

## Major Trademark Reforms in Turkey

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It is time to close the era of Decree Laws and the Constitutional Court striking out provisions in Turkey's trademark regime. Turkey's long discussed trademark law practices are on the verge of substantial changes. The finalized Industrial Property Law ("**IP Law**") was published in the Official Gazette on 10 January 2017, with the majority of provisions entering into effect on the same date.

The IP Law reconciles provisions on trademarks, patents, industrial designs and geographical indications which were previously addressed by separate pieces of secondary legislation (Decree Laws, which are now abolished). The improvements and clarifications promise to address practical grey areas which arose from non-centralized legislation, as well as difficulties stemming from intellectual property rights being based on secondary legislation.

The law also changes the name of Turkish Patent Institute to now be the Turkish Patent and Trademark Institution ("**TPTI**").

Significant headline changes under the IP Law include:

### Fixed time periods:

Unless otherwise stated, all time periods become two months under the IP Law. As a result, the opposition period is shortened from three months to two months.

### Co-existence:

Consent letters are now accepted as a legitimate method to overcome a provisional refusal decision, based on the existence of an earlier trademark. Previous legislation did not accept consent letters, coexistence agreements or sister company arrangements as overcoming provisional refusals from the TPTI. Therefore, even if the prior registration holder consented to the later trademark, the TPTI would not cancel its provisional refusal decision. The IP Law now allows a provisional refusal decision to be overcome by submitting a notarized consent letter from the earlier trademark holder.

### Non-use defence and ex-officio cancellation:

In opposition proceedings based on similarity, where the opponent's trademark is registered for five or more years, the TPTI is now entitled to ask (at the applicant's request) for proof of the use, as of the filing date or date of priority of the later trademark application. If the opponent does not prove its use, the opposition will not be accepted. If the use only covers some goods and services for which the basis trademark is registered, the opposition will only be examined in terms of these limited goods and services.

Likewise, during cancellation proceedings based on similarity, defendants can now request proof of use.

The use requirement will be examined in two respects.

- If the basis trademark has been registered for five years as of the later mark's filing date, the plaintiff must prove its use retrospectively within five years, starting from the filing date.
- If the basis trademark has been registered for five years as of the later mark's filing date, or the defendant's trademark priority date, the plaintiff must also prove its use as of the filing or priority date.

Furthermore, the TPTI becomes the authorized body to consider and determine requests for revocation of trademarks based on non-use. Until now, non-use claims have been advanced within the scope of revocation actions, handled by First Instance Courts. The TPTI will also examine claims about trademarks becoming generic and misleading. The TPTI will begin accepting these claims seven years after the IP Law comes into force (10 January 2024).

## Registration is no longer a defence in infringement actions:

The IP Law clarifies that during infringement actions, defendants can no longer raise industrial rights as a defence.

Previously, infringers would commonly file a trademark application and/or obtain a registration for an earlier trademark, as a defensive tool during trademark infringement actions. The prior legislative arrangement stated that as long as a use is based on registration, it cannot constitute infringement. The wording therefore offered wide protection to bad-faith applications, which has now been removed.

## Compensation and Seizure:

The IP Law regulates infringement complaints where the right holder obtains compensation from a counterparty for damages, but fails to seize the offending goods. Accordingly, right holders cannot raise infringement complaints against third parties for such goods.

## International Exhaustion:

Although in practice, the international exhaustion principle was being applied by Turkish courts, it was not explicitly named in Decree Laws. The IP Law explicitly states that the international principle will be applied.

## Loss of Right Due to Remaining Silent:

To date, the silence period's duration was being assessed on a case-by-case basis. The IP Law defines the period as being five years, running from when the senior right holder knows (or is deemed to be informed) about use of the trademark and has not taken any action within that period. After the five year period ends, a cancellation action cannot be filed unless the ensuing trademark is filed in bad-faith.

## Cancellation and Invalidation Action:

Decree Laws previously referred to both cancellation and invalidation actions as "invalidation actions". Despite being named the same, in reality the actions had different results, with retrospective and prospective effects. The IP Law separates cancellation and invalidation actions, outlining relevant provisions in different articles.

## Comparative advertisements:

From 1 January 2018, a party can make comparative advertisements, using competitor's goods and services which meet the same needs or purposes (Consumer Protection Law). The IP Law rules that trademark holders can prevent third parties from using their trademark in comparative advertisements which do not comply with legal requirements.

# Pre-Emptive Declaratory Judgments:

Obtaining a declaratory judgment in which a court determines that infringement has not occurred ("non-infringement determination") is a key pre-emptive defensive measure for protecting intellectual property. Before initiating proceedings, the requesting party was previously required to send a notice to the Right Owner via a notary public. However, the wording in Decree Laws was unclear about whether this step was mandatory. The IP Law clarifies the notice step as not being compulsory for initiating such a non-infringement determination action.

## Effective date:

The IP Law will be applied for all application filed after 10 January 2017. Registration proceedings will be carried out in accordance with the prior Decree Law for applications filed before that date.

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Overall, the changes and clarifications are promising, given practical grey areas and frictions which existed in the Turkish intellectual property regime. IP practitioners in Turkey eagerly await the changes, which are expected to substantially change current practices.

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