

## The Role and Benefits of Injunctions in Turkish Trademark Law

*23 May 2014*

Injunctions play a significant role in Turkish intellectual property law, particularly for protecting trademark rights. Injunctions are effective tools during cancellation, invalidation and infringement actions to preserve the final result which the plaintiff seeks to achieve.

A plaintiff's claim can be irreparably damaged before and during a trial, meaning that even if the plaintiff is ultimately successful, the remedy they are awarded is no longer effective. For example, the counterparty could transfer a disputed trademark to a third party, continue to produce and sell infringing products, or even initiate infringement action against the legitimate right owner as a counter-attack.

To avoid such possibilities, plaintiffs can request the court grant a temporary injunction to preserve the status of the possible final trial outcome.

## The Theory and Practice of Injunctions Under Turkish Trademark Law

The legal framework and criteria for injunctions in Turkey are outlined by the Code of Civil Procedure, as well as Decree Law Number 556 Pertaining To Protection Of Trademarks.

Injunctions can be obtained either before or during a trial. To obtain an injunction the requesting party must prove to the court's satisfaction that either:

- Irreparable harm will arise if the injunction is not granted, or
- The outcome which the requesting party seeks in its main action will be unlikely unless the injunction is granted.

Under Turkish law, the requested injunction must seek to protect the potential outcome of the main action, but must not actually achieve this outcome itself. That is, the requesting party may not use the injunction mechanism to achieve the ultimate outcome which they are pursuing through their main legal action. If a requested injunction fails to meet these criteria, the court may reject the request, or alternatively postpone the request until later in the trial (if the request is filed during a trial).

If a requesting party files an injunction request before a trial has been initiated, the requesting party must file its main action within two weeks of that date. If the requesting party (plaintiff) does not file the main action by this deadline, the injunction will lapse and become invalid.

Generally, before granting an injunction, the court must give the counterparty an opportunity to be heard and defend their position. However, courts can depart from this general rule where doing so would undermine the

point of the injunction request. In such cases, courts have the discretion to issue injunctive decisions without notifying the counterparty of the request or hearing the counterparty's arguments. For example, where the requesting party's rights require immediate protection or notifying the counterparty would cause irreparable damage to the main action, or unnecessarily prolong the proceedings. The onus is on the requesting party to prove in their initial injunction request that such a condition exists and specifically request that the counterparty not be notified of the injunction request.

If an injunction is issued without the counterparty being notified and given the opportunity to be heard, the counterparty will be entitled to appeal the decision within seven days of being notified of the injunction decision. Injunction decisions which the court issues in the presence of both parties cannot be appealed.

When a court grants a preliminary injunction, generally:

- The requesting party will be required to deposit a significant monetary guarantee with the court to cover possible damages to the counterparty which could arise as a result of the injunction.
- Courts will require the counterparty to deposit a guarantee with the court, rather than suspending their trade or production of the allegedly infringing goods. The basis for this is that suspending trade and production of the goods could cause significant and disproportional costs, as well as irreparably damaging the counterparty's business and reputation.
- The requesting party will be held responsible for damages which are caused due to an illegitimate or wrongful injunction decision. If such circumstances exist, the damaged party has the right to initiate a separate civil claim seeking compensation from the party which wrongfully obtained the injunction.

## Commonly Requested Injunctions in Trademark Disputes

Turkish courts are generally reluctant to grant preliminary injunctions and this same reluctance extends to injunctions sought in the context of intellectual property disputes. Exceptions to this are injunctions which prevent the counterparty from transferring the disputed trademark to a third party until after the final judgment is issued.

Below are some of the possible injunctive requests available in the context of intellectual property disputes.

*Preventing a counterparty from transferring a disputed trademark to a third party until the final judgment is issued*

According to general practice, cancellation, invalidation, or infringement actions must be initiated against the party shown in the Turkish Patent Institute's (TPI) registry (Decree Law Number 556 Pertaining To Protection Of Trademarks). After becoming aware of a possible cancellation or invalidation action being initiated against them, the counterparty may transfer the disputed mark to a third party with the aim of avoiding the action. To create further delays, the counterparty may even arrange for that third party to transfer the disputed mark on to other third parties, possibly even multiple times. Transferring a trademark in this way will inevitably suspend pending legal actions and unnecessarily prolong trials. Given that a simple intellectual property trial in Turkey takes up to three years to reach a final conclusion, additional delays are understandably unacceptable for parties, as well as unnecessary adding to the courts' workload.

To avoid these consequences, prior to initiating the main action, a party can file an injunction request which seeks to prevent the counterparty from transferring the disputed mark to a third party until the

final judgment is issued. Generally, courts issue these types of preliminary injunction requests without a hearing and without notifying the counterparty.

*Preventing a counterparty from using the disputed trademark until the final judgment is issued*

Generally, during invalidation, cancellation or infringement actions, the counterparty will continue to use the disputed mark for commercial purposes. Such practice means the counterparty continues taking advantage of its unfair use, potentially damaging the reputation and distinctiveness of the plaintiff's trademarks in the process.

To avoid this, the plaintiff can file a preliminary injunction request seeking to prevent the counterparty from using the disputed mark. Courts have the discretion to issue such injunctions on a case by case basis and the discretion is most commonly exercised where the counterparty fraudulently uses the trademark. Generally, such decisions are issued only after a hearing and after the plaintiff deposits a large monetary guarantee to cover possible damages to the counterparty which could arise as a result of the injunction.

Turkish law prohibits parties from achieving their ultimate aim in the main legal action through the preliminary injunction mechanism. The exclusive aim of an injunction must be to preserve the status of the final judgment. In principle, preventing the counterparty from using the disputed mark could be considered to be the primary goal being sought by the final judgment. Therefore, with the limited fraudulent use exception above, these types of injunction requests are not generally accepted by Turkish courts.

*Preventing a counterparty using its rights which arise from the disputed trademark against the plaintiff and its affiliates until the final judgment is issued*

These types of injunctions are the most important, but also the most rarely granted. A considerable number of foreign companies use their trademarks in Turkey via their distributors or independent retailers. It is common for foreign companies to wrongly interpret registrations with the Office for Harmonization in the Internal Market as being valid in Turkey, or fail to protect their trademarks by having them registered before the TPI.

It is common in Turkey for third parties to take advantage of such oversights and obtain trademark registrations before the legitimate right holder can do so. Holding a valid registration (even inappropriately) gives the right to initiate infringement action against other parties which do not hold such a registration (even if this party is the legitimate right holder).

Legitimate right holders often become aware of earlier registrations when they attempt to register the mark with the TPI themselves. Or alternatively, when they receive threats from the third party about possible infringement actions (on the basis of the inappropriately registered right). It is not uncommon for third parties (which hold an earlier TPI registration) to approach the legitimate right holder, offering to transfer the trademark registration in return for money. Third parties often threaten to initiate infringement action against the legitimate right holder, as well as the right holder's distributors or retailers which import and sell the products.

Even if the legitimate right holder foresees this as a possible risk and initiates an invalidation action against the earlier registration holder, the earlier party is entitled to initiate a counter action for

infringement. To prevent this situation occurring, the legitimate right holder can request an injunction to prevent the earlier registration holder from exercising its rights which arise from that registration (such as the right to initiate an infringement action).

Turkish courts are more likely to grant these types of injunction if the requesting party has a high likelihood of success at trial. A hearing must be held prior to the court's decision. While the counterparty is not required to attend the hearing, in the interests of natural justice, it is important to give this party the opportunity to be heard and defend the requested injunction. The requesting party will be required to deposit a large monetary guarantee with the court, to cover possible damages to the counterparty which could arise as a result of the injunction.

## Suspending the Sale and Production of Allegedly Infringing Products

During an infringement action, counterparties will generally continue to produce and sell the allegedly infringing products, thereby continuing to take advantage of their wrongful use. While plaintiffs generally seek immediate relief during infringement actions, civil law proceedings in Turkey do not move as quickly as criminal actions. Therefore, a plaintiff may wish to make such an injunction request in a civil claim in order to achieve a similar effect to the remedies available in a criminal claim. Courts have the discretion to grant injunctions which prevent counterparties from producing or selling the allegedly infringing products until the after the final judgment is issued. Suspending sale and production in this way is an extraordinary measure which the court will not agree to unless strong grounds exist. In practice, such solid and convincing grounds are less likely to exist in a cancellation or invalidation action.

In addition to the general requirements for seeking a preliminary injunction, the requesting party must also convince the court that it has a high likelihood of success at trial. A hearing must be held prior to the court's decision as it is important to give the counterparty the opportunity to be heard and defend the requested injunction. The requesting party will be required to deposit a large monetary guarantee with the court, to cover possible damages to the counterparty which could arise as a result of the injunction.

## Monetary Guarantee Deposited with the Court to Cover the Plaintiff's Claims (if Successful)

Courts generally require the injunction requesting party to deposit a large monetary guarantee with the court as an assurance against possible damages which may arise to the counterparty as a result of the injunction. On the other hand, the injunction requesting party may also request the counterparty deposit a monetary guarantee with the court as part of the injunction request. The reason for this is to ensure that if the requesting party is successful at trial, their claims will be met. These types of injunction request are rarely granted though, with courts preferring not to make an early decision in these complicated cases.

## Related Practices

- [Trademarks](#)
  - [IP Litigation](#)
-

## Related Attorneys

- IŐIK ÖZDOĐAN, LL.M.
- YONCA ÇELEBİ