COVID-19 Pandemic as a Due Cause for Trademark Non-Use Actions

9 Apr 2020

In order to prevent the spread of COVID-19 pandemic, many countries, including Turkey, have taken temporary measures such as business closures, border shutdowns, and travel restrictions. Many sectors as well as trade relations have been, and will continue to be, deeply affected by the pandemic and the measures. No country can make an accurate prediction about when the outbreak will abate.

These developments also raise new questions regarding the suspension of certain obligations of right holders. The impact of the pandemic on the right holders' obligation to use their trademarks, for example, needs to be addressed in this context.

According to the Turkish Industrial Property Law Numbered 6769 ("**IP Law**"), if a trademark that has not been put to genuine use in Turkey within five years following its registration or if such use has been suspended for an interrupted time period of five years without a due cause, the trademark registration shall be canceled at the request of those are interested.

Although the IP Law does not define what due cause is, the TRIPs Convention to which Turkey is a signature party, defines it in the article 19 as *"Circumstances arising independently of the will of the owner of the trademark which constitutes an obstacle to the use of the trademark".* Import restrictions or other government requirements are mentioned as due cause examples in the article.

In the light of the aforementioned article of the Trade-Related Aspects of Intellectual Property Rights Convention ("**TRIPs Convention**"), the concept of *"due cause"* is established by the case law. While evaluating every concrete case, including legal and bureaucratic obstacles, the Court of Appeal evaluates whether the obstacle cannot be overcome by the will of the rightsholder and whether the obstacle has any effect on putting the trademark in use.

In accordance with the established Court of Appeal decisions, bankruptcy or liquidation of companies, inability of pharmaceutical trademarks to enter the market without obtaining a license although necessary license applications are filed, expropriation, confiscation of the trademark and concordat declaration are not considered as due causes. In a 9 April 2001 dated decision, Court of Appeal states *"even the company cannot use its trademark -which is an asset of the company- directly, it was possible for the owner to use the mark through a third-party"*. This decision puts forward that, not being able to use the mark should not be considered a due cause, since the company did not try to use the mark through a license that is given to a third-party.

World Health Organization defines the SARS-CoV-2 that causes COVID-19 as *"a unique virus with unique characteristics.".* The last time the world experienced such a global pandemic was Spanish flu in 1918. Therefore, although it is foreseen that the outbreaks may constitute a due cause in the doctrine, there is no Court of Appeal decision in this regard that will set a precedent in Turkey.

For sectors and businesses that have been temporarily closed and suspended by the government, it is possible to consider the COVID-19 pandemic as a due cause based on established Court of Appeal decisions. Nevertheless, if these measures stay limited to a region or trademark owners voluntarily suspend their activities without an administrative prohibition to protect the health and wellbeing of public and employees, whether such arguments can

be considered as due cause seems controversial.

Consequently, the Court of Appeal will make the final decision on whether the COVID-19 pandemic can be considered a due cause.