can be defined as [] real or potential buyers, business environment in this field and people on the distribution channels sellers in Turkey of the goods and services on which the trademark is used.” This decision is the single example of the protection of unregistered well-known trademarks for different goods and services. In this respect, it is still too early to predict how the TCA will treat the issue in the future.

C. The Protection of Trade Name Rights of a Foreign Company

Trade names are considered part of the intellectual and industrial property of a company. In accordance with Article 8⁵⁵ of the Paris Convention, Turkey agreed to protect trade names regardless of whether or not they constitute a part of a trademark and without the obligation of being deposited or registered; this obligation was fulfilled by regulating the registration of trademarks and trade names as grounds for opposition and cancellation under Article 8/5 of Decree-Law No. 556. Paragraph 5 of Article 8 of the Decree-Law No. 556 states as follows: “In the case that the trademark applied for registration includes the name, photograph, copyright or any kind of intellectual property right of another person, the trademark applied for registration shall be refused upon the opposition of the right owner.” The related article of the Paris Convention and Article 8/5 of Decree-Law No. 556 also do not stipulate any formal intellectual property right requirement, such as being registered or used in Turkey, and therefore has been an important exception to the territoriality principle.

In the CYRILLUS decision,⁵⁶ the TCA concluded that even if the plaintiff’s CYRILLUS trademark were not registered in the name of the plaintiff in Turkey and the same had never been used within the territory of Turkey, the genuine rights of the trademark holder should be protected. Such protection would be accorded first within the framework of the genuine right of ownership principle,⁵⁷ and, second, because CYRILLUS is the distinctive/core element of the plaintiff’s trade name, which is subject to separate protection.

Similarly, in the PHAT decision,⁵⁸ the TCA, by taking into account the rights of the plaintiff to its trade name, held that the

55. Article 8 of the Paris Convention reads as follows: “A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.”

56. TCA, Decision No. 2002/2411E. 2002/5314 K. dated 28.5.2002. *See supra* Part III.A.1.a.

57. 18.4.2006 dated and 2005/4397 E. and 2006/4251 K. numbered decision of the 11th Chamber of the High Court of Justice.

58. TCA, Decision No. 2005/4397 E. 2006/4251 K. dated 18.4.2006.

registration of the PHAT trademark in the name of the defendant was an unauthorized registration. The TCA supported its decision by concluding that PHAT was the core element of the plaintiff's trade name, and subject to protection for trade names under Article 8 of the Paris Convention, even though the plaintiff had no trademark registrations in Turkey.

Similarly, the TPI has adopted the same approach. In the ABC PHARMA decision,⁵⁹ the TDD refused a trademark application for ABC PHARMA in consideration of both the earlier rights of the opposer that were acquired through prior registrations worldwide and the rights of the opposer in its trade name, the core element of which is "ABC."

Recently, however, the unconditional protection granted to trade names has been weakened as a result of the TCA's holding in the THERMOFLEX decision,⁶⁰ which established that prior use of the trade name shall take place in Turkey. In this case, the disputed trademark constituted the core of the trade name of the plaintiff and the TCA sought evidence of use of the plaintiff's trade name in Turkey. The TCA overturned the decision of the first instance court by requesting a court order that the plaintiff submit evidence to prove that it conducted business in Turkey and that it was known by its trade name in Turkey.

D. Protection of Personal Names and Names of Copyrighted Works

One of the important exceptions to the territoriality principle is granted to the personal names and works subject to copyrights. Pursuant to Paragraph 5 of Article 8 of Decree-Law No. 556, "upon opposition by the holder of the relevant right, the trademark applied for shall not be registered if it contains the name, photograph, copyright, or any industrial property rights of third parties."

Accordingly, if a personal name and/or a work subject to copyright protection is the subject of an unauthorized trademark registration/application in Turkey, Turkish trademark law grants the person and/or the author of the work the right to object to the unauthorized registrations or applications, despite the fact that the personal name and/or the work has never been used in Turkey as a trademark.

59. TDD, Decision No. 2009-O-329664 dated 29.09.2009.

60. GCA, Decision No. 2006/10250 E. 2006/12614 K. dated 01.12.2006. *See supra* Part III.A.1.c.

1. The Protection of Copyrighted Works

In Turkey, works subject to copyright are protected within the scope of the Law on Intellectual and Artistic Works No. 5846 (Law No. 5846). Works within the scope of Law No. 5846 are protected from the date of creation without any requirement for registration or use. Based on this principle, the status of the works is different from trademarks, as well as the opportunity to obtain protection for trademarks. The registration principle is not applicable to copyrightable works. In cases where the author of the work is a foreigner, the rights of the work are protected within the scope of the 1886 Berne Convention for the Protection of Literary and Artistic Works, even if the mentioned work owner does not use the work in question in Turkey.⁶¹

In opposition proceedings, the TPI grants a very high degree of protection to copyrighted works. For instance, the TPI sustained the opposition filed against the application for the GARFIELD & Device trademark, Number 2004/04649, on the ground that “PAWS INCORPORATED holds the copyright certificate for the ‘GARFIELD’ phrase and device...”⁶² Similarly, the opposition that was filed against the trademark application for PHANTOM & Device, Number 2006/43116, was sustained on the ground that the copyright of the cartoon character that was the subject of the application belonged to the opposer.⁶³ Likewise, the opposition filed against the 2007/21242-numbered FLASH DANCE & Device trademark application before the TPI was sustained on the grounds that FLASHDANCE was the name of a cinematographic work subject to copyright and that all the rights in it belonged to the opposer; thus, the application was rejected.⁶⁴

2. The Protection of “Personal Names”

Similar to copyrighted works, personal names are also protected regardless of whether they are registered. The registration of a personal name as a trademark is commonly encountered for the names of celebrities, such as famous designers, athletes, and entertainers.

In 2006, the TDD, in the ZERO MARIA CORNEJO decision,⁶⁵ refused trademark registration on the ground that the phrase MARIA CORNEJO in the application violated the right of the

61. In 1995, Turkey accepted the 1979 Paris Amendment of the text revised in Paris in 1971 of the Berne Convention with the 4117-numbered Law regarding the Adoption of the Berne Convention for the Protection of Literary and Artistic Works. (Official Gazette dated 12.07.1995 and numbered 22341).

62. TDD, Decision No. 2006-O-53389 dated 28.02.2006.

63. TDD, Decision No. 2007-O-424685 dated 28.12.2007.

64. TDD, Decision No. 2008-O-199466 dated 12.06.2008.

65. TDD, Decision No. 2006-O-57777 dated 06.03.2006.

designer “Maria Cornejo” in her name. Along the same lines, the trademark application for the name TOM FORD was rejected by the TPI on the ground that the name right of the famous designer had been violated.⁶⁶

In the recent ELLEN DEGENERES decision,⁶⁷ the TDD rejected the trademark application for ELLEN DEGENERES that was filed by three Turkish individuals, ruling that it would violate the rights of the famous American stand-up comedienne, television host, and actress.

E. Protection of Trademark Owners Against Commercial Agents or Representatives

Foreign entities commonly enter into business partnerships with local entities for the exploitation of their trademarks in a given territory, and in most cases the local entities obtain the registrations of the trademarks in their own name. The local entities often claim that they obtain the registrations to better protect the trademarks in the relevant states, but when the owner of the trademark asks for the reassignment of the trademark they refuse or ask for unreasonable amounts in consideration of their claim for having invested heavily in the trademark.

Turkish trademark law provides a specific protection for foreign entities that enter into a business relationship with national entities for the exploitation of their trademarks in Turkey. Protection of the trademark owner against its business partner (or commercial agent) is regulated by Articles 8/2 and 17 of Decree-Law No. 556. Article 8/2 states: “Upon opposition by the owner of a trademark, a trademark shall not be registered where an agent or representative of the owner of the trademark has applied for registration [in] his own name without the owner’s consent and without a valid justification.”

Alternatively, Article 17 provides: “Where a trademark is registered in the name of an agent or representative of the owner of a trademark without the consent of the owner of the trademark, unless the agent or representative justifies his action the owner of the trademark shall be entitled to demand the assignment in his favor of said registration.” Under Article 17 of Decree-Law, the trademark owner can demand the assignment of the trademark registration obtained by the business partner without the trademark owner’s authorization.

The term “commercial agent or representative” employed in Articles 8/2 and 17 is interpreted liberally. It is generally accepted that this term embraces independent merchant assistants who establish a legal relationship with the actual trademark owner

66. TDD, Decision No. 2006-O-277499 dated 10.10.2006.

67. TDD, Decision No. 20106-O-203070 dated 03.06.2010.

that goes beyond the procurement relationship.⁶⁸ The mentioned provisions of the Decree-Law will be implemented so as to require the assignment of the trademark to its rightful owner. Thus, “commercial agent or representative” includes an exclusive distributor who markets the products of the foreign trademark owner in Turkey and a franchisee who acquired the franchise from the trademark owner based on a franchise agreement.⁶⁹

F. Protection Against Registrations/ Applications Filed in Bad Faith

Bad faith has recently become the most important exception to the territoriality principle in Turkish trademark law and provides effective protection for foreign trademarks, i.e., those that are neither registered nor used within the borders of Turkey.

The essentials of the principle of bad faith are regulated under Article 2 of the Turkish Civil Code, which indicates the general principle of good faith by stating, “Everyone shall act in compliance with honesty principles during the exercise of their rights and fulfilment of their obligations. Law and order does not protect the apparent misuse of any right.”

The main provision regulating bad faith claims, which may also serve as the sole grounds for opposition, is Article 35 of Decree-Law No. 556, which states: “Notices of opposition to the registration of trademark on the grounds that it may not be registered under the provisions of Articles 7 and 8, and notices of opposition on the grounds that there exists bad faith in the application shall be submitted within three months of the publication of the application.”

While Article 35 states that bad faith is a separate ground for opposition, this has long been used as an auxiliary ground in opposition proceedings. Only in 2008, in the RG 512 decision,⁷⁰ did the GCA introduce “bad faith” as a separate ground for cancellation. Since then, the implementation of Article 35 has significantly developed and bad faith has become one of the major exceptions to the territoriality principle.

68. In the doctrine, it is stated that this relation referred to as “commercial agency” or “representation” in the Decree-Law shall be broadly interpreted and it shall be understood to include other representation-based relations such as exclusive distributorship, commercial or simple procurement, service, or license. Sabih Arkan, I Trademark Law 111. Similarly, in the book *Trademark Law* by Professor Dr. Sabih Arkan, it is stated that “the condition of ‘being party’ to the agreement that grants the authority to use the trademark shall not be evaluated from a limited point of view, otherwise Article 8/II of the Decree-Law cannot be effectively implemented.” Arslan Kaya, Trademark Law, 150.

69. Hamdi Yasaman, II Trademark Law, 696.

70. GCA, Decision No. 2008/11-501 E. 2008/507 K. dated 16.7.2008.

1. The Bad Faith Issue

In essence, Turkish civil law defines bad faith as a state in which a person is aware or should be aware of the existence of another person's right. Accordingly, to establish the existence of bad faith, it is not essential to investigate the existence of fraud or deception, but it is sufficient to put forward the possibility that the person is aware or is in a position to have been able to learn of the other person's right.

In order to determine the existence of bad faith, the courts and the TPI take into account many factors, including but not limited to the extent of originality of the trademark to be registered, whether the person and/or company who filed the registration application was acquainted with the trademark in question or if they were in the position to learn of the existence of the trademark, and whether there was a justifiable motive when filing for the registration of this trademark.

When it is easy to prove that the entity responsible for applying for the registration of a foreign trademark was actually aware of the existence of the rights of the genuine owner of the trademark (for instance, if there was a commercial relation between the entities), the bad faith need not be separately proven. However, when the relationship between the parties is not so obvious, it is an issue of fact requiring proof that the applicant should have been aware of the rights of the genuine owner. Here, a high duty of prudence is imposed, especially on the merchants. Accordingly, under the Turkish Commercial Code, a company is required to act as a "prudent merchant" within the scope of Article 20,⁷¹ is obligated to be acquainted with the activities of all the local and foreign companies operating in the same sector, and is also obligated to stay abreast of this activity.

The TCA emphasized in the DOLCE VITA decision⁷² that a merchant must know of and follow others' inventions, developments, and trademarks within the relevant business field; the task to investigate the relevant business field is not limited to national territoriality. Likewise, in the ALVORADO decision,⁷³ the

71. 6762-numbered Turkish Commercial Code, Article 20 reads as follows:

Merchants are obligated to choose and use a trade name in compliance with the provisions of law, register their enterprises in the trade registry and keep commercial books as well as being subject to insolvency provisions on account of all kinds of debts.

Every merchant shall act as a prudent businessman during all his trade activities.

Notifications or warnings between the merchants with the purpose of putting the other side in default or annulling the agreement or revoking from it shall be performed through the channel of notary or reply paid letter or telegraph in order to be regarded valid.

Other provisions regarding the responsibility of merchant are reserved.

72. See *supra* Part III.A.1.a.

73. TCA, Decision No. 2001/9903 E, 2002/3699 K. dated 19.04.2002.

TCA ruled that the defendant acted in bad faith because it was a company operating in the international commercial sector of tea and was obligated to follow up on the developments in this sector and any related trademark registrations. Accordingly, the TCA held that it was not possible for the defendant to claim that he did not know that the plaintiff's trademark was registered in 15 countries and that the trademark was chosen coincidentally.

The TPI and the local courts also follow the reasoning in light of the TCA decisions and do not protect trademark registrations obtained over the objection of the actual rightful owner, even when the rightful owner has not used or registered the mark in Turkey.

In opposition proceedings, the TPI usually considers the level of originality of the trademark when assessing the bad faith of the application. In the previously discussed SAN FRANCISCO COFFEE COMPANY decision,⁷⁴ for example, the TDD considered the trademark in question to be a made-up word combination, which would not accidentally enter another person's mind.

In the PATROS⁷⁵ decision, the opposer objected to the trademark application filed by a Turkish company for the PATROS trademark, which was created and first used by the opposer, a Dutch cheese producer, long before the application date of the Turkish filing. The TDD noted that the applied-for trademark did not have a specific meaning and was an original phrase, and the national application covering cheese products could not be coincidental. The TDD therefore held that the application was filed in bad faith for the purpose of taking unfair advantage of the opposer's market share.

In the NAISH⁷⁶ decision, the TDD considered different factors when it assessed the applicant's bad faith. First of all, the applicant had worked with the opposer for some time in the past. Second, the applicant did not file for the word element only but also copied the stylistic font of the trademark, which had long been used by the opposer. Accordingly, although the opposer did not have a trademark registration in Turkey and did not use the trademark in Turkey, the TDD ruled that the trademark application was made in bad faith and it rejected the application.

In particular, when the application covers a logo or the stylistic commercial use of another entity's trademark, the TPI often accepts the bad faith claim. In the RYDERS⁷⁷ decision, for instance, the applicant applied for the registration of the trademark RYDERS for sunglasses and copied the exact logo of the opposer's trademark, which was also used for sunglasses. The TDD

74. See *supra* Part III.A.1.a.

75. TDD, Decision No. 2008-O-264801 dated 07.8.2008.

76. TDD, Decision No. 2006-M-4798 dated 30.07.2006.

77. TDD, Decision No. 2008-O-224984 dated 03.07.2008.

therefore considered it impossible for the choice of the same logo to have been coincidental. In the CAFFARENA⁷⁸ decision as well, the TDD also observed that the applicant had exactly copied the commercial logo of the opposer, a Mexican manufacturer of lingerie, and therefore determined that the applicant acted in bad faith; the TDD rejected the application.

In previously discussed matters, the TPI found that the trademarks in dispute could not be the result of mere coincidence, given the nature of the marks, and it refused registration to the applicant on the ground of bad faith. The same principles are emphasized in the decisions of regional Turkish courts. For example, in its FABER CYLINDERS⁷⁹ decision, the Bakirkoy IP Court ruled on the cancellation of the trademark in view of the fact that the defendant could not provide a reason as to why he had chosen the same trademark as the plaintiff, when the trademark did not have a specific meaning or connection to the goods, namely gas tubes.

2. The GCA Clearly Accepts That “Bad Faith” Is a Separate Ground for Cancellation in the RG 512 Decision

The effective protection provided against registrations in bad faith has acquired an important dimension with the GCA’s RG 512 & Device decision, which accepts the state of “bad faith” as a per se ground for cancellation. In this decision, the General Assembly accepted the state of bad faith as a per se ground for cancellation irrespective of whether the plaintiff’s trademark was being used in Turkey and whether it was well known or not. The decision was based solely on the issue of bad faith.

The decision of the GCA stemmed from an action for the cancellation of the trademark RG 512 & Device on the ground that it was confusingly similar to the RG 512 & Device trademark, which was not yet registered and used in Turkey, but was registered and used in other countries abroad. The claimant based its arguments on its genuine and prior rights in the trademark RG 512 & Device and asserted that the bad faith of the defendant required the cancellation of the trademark for the same term. The local court⁸⁰ held that the trademark RG 512 & Device of the claimant was composed of signs that had no particular meaning, and that it could not be a coincidence that the defendant chose this sign as a trademark. It further stated that the defendant was obligated to act as a prudent merchant and should have been aware of the claimant’s trademark, and concluded that the

78. TDD, Decision No. 2009-O-50051 dated 12.02.2009.

79. Bakirkoy IP Court, Decision No. 2008/46 E. 2008/40 K. dated 24.07. 2008.

80. Istanbul 2nd IP Court, Decision No. 2005/23 E. 2005/ 303 K. dated 20.12.2005.

defendant clearly acted in bad faith in registering the trademark. Having acknowledged these facts, the court, applying the general principles of good faith set forth in Article 2 of the Civil Code, concluded that the blatant bad faith of the defendant alone would be sufficient for the invalidation of the trademark.

Further to the appeal of the defendant, the TCA⁸¹ overruled the decision, emphasizing that bad faith was not listed as a separate ground for cancellation of a trademark but was considered only a complementary ground of invalidation; therefore, the local court should have ensured that the other grounds, such as the “well-known status of a trademark in Turkey” and the “genuine rights obtained through prior use” were sufficiently proved.

After the overruling decision of the TCA, the case was remanded to the local court, and when the local court insisted upon upholding its former decision, the case was sent to the GCA to make the final ruling on the matter. In its decision, the GCA ruled that the bad faith of the defendant would be sufficient for the cancellation without further seeking confirmation of the well-known status of the trademark, applying the general principles of good faith under Article 2 of the Civil Law. The GCA concluded that the absence of a provision in the trademark law does not necessarily mean that the “bad faith” issue should not be regarded as a separate ground for cancellation and, accordingly, in light of the general provisions of Article 2’s “good faith principle,” decided to accept the claims of the genuine trademark owner and declared that the trademark should be cancelled. The GCA was particularly influenced by the nature of the trademark, which had no particular meaning but was instead a made-up, original phrase.⁸²

81. TCA, Decision No. 2007/2666 E. 2007/10117 K. dated 03.07.2007.

82. The fundamental principles stated in the General Assembly decision are as follows:

“it is ruled that . . . the choice of the defendant cannot be a coincidence and thus cannot be regarded having been done in good faith, the fact that the defendant registered the . . . trademark demonstrates the intention of the defendant to benefit from the plaintiff’s trademark of which he was surely informed as a result of his field of activity, the plaintiff is the prior right owner of the sign in question and thus it is decided to cancel the registration in bad faith.

. . . The registration of the similar version of the fantasy phrase that has no meaning without any justifiable reason by the defendant operating in the same sector is aimed to benefit from the plaintiff’s trademark and thus it shall be regarded as a registration in bad faith.

. . . In this regard cancellation of the registration, which is clearly made in bad faith, may be concluded taking into account the particularities of each concrete case in hand. Even though this matter is not regulated as grounds for cancellation in and of itself in Article 42 of Decree-Law No. 556, since it is not possible to protect from bad faith as per Article 2 of the Civil Code (which is a general provision and a fundamental principle as well) it would be in contradiction of the spirit of the Decree-Law if the same conclusion were reached. . . .”

The timing of the decision is important, as the GCA had already rendered this decision when the TCA started to discuss the principle of genuine right of ownership with respect to the requirement that the foreign trademark should at least be used in Turkey. Accordingly, while the TCA has appeared to take a step backward with regard to the exceptions to the territoriality principle, the GCA has, on the other hand, taken a step forward, and bad faith has become one of the major exceptions to the territoriality principle.

IV. CONCLUSION AND PRACTICAL ISSUES

Although the principle of territoriality in trademark law has theoretically been adopted in Turkey, it is obvious today that a strict application of this principle is not compatible with the requirements of global markets and the information era, dominated by the rapid development of the Internet and information technologies. Under no circumstances can a company be obligated to turn a blind eye to the fact that its own trademark is registered and used by another company or person in another market just because trademark protection is deemed “territorial.”

In this respect, Turkish trademark law recognizes various exceptions for the protection of foreign trademarks not registered or even used in Turkey and grants the owners of these foreign trademarks sufficient grounds to obtain the refusal of trademark applications or cancellation of trademark registrations.

Although the power of the exceptions granted under the genuine ownership principle and under trade name rights have been weakened in the course of the last few years, the *bad faith* ground has gained strength with an important 2008 GCA decision and has eliminated the negative effects caused to some extent by the weakening of the other exceptions. Accordingly, the exceptions for genuine ownership principle and trade name rights still play an important role in defending foreign trademarks in practice, as long as they are coupled with the bad faith ground. Therefore, it would still be fair to say that neither the courts nor the TPI would allow a trademark registration or trademark application filed in bad faith to prevail over the genuine rightful owner of the trademark, provided that the genuine rightful ownership and the bad faith of the registrant/applicant is adequately established by the supporting evidence.

Copies of trademark registration certificates obtained from the countries of registration or from supra-national registration authorities are considered by the TPI and the court to be strong evidence. In addition, the documents regarding the prior use of the trademark in its own jurisdiction as well as in different jurisdictions are also taken into account to prove the prior and genuine rights of the owner of the foreign trademark.

Considering the fact that it is also sometimes required that the foreign trademark be used in Turkey, albeit at a minimum level, it would also be helpful for the trademark owner to demonstrate that the trademark or the trade name was used in Turkey. For instance, if the trademark were used in Internet auction platforms or other Internet platforms that circulated in Turkey, the chances of success in defeating the national application and/or registration would increase considerably. Alternatively, the manufacturing of products under the trademark in Turkey—even if the trademark had never been used in trade in Turkey—would also be accepted as “use,” satisfying the requirements of the courts and TPI.

As a practical concern, it is recommended that the owners of foreign trademarks who do not use their trademarks in Turkey but have their products manufactured by a local company insert their trademarks in every document exchanged with the local manufacturer, such as pro forma invoices or product order forms. Such documents will be very helpful for the trademark owners, in particular, against the unauthorized registrations and/or applications by the local manufacturers, to prove their prior right to the given trademark even within the territory of Turkey.

Finally, the owners of foreign trademarks should certainly file a trademark application in Turkey as soon as they became aware of the existence of an unauthorized registration or application by a local company, to prevent any intervening third-party applications from being filed in bad faith while the rightful owner challenges the senior unauthorized registration or application. Turkish trademark law does not have a “use” requirement, at least for the first five years after the trademark matures into registration. After the expiration of the five-year period, the registration becomes vulnerable as a result of non-use, but, again, there is no automatic administrative system for the cancellation of the trademark; the trademark should be challenged by means of a court action initiated before the specialized IP Courts. In any case, it is always advisable for businesses to register their important trademarks in Turkey for defensive purposes in combating against unauthorized applications, even if they have no plans to enter into the market.
