



# Civil IP courts grant full protection to genuine rights holder against bad-faith registrant

#### Turkey - Kenaroğlu Avukatlik Burosu

- This complex case involved an e-commerce platform and a bad-faith registration by a local individual
- The individual succeeded in registering the genuine rights holder's trademark and sued for trademark infringement
- However, the courts granted preliminary injunctions to ensure the continuity of the genuine rights holder's trademark use on the market

The Turkish IP courts have prioritised the genuine rights holder's legitimate rights over a bad-faith registration and granted preliminary injunctions enabling the genuine rights holder to continue using the relevant trademark on the Turkish market.

### **Background**

The genuine rights holder, an e-commerce platform, has used and registered the trademark at issue for cloud computing services in many countries. The mark has also gained a reputation in Turkey due to the genuine rights holder's extensive unregistered use on the Turkish market over many years.

A local individual, who operated a retail sales account through the rights holder's e-commerce platform, gave rise to the present dispute by registering the relevant mark both as a trademark and as a domain name (under '.tr') in Turkey. Although such bad-faith application was opposed by the genuine rights holder based on, among other grounds, its prior unregistered use in Turkey and the applicant's bad-faith, the Turkish Trademark and Patent Office rejected the opposition.

The genuine rights holder brought the office's final refusal decision to trial by filing a cancellation action, but the case was rejected by the first-instance court without an appropriate examination of the plaintiff's claims. The rights holder appealed the refusal decision of the first-instance court, and this appeal is currently pending.

While the cancellation action was ongoing at first instance, the bad-faith registrant, having registered the disputed trademark in his name (upon final refusal of the genuine rights holder's opposition), filed a trademark infringement action against the genuine rights holder's Turkish subsidiaries, seeking compensation and a preliminary injunction preventing the defendants from using the trademark in Turkey.

#### Invalidation and negative declaratory actions

An independent negative declaratory action was then filed against the bad-faith registrant on behalf of the genuine rights holder and other subsidiaries (which were not party to the infringement case filed by the registrant) on the grounds of their prior unregistered rights in the trademark and the bad faith of the registrant. At the very beginning of this case, a reverse preliminary injunction preventing the bad-faith registrant from exercising his rights arising from the unauthorised registrations against the genuine rights holder and its subsidiaries was granted by the court, despite the refusal of the cancellation action. This was the first victory of the genuine rights holder in this dispute.

Simultaneously, a fresh invalidation action against the disputed trademark and domain name registrations was filed in the name of the genuine rights holder's subsidiaries (which were not party to the previous cancellation action) to challenge them again with more extensive arguments and evidence.

### Infringement action

After being informed of the recent invalidation and negative declaratory actions, as well as the preliminary injunction granted in favour of the genuine rights holder, the judge in the infringement action decided to suspend the case and wait for the conclusion of the proceedings. This represented another milestone preventing a potential preliminary injunction from being issued against the genuine rights holder.

Meanwhile, upon recognition by the court-appointed expert panel in the infringement case of the defendants (the Turkish subsidiaries of the rights holder) as the genuine owners of the disputed trademark in Turkey, the judge decided to block the registrant's preliminary injunction claims. Following this decision, the genuine rights holder was able to continue using its trademark in Turkey during the pendency of the court cases.

### Comment

The preliminary injunction orders granted in favour of the genuine rights holder and its subsidiaries in the context of the negative declaratory and infringement actions - contrary to the valid registration in the name of the bad-faith registrant and the refusal of the cancellation action filed against it at first instance - reveal that the IP courts are willing to protect the genuine rights arising from prior but unregistered trademark use, and take the necessary measures to ensure the continuity of the genuine rights holder's use on the market.

Genuine rights holders who become aware of a bad-faith registration should act quickly and request a reverse preliminary injunction from the court by filing an invalidation and/or negative declaratory action before being sued for trademark infringement by the local registrant. Acting before the bad-faith registrant will build a protective wall around the genuine rights holder and shield it from all potential attacks by the bad-faith registrant.

Kenaroğlu Avukatlik Bürosu represented the genuine rights holder in the invalidation and negative declaratory actions

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## **TAGS**

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