

Turkish Constitutional Court Nibbles Away at Trademark Law

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In 2014, the Turkish Constitutional Court hit the headlines after cancelling several articles of the Decree Law No. 556 on the Protection of Trademarks. In May, the court struck out two more articles of the law, 16(5) and 7(1)(i), on the basis that they are unconstitutional.

According to the now cancelled article 16(5), when a trademark registration was assigned, any identical or similar trademarks (for the same or similar goods or services) were also required to be transferred to the same assignee. In practice, when an application to record the trademark assignment was filed, the Turkish Patent Institute (TPI) would allow a two-month period in which to assign any remaining identical or similar trademarks. If the parties failed to comply with this requirement, the TPI would reject the assignment recordal request.

Article 16(5) created problems because in some circumstances the TPI would interpret the term "similar trademarks" in a broad manner. The TPI also began conducting a similarity search when an assignment recordal request was filed. These factors, combined with the TPI's refusal to accept consent letters, conflicted with parties' freedom of contract, one of the basic principles of civil law.

In 1995, article 7(1)(i) established a legal basis for the TPI to refuse trademark applications on the basis that an application is similar to a well-known mark, according to 6bis of the Paris Convention. Within this context, the TPI has rejected trademark applications which were identical to an earlier trademark, regardless of the goods and services covered by the later applications. The TPI also established the well-known trademark registry, aiming to record and make information about well-known trademarks publicly accessible.

Within the scope of two separate lawsuits, the Ankara 3rd Civil Court of Intellectual and Industrial Property Rights made applications to the Constitutional Court, Turkey's highest court, seeking cancellation of article 16(5) and article 7(1)(i) respectively.

The Constitutional Court ruled to strike out article 16(5) and article 7(1)(i) on the basis that each conflicted with article 91 of the Turkish Constitution. The constitution states that (with limited exceptions) decree laws may not regulate fundamental rights, nor may they regulate individual or political rights and duties.

Effects of the changes

The good news coming from the cancellation of article 16(5) is that this will compensate for disadvantages stemming from the decree law on trademarks' strict rejection of consent letters, co-existence agreements, and sister company arrangements. Trademark owners which have failed to obtain registration in Turkey in the past (due to an earlier applied-for or registered trademark) may now be able to obtain registration.

On the other hand, with the striking out of article 7(1)(i), applications which are identical or similar to an earlier well-known trademark will now pass the TPI's initial examination on absolute grounds. The TPI will publish these applications provided they do not cover the same goods and services as the well-known trademarks. Therefore, owners of well-known trademarks should closely monitor the official trademark bulletin since more applications may now pass the TPI's examination on absolute grounds than have done so in the past.

As a final note, it seems articles 16(5) and 7(1)(i) will not be the last provisions to be struck out by the Constitutional Court. Intellectual property rights in Turkey are regulated by decree laws (secondary legislation). The Constitutional Court has struck out many articles through the years on the basis that regulating fundamental rights through decree laws is unconstitutional.

The Constitutional Court's most recent decisions may lead to cancellation of other IP provisions. Within one of its applications to the Constitutional Court, the Ankara court made a strong argument that article 7(1)(b) of the decree law is also unconstitutional on the basis that it restricts property rights. Accordingly, this may be the next provision to be struck out.

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