

Trademark Litigation 2020

Turkey

Kenarolu Avukatlık Burosu

Yasemin Kenarolu and Gökçe Dağda

WTRTM

A Global Guide

KENAROĞLU

AVUKATLIK BÜROSU



Kenaroğlu is dedicated to providing the highest quality litigation, enforcement, prosecution and counseling to its local and international clients in a wide variety of businesses, including fashion, automotive, electronics, media and entertainment, pharmaceuticals and telecommunications.

"Impressive across the board", nifty IP boutique Kenaroğlu Avukatlık Bürosu is single minded in its pursuit of excellence but never fails to offer a personal touch. It enforces marks with poise and faces counterfeiters head on, all while keeping a watchful eye over large-scale portfolios. "Its communication is clear and detailed and it is one of the most responsive firms out there." Celebrating its 10th anniversary this year, the compact outfit continues to build on its impressive roster of clients and represents some of the most highly esteemed players in the fashion industry. Yasemin Kenaroğlu leaves foreign associates "in awe of her trademark savvy, she is a fantastic and intelligent IP lawyer with a super-friendly approach." The firm founder also shares her wisdom on the non-contentious front and puts in place cast-iron protection schemes. (**World Trademark Review 1000 / 2019**)

Vibrant IP shop Kenaroğlu Intellectual Property combines laser-focused expertise with flexible, personalized service. "It has excellent proactive lawyers who do not just report and summarize the facts, but provide practical and detailed advice. They are very thorough, familiar with latest case law and bring forward arguments in a very structured way. Clients are in safe hands with them." Despite being a compact firm, it manages heavyweight portfolios with ease and represents some of the world's most famous fashion houses. The firm also punches above its weight in contentious circumstances: according to one client, it is "exceptional in litigating against, and negotiating with, infringers – we've had more success with Kenaroğlu than with any other practice in Turkey". Founding partner Yasemin Kenaroğlu continues to build on her fantastic reputation. One patron describes her as "absolutely excellent, she studies each case in detail and finds creative ways of solving problems, bearing in mind the particularities of your brand and your commercial needs. (**World Trademark Review 1000 / 2018**)

PRACTICES AREAS

- Trademarks
- Designs
- Patents
- Utility Models
- Copyrights
- Domain Names

SERVICES

- Litigation
- Prosecution
- Enforcement
- Investigation
- Non-contentious

Turkey

Kenaro İlu Avukatlık Bürosu



Authors

Yasemin Kenaroğlu and Gökçe Dağdaş

Legislative framework and causes of action Trademark law, rules and regulations

Trademark law in Turkey is governed by the Industrial Property Code 6769, which entered into force on 10 January 2019 and superseded Decree Law 556.

Turkey is a signatory to most of the IP-related international treaties, including:

- the Paris Convention for Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- protocol relating to the Madrid Agreement Concerning the International Registration of Marks.

Causes of action

In Turkey, trademarks are protected under the registration system of the Trademark and Patent Office and the rights arising from the registration belong exclusively to the trademark owner. The owner whose rights in the trademark have been infringed is entitled to file a lawsuit against the infringer and may require prevention, termination, prohibition and elimination of the results of the infringement.

Article 29 of the IP Code sets out what is considered trademark infringement:

- use of a sign identical or confusingly similar to a registered trademark on identical or similar goods or services;
- use of a sign identical or confusingly similar to a well-known trademark regardless of the goods or services used, where the use of the sign might be detrimental to the repute of the trademark, or its distinctive character might gain unfair benefit from its reputation;
- extension of the licensee rights or transfer of these rights to third parties;
- selling, proposing, distributing, warehousing, importing, exporting and advertising, among other things, the products or services using a registered trademark of a third party; and
- use of a trademark exceeding the scope of fair use (which is also considered an act of unfair competition).

Unregistered trademarks are protected under the unfair competition provisions set out in the Commercial Code 6102. According to Article 54 of the code, behaviour or



Taking measures that lead to confusion with goods, products, operations or a competitor's business is considered unfair competition which can be raised in case of the infringement of an unregistered trademark

commercial practices which are deceptive and affect relationships between competitors or suppliers and their customers are deemed acts of unfair competition. Taking measures that lead to confusion with goods, products, operations or a competitor's business is considered unfair competition which can be raised in case of the infringement of an unregistered trademark.

Invalidation of a registered trademark is stipulated under Article 25 of the IP Code. A trademark can be invalidated if it:

- is descriptive and/or has informative character;
- is confusingly similar to a registered trademark;
- is deceptive;
- contains religious values or symbols or is contrary to public order or general morality;
- against Article 6*bis*(2) of the Paris Convention;
- contains a registered geographical indication;
- is registered by a trade agent without authorisation;
- is under genuine ownership of a third party due to a prior and extensive use;
- contains copyrights, industrial property rights or personal rights (eg, personal photographs and names) of a third party;
- is well-known; and
- is registered in bad faith.

Cancellation of a trademark registration is set out in Article 26, according to which a trademark registration will be cancelled if it:

- has not been put into use in Turkey without a justifiable reason for five years since registration or if use has been suspended for an uninterrupted period of five years;
- becomes a generic name for the goods or services for which it is registered as a result of the owner's actions or failure to take the necessary measures;

- becomes misleading to the public with regard to its nature, quality or geographical origin of the goods or services registered as a result of the use by or with the permission of the trademark owner; and
- is used as a collective mark or certification mark contrary to technical regulations.

With regard to the non-use cancellation actions, the new practice has not been settled since the IP Code entered into force. Although Article 26/5 strictly orders that registration be cancelled in terms of the goods and services on which the trademark has not been put to use in due time, the IP courts tend to keep the registration in a wider scope so as to cover the similar goods and services as well.

Alternative dispute resolution Mediation and arbitration

On the initial examination of the court regarding the file, the judge invites the parties to negotiate for an amicable settlement or mediation pursuant to Article 137 of Code of Civil Procedure.

Mediation can be requested by the parties or it might be ordered by law depending on the type of the legal action.

When mediation is preferred or ordered by law, a neutral mediator will be appointed by the parties' mutual agreement or by the mediation centre if it is obligatory.

Voluntary mediation can be chosen by the parties to the dispute before or during the court action. If the parties declare that they will apply to the mediator together after the lawsuit is initiated, the trial is postponed by the court for three months. This period may be extended for an additional three months on the joint application of the parties. If the parties reach a

settlement, they can obtain an annotation on the enforceability of the settlement from the court. As to IP-related disputes, mediation is not obligatory to initiate legal action, except for compensation claims. In case there is a compensation claim within the court action, the plaintiff is expected to first apply for mediation before applying to the court.

Arbitration in terms of the conflict which is under the will of parties is permitted under Turkish law. The parties may have a separate agreement or add a clause to their main contract for potential conflicts to be solved through arbitration. Arbitration is referable in terms of the conflicts arising from licence agreements and infringement, while it is not possible to apply to arbitration with invalidation or cancellation claims which are under the absolute authority of the courts.

Neither mediation nor arbitration is commonly preferred as a dispute resolution method in Turkey.

Litigation venue and formats

The court system and litigation venues explained

There are specialised courts dealing with IP-related matters in Turkey's three largest cities: Istanbul, Ankara and Izmir. There are five civil and six criminal IP first-instance courts in Istanbul and the majority of the trademark-related court actions are handled by these courts. There are four civil IP courts and two criminal IP courts in Ankara, and there is one civil IP court and two criminal IP courts in Izmir.

Despite the fact that they were established in 2001, the IP courts – which are supposed to have strong expertise in the field – are unable to work efficiently due to frequent changes of judges in the past three to four years, and most of the files are being concluded based on the opinion of the official experts only.

In other cities where there are no special IP courts, the first-instance civil courts handle IP-related disputes.

The competency of the courts is set out in Article 156 of Industrial Property Code, according to which the competent court in infringement cases will be:

- the court of domicile of the plaintiff; or
- the court of where the infringement took place or the effects of the unlawful act were observed.

In terms of invalidation and cancellation actions, the competent court is the domicile of the defendant. If the plaintiff is not domiciled in Turkey, the competent court is the court where the premises of the plaintiff's registered trademark agent in Turkey is located. If there is no registered trademark agent or it is cancelled, the competent court is the Ankara Civil IP Court, where the Turkish Patent and Trademark Office (TPO) is located.

Cancellation actions, including non-use cancellations, are currently held by first-instance civil IP courts. The TPO will handle such actions within the scope of administrative proceedings as of 2023 (Article 26 of the IP Code).

At the beginning of the first-instance trial, the parties are granted a certain time to submit their arguments, claims and defences along with their supporting evidence. Once the period for collecting the arguments and evidence is complete, the court concludes its preliminary examination with regard to the procedural manner and appoints an oral hearing to determine the merits of the file, hear the parties and invite them for settlement before starting the examination on merits. In case the parties do not take the chance to settle, the court proceeds to examination on the merits of the case.

The file is usually sent to an official expert panel for examination of the parties' claims after the first or second oral hearing. The parties can object to the expert panel's report and request another round of expert examination. On objection by the parties or at the judge's own discretion, additional expert reports may be obtained from the same or a new expert panels.

The first-instance trial usually takes 12 to 24 months from the filing date to complete.

Forum shopping

Forum shopping is not possible in the Turkish legal system, as the competency of the court is absolute and the parties must file the court actions before the courts determined by law.

Jury versus bench

There are no jury trials in the Turkish legal system and trademark disputes are handled by the courts consisting of one judge.



Witness statements are not generally accepted as evidence by the court with regard to trademark-related disputes

Damages and remedies

Available remedies

The rights holder whose rights have been infringed should make the following requests from the court:

- determination of the infringement;
- prevention of the possible or existing infringement;
- cessation of the infringing actions;
- revocation of the infringement and compensation of the material and moral damages;
- seizure and destruction of the products causing infringement or requiring penalty, as well as instruments (eg, the devices and machines) used exclusively in production; and
- publication of the final judgment.

The rights holder may also request compensation for damages including the actual loss and the loss of profit which is calculated by one of the following assessment procedures, depending on the choice of the rights holder:

- the potential profit that the rights holder could have earned if there had been no competition from the infringer;
- the net profit made by the infringer; and
- the licence fee to be paid by the infringer had there been a licence agreement.

Injunctive relief

The court action can be filed with or without preliminary injunction (PI) claims. PI claims of the plaintiff might be concluded by the judge immediately (within one week of the filing date) and without notifying the case to the defendant or after having the file examined by an official expert panel (which usually takes eight to 16 weeks) and notifying the case to the defendant's side.

The PI claims might be accepted by the court in exchange for a security bond which

can be deposited in cash, via bank letters of guarantee or with no security at all. The security bond is aimed to be used for the potential unfair damages that the execution of the PI might cause on the defendant's side, in case of refusal of the court action in terms of the main claims.

In case the PI is granted, it is necessary to apply to the Execution Office for its execution within one week of the date of grant.

Refusal of the PI claims can be appealed by the plaintiff before the district courts without waiting for the conclusion of the first-instance trial. It is also possible to re-submit the same or revised PI claims to the court at the end of the first-instance trial. The plaintiff might also prefer not to claim a PI at the beginning of the trial, but at a later stage during the first-instance trial.

After the conclusion of the PI claims, the case is handled in terms of its merits (ie, main claims) within the same court action. It is also possible to apply for a PI order *ex parte* before filing a lawsuit. The courts handle *ex parte* PI claims within the scope of the abovementioned practice. If the court accepts the *ex parte* PI claims, the main court action must be filed by the defendant within two weeks of the PI's grant.

Evidencing the case

Investigations and first steps

Investigation is always recommended to determine the subject matter of the potential court action in the best possible way.

It is also important to secure evidence supporting the plaintiff's arguments before initiating legal proceedings. A civil determination action which is held by the Civil IP Courts or Civil Courts of Peace and concluded in between one and four weeks can be filed for perpetuation of online and onsite

evidence supporting the plaintiff's arguments and releveling the scope of the conflict. In the cited action, the courts only determine and secure evidence which will be used by the rights holder within the subsequent main court action, but includes no legal comments or conclusion regarding the conflict.

The main court action should be filed within one year of the filing date of the civil determination action in order not to be objected to by the defendant regarding the 'loss of rights' principle.

Depending on the subject matter of the conflict, it might also be recommendable to secure evidence available on online platforms via notary publics. However, the notaries are

not allowed to make onsite determinations or test purchases to secure evidence to be used in future legal actions.

Any kind of document (eg, invoices, agreements, advertising materials and official documents) can be used as evidence. Witness statements are not generally accepted as evidence by the court with regard to trademark-related disputes, due to the nature of the field.

Survey evidence

Surveys are not recognised as concrete evidence, but may be used as a discretionary evidence to support the main arguments and claims of the parties.



Yasemin Kenaroğlu
Partner
yasemin@kenaroglu.av.tr

Yasemin Kenaroğlu is the founding partner at Kenaroğlu Avukatlık Burosu. She is registered as an attorney at law with the Istanbul Bar Association and as a trademark attorney before the Turkish Patent and Trademark Office. Ms Kenaroğlu has been working on IP-related litigation, enforcement, prosecution and counselling matters since 2003, leading Kenaroğlu since 2008. She represents foreign and multinational companies in a range of fields in trademark, patent, design, domain name and unfair competition-related matters. Ms Kenaroğlu has been ranked by *Legal 500*, *WTR 1000*, *IAM 1000*, *Managing IP* and *Chambers & Partners*, and appears in *Managing IP's Top 250 Women in IP* and *WTR Global Leaders 2019*.



Gökçe Dağdaş
Associate
dagdas@kenaroglu.av.tr

Gökçe Dağdaş is registered as an attorney at law with the Istanbul Bar Association and as a trademark attorney before the Turkish Patent and Trademark Office. She works on IP-related prosecution, enforcement and litigation matters at Kenaroğlu.

Ms Dağdaş obtained both her LLB and LLM degrees from Istanbul University, faculty of law. Her practice focuses on IP litigation, particularly trademarks and designs. She handles an array of litigation matters, including infringement and unfair competition, invalidation and non-use cancellation actions before the courts throughout the country, as well as settlement negotiations at the pre-litigation phase.



As most of the experts appointed by the courts have a legal background only, it is impossible not to recognise that expert witnesses are used to minimise the judges' workload

Use of expert witnesses

During the first-instance trial, both civil and criminal IP courts assign at least one official expert panel to obtain opinion on the file and the case is almost always concluded in accordance with the expert panel's opinion. The appointment of an expert panel has become an indispensable process of the courts, even when there is no technical aspect necessary to be evaluated by an expert in the related field. As most of the experts appointed by the courts have a legal background only, it is impossible not to recognise that expert witnesses are used to minimise the judges' workload.

The experts are chosen by the courts from a database of official experts. The expert or the expert panel consisting of three experts specialised in the subject matter of the case, examine the claims and evidence of the parties and prepare a report indicating their opinion on the file. The court, upon objections of the parties against the report prepared by the first panel or *ex officio*, can obtain additional expert opinions from the same or new expert panels.

The parties are entitled to object to the expert report and request a re-examination by the same expert panel or a new report from a new panel. In case of objections, the courts may obtain reports up to three times.

Once the expert report is received, the court may obtain another report if it is dissatisfied, but should it decide otherwise without obtaining a new report, the Court of Cassation will overturn the decision.

In addition to the official expert reports obtained by the courts, the parties may obtain private expert reports to support their claims. Although such evidence is not as effective as the official expert reports obtained by the court, if the private expert report and the official

report contradict one another, the court should obtain a second expert report from a new expert panel pursuant to the precedents of the Courts of Cassation.

Available defences

According to Article 29 of the IP Code, the defendant is entitled to raise a non-use defence within invalidation and infringement actions where the five-year grace period of the plaintiff's earlier trademark has expired. Non-use defence by the defendant requires the plaintiff to prove its use in its trademark with certain evidence or to justify the reason for non-use. Rather than raising only a non-use defence, the defendant can also file claim cancellation of the plaintiff's senior trademark on which the court action is based, as a counter-action within the main court action. In such a scenario, the court would consider the non-use action as a preliminary issue and postpone the examination on the main court action until the conclusion of the non-use cancellation claims.

The defendant may also raise a 'loss of rights' defence if the plaintiff remains silent for more than five years – as of the date that he or she became or should have become aware of the conflict – against the conflicting registration and/or use. Loss of rights cannot be claimed against the plaintiff when the defendant is in bad faith.

Fair use, exhaustion of rights, parallel imports, informative use, personal use of names and addresses or non-commercial use are other types of defence that can be raised by the defendants.

According to Article 155 of the IP Code, a bad-faith registration cannot be used as a defence against the infringement claims of the genuine rights holder of the trademark.

Appeals process

In 2016 the judicial system implemented a three-level system by adding a second-instance level (ie, district courts) between the first-instance courts and the courts of cassation. The district courts are established in seven different regions of Turkey.

A party who is dissatisfied with the first-instance court's decision can apply to the district courts for re-examination of the file within two weeks. The counterparty will also be entitled to submit its responses to the appealing party within two weeks. The district court examines the file both in terms of procedural grounds and its merits and might appoint an oral hearing to re-hear the parties.

The appeal will be rejected if the district court finds the first-instance court's decision to be correct. Or, depending on the conclusion reached after the examination, the decision might be revoked and the file can be sent to the first-instance court for re-evaluation or the

district court might conclude the case itself without sending it back to first-instance level.

The appeal examination is completed within nine to 15 months and the decision to be issued by the district court can be re-appealed by the parties before the courts of cassation. The re-appeal phase will take a further 12 to 18 months. **WTR**

KENAROĞLU

AVUKATLIK BÜROSU

Kenaroğlu Avukatlık Bürosu

Levent Mahallesi

Çamlık Cd No 3

İstanbul 34330

Turkey

Tel +90 212 211 77 55

Fax +90 212 211 77 67

Web www.kenaroglu.av.tr