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## The New Turkish Trademark Law

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Ergun Özsunay

## **Abstract**

Since 1980, the Turkish economy has gradually gained a liberal character through the elimination of government intervention in the economy and the removal of exchange restrictions and customs barriers. These changes in economic policy are related to Turkey's desire to foster closer economic links with the European Union ("EU" or "Community"). Relations between Turkey and the European Union take place within the framework of an Association Agreement ("Ankara Agreement"). The Ankara Agreement was signed on September 12, 1963, and became effective on January 1, 1973. The Ankara Agreement provides the possibility of Turkey's eventual membership in the European Union. Undoubtedly, relations with the European Union have had an important impact on recent reforms in the fields of intellectual and industrial property rights in Turkey. Following Turkey's application for full Community membership, the necessity for reform in the field of trademark law, as in other fields of intellectual and industrial property rights, has become an important issue for the country. This Article summarizes the current Turkish trademark laws, and discusses their harmony with EU trademark law.

# THE NEW TURKISH TRADEMARK LAW

Ergun Özsunay\*

## INTRODUCTION

Since 1980, the Turkish economy has gradually gained a liberal character through the elimination of government intervention in the economy and the removal of exchange restrictions and customs barriers. These changes in economic policy are related to Turkey's desire to foster closer economic links with the European Union ("EU" or "Community").<sup>1</sup> Relations between Turkey and the European Union take place within the framework of an Association Agreement ("Ankara Agreement").<sup>2</sup> The Ankara Agreement was signed on September 12, 1963, and became effective on January 1, 1973. The Ankara Agreement provides the possibility of Turkey's eventual membership in the European Union. A "preparatory stage" during which the Community provided Turkey with support to strengthen its economy, was followed by a "transitional stage" aimed at preparing both Turkey and the European Union for eventual customs union. The transitional stage was ushered in by the Additional Proto-

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1. *Customs Union; Premier Welcomes European Parliament's Ratification of Customs Union*, BBC SUMMARY OF WORLD BROADCASTS, Dec. 14, 1995, available in LEXIS, News Library, Curtnws file [hereinafter *Customs Union*]; Treaty Establishing the European Community, Feb. 7, 1992, [1992] 1 C.M.L.R. 573 [hereinafter EC Treaty], incorporating changes made by Treaty on European Union, Feb. 7, 1992, O.J. C 224/1 (1992), [1992] 1 C.M.L.R. 719, 31 I.L.M. 247 [hereinafter TEU]. The TEU, *supra*, amended the Treaty Establishing the European Economic Community, Mar. 25, 1957, 298 U.N.T.S. 11, 1973 Gr. Brit. T.S. No. 1 (Grnd. 5179-II) [hereinafter EEC Treaty], as amended by, Single European Act, O.J. L 169/1 (1987), [1987] 2 C.M.L.R. 741 [hereinafter SEA], in TREATIES ESTABLISHING THE EUROPEAN COMMUNITIES (EC Off'l Pub. Off. 1987). Until 1995, the twelve EU Member States were Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom. TEU, *supra*, pmbl. O.J. C. 224/1, at 2 (1992), [1992] 1 C.M.L.R. at 725-26. On January 1, 1995, Austria, Finland and Sweden became Member States of the European Union. *Sweden, Finland and Austria Join European Union*, S.F. CHRON., Jan. 2, 1995, at A8. The enlarged Union does not include Norway, which rejected membership in the Union in November 1994. John Harton, *Vote in Norway Blocks Joining Europe's Union*, N.Y. TIMES, Nov. 29, 1994, at A1.

2. [The Ankara Agreement of September 12, 1963], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 11858 (1964).

col.<sup>3</sup> Under the Additional Protocol, tariffs between Turkey and the Community were to be reduced to zero over a twelve-year period for some goods (e.g., refrigerators, freezers and other refrigerating or freezing equipment, heat pumps other than air conditioning machines) and over a twenty-two-year period for other goods (e.g., reception apparatus for radio-telephony, radio-telegraphy or radio broadcasting, whether or not combined, in the same housing with sound recording or reproducing apparatus or a clock; fork lift trucks, other lifting handling or unloading machinery).<sup>4</sup>

Turkey applied for full Community membership on April 14, 1995. Turkey and the European Union planned to enter customs union in 1995.<sup>5</sup> The Customs Union Agreement was signed on March 6, 1995, in Brussels as Resolution of the Association Council No. 1/95<sup>6</sup> and came into force on January 1, 1996. For both Turkey and the European Union, customs union represents an important step toward Turkey's full membership in the European Union.<sup>7</sup>

Undoubtedly, relations with the European Union have had an important impact on recent reforms in the fields of intellectual and industrial property rights in Turkey. Following Turkey's application for full Community membership, the necessity for reform in the field of trademark law, as in other fields of intellectual and industrial property rights, has become an important issue for the country.

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3. [Additional and Supplementary Protocols of November 23, 1970], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 14406 (1972).

4. See DIE [STATE STATISTICS INSTITUTE], *ISTATISTIK POZISYONLARINA BÖLÜNÜMÜS GÜMRÜK GİRİŞ TARİFE CETVELİ*, PUB. NO. 1444 (2d ed. Ankara, 1980).

5. The Customs Union Agreement, Decision No. 1/95 of the EC-Turkey Association Council, O.J. 35/1 (1996). The Agreement came into force on January 1, 1996. See İSTANBUL TİCARET ODASI, *KURULUSUNDAN BUGÜNE AVRAPA BİRLİĞİ VE TÜRKİYE-AB İLİSKİLERİ 25-29* [THE İSTANBUL CHAMBER OF COMMERCE, THE EUROPEAN UNION FROM ITS CONSTITUTION UNTIL NOW AND THE RELATIONSHIPS BETWEEN TURKEY-EU] (Etüt ve Araştırma Subesi, İstanbul, Aralık 1995) (detailing Customs Union Agreement). For details on the chronological developments of the Turkey-EU relationship, see *id.* at 34-44. For the Turkish translation of the decision of the Association Council No. 1/95, see İSTANBUL TİCARET ODASI, *GÜMRÜK BİRLİĞİNİN EKONOMİK BOYUTLARI VE MALLARIN SERBEST DOLAŞIMI 51-133* (THE İSTANBUL CHAMBER OF COMMERCE, THE ECONOMIC DIMENSIONS OF THE CUSTOMS UNION AND FREE CIRCULATION OF GOODS, PUB. NO. 1995-22, (2d ed., İstanbul, 1995).

6. The Customs Union Agreement, Decision No. 1/95 of the EC-Turkey Association Council, O.J. 35/1 (1996).

7. *Customs Union*, *supra* note 1.

The first law on trademarks in Turkey was enacted on July 20, 1871, during the time of the Ottoman Empire.<sup>8</sup> After the foundation of the Republic of Turkey in 1923, the Ottoman trademark law was replaced in 1965 by the Act on Trademarks.<sup>9</sup> The Act on Trademarks was drafted under the inspiration of the Swiss Act on Trademarks.<sup>10</sup> The Act on Trademarks, however, did not comply in important respects with the trademark law of the European Union. Under the Act on Trademarks, No. 551, for example, three-dimensional marks and service marks<sup>11</sup> could not be registered as trademarks. The Act did not contain any provision with regard to the registration of three-dimensional marks. In practice, such trademarks were not registered. Registration of service marks was forbidden.<sup>12</sup> Such marks were provided protection under the general rules on unfair competition of the Turkish Commercial Code.<sup>13</sup> Further, the Act on Trademarks was not able to satisfy the needs of the burgeoning Turkish economy, and did not address the problems relating to trademark infringements which exploded as a result of increasing Turkish foreign trade, and the inflow of tourists from Eastern European States and the successor republics of the former Soviet

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8. See HAYRI DERICIOGLU, 1 MARKA MEVZUATIMIZ VE TATBIKATI: MEVZUAT 276-80 (1 OUR TRADEMARK LEGISLATION AND ITS PRACTICE: LEGISLATION) (Ankara, 1967). This law was replaced later by "Fabrika Mamulatiyla Eşya-i Ticariyeye Mahsus Alameți Farikalara Dair Nizamname" (Regulation on Trademarks concerning Industrial Products and Commercial Goods) of May 11, 1888. The Regulation of 1888 continued to exist after the foundation of the Republic of Turkey on October 29, 1923 with some amendments until 1965. It was replaced by the Act on Trademarks No. 551 of March 3, 1965. Patent Haklarının Korunması Hakkında KHK/551 [Decree Having the Power of Law on the Protection of Patent Rights No. 551], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 11951 (1965) [hereinafter KHK/551].

9. KHK/551, T.C. Resmi Gazete No. 11951.

10. Bundesgesetz betreffend den Schutz der Fabrik-und Handelsmarken, der Herkunftsbezeichnungen von Waren und der gewerblichen Auszeichnungen [Swiss Federal Act on Protection of Industrial and Commercial Trademarks] Sept. 26, 1890, amended by Federal Laws of Dec. 21, 1928 (Switz.); Federal Law of June 22, 1939 (Switz.); Federal Law of June 13, 1951 (Switz.). See ALOIS TROLLER, IMMATERIALGUTERRECHT, PATENTRECHT, MARKENRECHT, MUSTER-UND MODELLRECHT, URHERBERRECHT, WETTBEWERBSRECHT, BAND I, DRITTE, VÖLLING ÜBERARBEITETE AUFLAGE, VERLAG HELBING & LICHTENHAHN (1983).

11. 556 sayılı Markaların Korunması Hakkında Kanun Hukmünde Kararnamenin Uygulanma Seklini Gösterir Yönetmelik [The Implementing Regulation (Regulation on Implementation of KHK/556 on Protection of Trademarks)] arts. 8, 9, T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22454 (1995) [hereinafter Implementing Regulation].

12. KHK/551 art. 46, T.C. Resmi Gazete No. 11951.

13. Turkish Commercial Code, No. 6762, art. 57/No. 5.

Union who were eager to buy "quality products" under famous trademarks. Under these circumstances, a new Turkish law drafted in accordance with recent developments both nationally and internationally in the field of trademark law became necessary.

## I. LEGAL SOURCES OF THE NEW TURKISH TRADEMARK LAW

### A. National Sources

The new Turkish trademark law was enacted on June 24, 1995, as a "Decree Having the Power of Law for Protection of Trademarks" ("Markaların Korunması Hakkında Kanun Hükmünde Kararname") ("KHK/556").<sup>14</sup> An Implementing Regulation<sup>15</sup> ("Yönetmelik") was prepared detailing in greater depth several provisions of KHK/556.

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14. Markaların Korunması Hakkında Kanun Hükmünde Kararname [Decree Having the Power of Law for Protection of Trademarks] art. 46, T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22326, at 103 (1995) [hereinafter KHK/556]. KHK/556 came into force on the date of the Official Gazette publication. Recently, in addition to the Decree on Protection of Trademarks (KHK/556), other important enactments have been made in the field of industrial property law. The aim of all these enactments is the harmonization of the Turkish law with the law of the European Union. *See* Patent Haklarının Korunması Hakkında KHK/551 [Decree Having the Power of Law on the Protection of Patent Rights No. 551], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 11951 (1965); Endüstriyel Tasarımların Korunması Hakkında KHK/554 [Decree Having the Power of Law on the Protection of Industrial Designs No. 554], T.C. Resmi Gazete [Turkish Republic Official Gazette] (1995) [hereinafter KHK/554]; Coğrafi İşaretlerin Korunması Hakkında KHK/555 [Decree Having the Power of Law on the Protection of Geographical Indications], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22326 (1995) [hereinafter KHK/555]. Turkey has ratified also the [Patent Cooperation Treaty of 19th June 1970 by the Act No. 4115 of 7th July 1995], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22341 (1995) and [Strasbourg Agreement Concerning the International Patent Classification of March 24, 1971, as amended on October 2, 1979], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22373 (1995).

15. 556 sayılı Markaların Korunması Hakkında Kanun Hükmünde Kararnamenin Uygulanma Seklini Gösterir Yönetmelik [The Implementing Regulation (Regulation on Implementation of KHK/556 on Protection of Trademarks)], was prepared in accordance with KHK/556 (Art. 21; Art. 23; Art. 24) by the Ministry of Industry. It was published in the Official Gazette, No. 22454, at 65-79 (Nov. 5, 1995). The Implementing Regulation deals with: kinds of trademarks, persons enjoying the protection of trademark, application for registration, examination of application, publication of application and registration, renewal of registration, amendments in trademark after its registration, legal transactions relating to trademarks (assignment and licensing of trademarks), pledge of trademarks, and fees for registration. Implementing Regulation, T.C. Resmi Gazete No. 22454.

The Draft Law Commission consulted the national trademark laws of several foreign countries and regional and international conventions during the preparation of KHK/556. The foreign laws examined by the Draft Law Commission included: (1) the Swiss "Federal Law on the Protection of Trademarks and Indications of Source,"<sup>16</sup> dated August 28, 1992; (2) the Austrian "Trademark Protection Law" of 1970,<sup>17</sup> as amended in 1984; (3) Italian "Executive Order, No. 480,"<sup>18</sup> dated December 16, 1992; and (4) Spanish "Trade Marks Act, No. 32,"<sup>19</sup> dated November 10, 1988.<sup>20</sup> The Draft Law Commission also examined the following regional and international trademarks laws: (1) the EC Directive on the Harmonization of the Laws on Trademarks of the Member States,<sup>21</sup> adopted by the Council on December 21, 1988; (2) the Regulation on the Community Trademark, adopted December 20, 1993; (3) the Paris Convention for the Protection of Industrial Property,<sup>22</sup> as revised in 1967 at Stock-

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16. Bundesgesetz über den Schutz von Marken und Herkunftsangaben (Markenschutzgesetz, MSchG) [Federal Law on the Protection of Trademarks and Indications of Source], Aug. 28, 1992, *entered into force* on April 1, 1993 (Switz.). For its English translation prepared by the International Bureau of WIPO, see WIPO, *Industrial Property, Law and Treaties*, Feb. 1993, at 1-4.

17. *Markenschutzgesetz, 1970* [Austrian Trademark Protection Law of 1970]. For the German text see Bydlinski, *Österreichische Gesetze, Zivil-, Handels-, Straff-, und Verfahrensrecht*, Manz, Wien/C.H. Beck München, 1 und 2. Auflage, Stand 20 Jaenner 1984, No. 183. English translation as last amended by the Law March 4, 1984 in WIPO, *Industrial Property, Laws and Treaties*, May 1986, at 1-5.

18. See Roberto Prato & Maria Cristina Baldini, *The Current Italian Trademark Law*, *MANAGING INTELLECTUAL PROPERTY: TRADEMARK YEARBOOK 1993* (Euromoney Publications PLC, 1993).

19. See Gonzallo Ullao, *Protection for Trademarks of the Member States of December 21, 1988* O.J. L 40/1-40/7 (1989).

20. See *Managing Intellectual Property*, *TRADEMARK Y.B.* (1993). For Swiss law see A.L. Celli, *Switzerland Overhauls Trade Mark Law*, in *INTERNATIONAL CORPORATE LAW* 28 (1993).

21. Council Regulation No. 40/94, December 20, 1993 on the Community Trademark, O.J. L 11 (1994); Council Regulation No. 3288/94 of December 22, 1994 Amending Regulation No. 40/94 on the Community Trademark for the Implementation of the Agreements Concluded in the Framework of the Uruguay Round, O.J. L 349/83-84 (1994).

22. Turkey is a party to the Paris Convention for the Protection of Industrial Property of March 20, 1883, March 20, 1883, 13 U.S.T. 1, T.I.A.S. No. 4931, *revised*, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305. Turkey adopted, first, the London Act of June 2, 1934. Later, the Act of Stockholm of 1967 was signed and ratified with regard to Articles 12 to 30. See [Act No. 244 of May 31, 1963 and the Decree of August 8, 1975 of the Council of Ministers No. 7/10464], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 15418 (1975).

holm; (4) the Trademark Law Treaty,<sup>23</sup> adopted at Geneva on October 27, 1994; and (5) the Final Act Embodying The Results of The Uruguay Round of Multilateral Trade Negotiations of April 15, 1994: Agreement Establishing The World Trade Organization, Annex 1C,<sup>24</sup> and The Agreement on Trade-Related Aspects of Intellectual Property Rights.<sup>25</sup>

KHK/556 repealed the Turkish Act on Trademarks of 1965<sup>26</sup> with the exception of those provisions prescribing new penal sanctions for the infringement of trademarks,<sup>27</sup> and thus all provisions of the Act on Trademarks have now been repealed.<sup>28</sup>

### B. *International Sources*

Turkey is a party to the Paris Convention for the Protection of Industrial Property ("Paris Convention").<sup>29</sup> In addition, Articles 1 through 12 of the Act of Stockholm of 1967 were adopted and ratified by Turkey in the Decree of the Council of Ministers.<sup>30</sup> Articles 12 *et seq.* of the Act of Stockholm were previously ratified by a Decree of the Council of Ministers.<sup>31</sup>

Moreover, in July 1995, the Council of Ministers adopted and ratified the Nice Agreement Concerning The International Classification Of Goods And Services For The Purposes Of The Registration Of Marks Of June 15, 1957, as revised at Stockholm

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23. Trademark Law Treaty (adopted at Geneva on October 27, 1994), in WIPO, *Industrial Property and Copyright, Industrial Property Laws and Treaties, Multilateral Treaties*, Jan. 1995, at 1-12.

24. General Agreement on Tariffs and Trade: Multilateral Trade Negotiations Final Act Embodying the Results of the Uruguay Round of Trade Negotiations, April 15, 1994, 33 I.L.M. 1125, Annex 1C.

25. Agreement on Trade-Related Aspects of Intellectual Property Rights, 33 I.L.M. 1197, in General Agreement on Tariffs and Trade: Multilateral Trade Negotiations Final Act Embodying the Results of the Uruguay Round of Trade Negotiations, April 15, 1994, 33 I.L.M. 1125, Annex 1C.

26. KHK/556, T.C. Resmi Gazete No. 22326 (repealing Turkish Act on Trademarks of 1965).

27. Act No. 4128 dated November 3, 1995 (Turk.).

28. KHK/551, T.C. Resmi Gazete No. 22456.

29. Paris Convention for the Protection of Industrial Property of March 20, 1883, March 20, 1883, 13 U.S.T. 1, T.I.A.S. No. 4931, *revised*, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

30. No. 94/5903 of July 29, 1994, Official Gazette No. of 22060 of September 23, 1994.

31. No. 7/10464 of August 8, 1975, Official Gazette, No. 15418 of November 20, 1975.



on July 14, 1967, at Geneva on May 13, 1977, and as amended at Geneva on October 2, 1979.<sup>32</sup> Turkey simultaneously adopted and ratified the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks,<sup>33</sup> done at Vienna on June 12, 1973, and amended on October 1, 1985.<sup>34</sup>

According to KHK/556, international conventions have priority over national law. Thus, under KHK/556, where provisions of international agreements afford preferable provisions to those of KHK/556, persons entitled to protection<sup>35</sup> may request treatment according to the preferable international provisions.<sup>36</sup>

## II. SYSTEM OF TURKISH TRADEMARK LAW

### A. Aim of KHK/556

The aim of KHK/556 is to protect trademarks registered in conformity with the provisions of the Decree.<sup>37</sup> KHK/556 left the principle of "use" which was adopted by the previous Act on Trademarks.<sup>38</sup> Under KHK/556 the protection of a trademark is provided by the registration of the mark.<sup>39</sup> KHK/556 establishes the principles, rules, and requirements for the protection of trademarks<sup>40</sup> and is composed of eleven Parts.

### B. Structure of KHK/556

Part One of KHK/556 articulates the law's "General Provisions" in five sections. Section One is devoted to the "aim and content of the decree." Moreover, this Section defines important concepts, including persons who are entitled to protection under the law.<sup>41</sup> Section Two deals with eligible trademark signs,<sup>42</sup> the means by which trademarks are obtained,<sup>43</sup> and the

32. No. 95/7094 of July 12, 1995.

33. Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks, Vienna June 12, 1973, *amended* October 1, 1985, T.C. Resmi Gazete No. 22373, at 12-24 (1995).

34. No. 95/7094 of July 12, 1995. Official Gazete No. 22373 of August 13, 1995.

35. KHK/556 art. 3, T.C. Resmi Gazete No. 22326, at 88.

36. *Id.* art. 4, T.C. Resmi Gazete No. 22326, at 88.

37. *Id.* art. 1/I, T.C. Resmi Gazete No. 22326, at 87.

38. *See* KHK/551, T.C. Resmi Gazete No. 11951 (previous Act on Trademarks).

39. KHK/556 art. 6, T.C. Resmi Gazete No. 22326, at 88.

40. *Id.* art. 1/II, T.C. Resmi Gazete No. 22326, at 87.

41. *Id.* arts. 1-4, T.C. Resmi Gazete No. 22326, at 87-88.

42. *Id.*

43. *Id.*

“absolute and relative grounds for refusal for registry of a trademark.”<sup>44</sup> Section Three regulates the scope of trademark protection, including the rights conferred by a registered trademark,<sup>45</sup> “reproduction of the trademark in dictionaries and reference works,”<sup>46</sup> “prohibition of the use of the trademark registered in the name of an agent or a representative,”<sup>47</sup> “exception of the content of rights conferred by the registration of trademark,”<sup>48</sup> and “exhaustion of rights conferred by the registration of trademark.”<sup>49</sup> Section Four addresses the “use of trademark.”<sup>50</sup> Section Five is devoted to “legal transactions relating to rights deriving from registration of trademark.”<sup>51</sup> This Section sets forth requirements concerning the transfer, licensing, and attachment of trademarks.<sup>52</sup>

Part Two of KHK/556, composed of two Sections, deals with “application” for registration. Section One regulates the filing and classification of a trademark.<sup>53</sup> Meanwhile, Section Two deals with the “right of priority.”<sup>54</sup> Section Two addresses issues relating to the right of priority deriving from applications based on international conventions,<sup>55</sup> “exhibition priority,”<sup>56</sup> and other issues relating to priority rights.<sup>57</sup>

Part Three of the KHK/556, composed of five Sections, deals with “registration procedures.” The first three Sections provide measures concerning the “examination and publication of application,” “opinion and opposition of third parties,” and “examination of opposition.”<sup>58</sup> Section Four addresses procedural matters relating to trademark application.<sup>59</sup> Section Five is

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44. *Id.* arts. 5-8, T.C. Resmi Gazete No. 22326, at 88-90.

45. *Id.* art. 9, T.C. Resmi Gazete No. 22326, at 90-91.

46. *Id.* art. 10, T.C. Resmi Gazete No. 22326, at 91.

47. *Id.* art. 11, T.C. Resmi Gazete No. 22326, at 91-92.

48. *Id.* art. 12, T.C. Resmi Gazete No. 22326, at 92.

49. *Id.* art. 13, T.C. Resmi Gazete No. 22326, at 92.

50. *Id.* art. 14, T.C. Resmi Gazete No. 22326, at 92.

51. *Id.*

52. KHK/556 art. 15 *et seq.*, T.C. Resmi Gazete No. 22326, at 93.

53. *Id.* arts. 23-24, T.C. Resmi Gazete No. 22326, at 95-96.

54. *Id.*

55. KHK/556 art. 25, T.C. Resmi Gazete No. 22326, at 96.

56. *Id.* art. 25, T.C. Resmi Gazete No. 22326, at 97.

57. *Id.* arts. 27-28, T.C. Resmi Gazete No. 22326, at 97.

58. *Id.* art. 36, T.C. Resmi Gazete No. 22326, at 100.

59. *Id.* arts. 37-38, T.C. Resmi Gazete No. 22326, at 100.

devoted to the "registration of trademark."<sup>60</sup>

Part Four deals with "duration of registration and renewal of trademark."<sup>61</sup> Part Five, consisting of two Sections, deals with the "invalidity and of trademark and its effects,"<sup>62</sup> and addresses the "termination of trademark rights."<sup>63</sup> Part Six of KHK/556 regulates "appeals against decisions of the Turkish Patent Institute" relating to the registration or refusal to register a trademark.<sup>64</sup> Part Seven is devoted to "guarantee marks and collective marks,"<sup>65</sup> while Part Eight deals with the "infringement of rights."<sup>66</sup>

### *C. Definition and Kinds of Trademark*

The term "trademark" is not defined by KHK/556. Under Turkish law, a trademark is defined as a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises.<sup>67</sup> KHK/556 draws a distinction between trademarks for goods and trademarks for services, including guarantee marks and collective marks.<sup>68</sup> With regard to the kinds of trademarks, Turkish law makes several distinctions.

The first distinction is dependent on the form of the trademark. Under KHK/556, a trademark may consist of all kinds of signs represented graphically, including: personal names, designs, letters, numerals, and similarly descriptive means capable of being published and reproduced by printing.<sup>69</sup> "Word trademarks" are represented by words or combinations of letters in word form.<sup>70</sup> "Letter trademarks" consist of individual letters.<sup>71</sup> "Numeral marks" are the marks that consists of numbers.<sup>72</sup>

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60. *Id.* art. 39, T.C. Resmi Gazete No. 22326, at 100.

61. *Id.* arts. 40-41, T.C. Resmi Gazete No. 22326, at 101.

62. *Id.* arts. 42-44, T.C. Resmi Gazete No. 22326, at 101-02.

63. *Id.* arts. 45-46, T.C. Resmi Gazete No. 22326, at 103.

64. *Id.* arts. 47-53, T.C. Resmi Gazete No. 22326, at 103-04.

65. *Id.* arts. 54-60, T.C. Resmi Gazete No. 22326, at 104-06.

66. *Id.* arts. 61-79, T.C. Resmi Gazete No. 22326, at 106-11.

67. See SAIT K. MIMAROGLU, 348 *TICARET HUKUKU, I. CILT: ISLETME HUKUKU* [COMMERCIAL LAW, I. VOL.: LAW OF THE ENTERPRISES] (3d ed. 1978); OGUZ IMREGUN, *KARA TICARETI HUKUKU DERSLERI* [TEXTBOOK ON COMMERCIAL LAW] 64-66 (9th ed. 1991).

68. KHK/556 art. 2/a, T.C. Resmi Gazete No. 22326, at 87.

69. *Id.* art. 5, T.C. Resmi Gazete No. 22326, at 88. Implementing Regulation, art. 4/g, T.C. Resmi Gazete No. 22454.

70. KHK/556 art. 5, T.C. Resmi Gazete No. 22326, at 88.

71. *Id.* art. 5, T.C. Resmi Gazete No. 22326, at 88.

72. *Id.* art. 5, T.C. Resmi Gazete No. 22326, at 88.

Combinations of letters or initials may also function as trademarks.<sup>73</sup> "Design trademarks" may be represented by concrete images of animate or inanimate objects, abstract images, symbols, compositions of an ornamental nature, individual artistically transformed print units and numerals, and various combinations of the abovementioned elements.<sup>74</sup> Combinations of trademarks present a combination of different elements such as design, word, three-dimensional, and other elements.

Turkish law makes a second distinction according to the function of trademarks. According to this criterion, trademarks for goods are distinguished from trademarks for services.<sup>75</sup> A trademark for goods may be a word, symbol, or other signifier used to distinguish the good of one firm from the goods of other firms. The term "service mark" means any word, name, symbol, or device, or any combination thereof used by a person to identify and distinguish the services of one person from the services of others and to indicate the source of the services.<sup>76</sup>

Turkish law makes a third distinction in the definition of trademarks, according to the person entitled to protection. According to this criterion, the following marks are distinguished: (1) "individual trademarks," which are individual marks or trademarks of individual persons or firms and which identify and distinguish their goods or services from the goods or services of others;<sup>77</sup> (2) "guarantee marks," which are signs that are used by several enterprises under the control of the owner of the mark and which serve to guarantee the quality, geographic origin, type of manufacture, or other characteristics common to goods or services of such enterprises;<sup>78</sup> (3) "collective marks," which are signs of an association of manufacturing, trading, or service enterprises that serve to distinguish the goods and services of the members of an association from those of other enterprises.<sup>79</sup>

#### D. *Persons Entitled to Protection*

KHK/556 confers benefits and protections to four catego-

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73. *Id.*

74. *Id.*

75. *Id.*

76. Implementing Regulation arts. 8-9, T.C. Resmi Gazete No. 22454, at 3.

77. KHK/556 arts. 5-8, T.C. Resmi Gazete No. 22326, at 88-89.

78. *Id.* art. 54, T.C. Resmi Gazete No. 22326, at 104.

79. *Id.* art. 55, T.C. Resmi Gazete No. 22326, at 105.

ries of persons: (1) natural persons or legal entities that are domiciled within the territory of the Turkish Republic;<sup>80</sup> (2) natural persons or legal entities that are engaged in industrial or commercial activities within the territory of the Republic of Turkey;<sup>81</sup> (3) persons who have application rights within the framework of the Paris Convention<sup>82</sup> or the Agreement Establishing the World Trade Organization;<sup>83</sup> and (4) natural persons or legal entities who are nationals of those States that confer legal or actual protection for trademarks on nationals of the Turkish Republic and who may thus enjoy trademark protection in Turkey in accordance with the principle of reciprocity.<sup>84</sup>

### E. *Unregistrable and Improper Trademarks*

Trademarks are accepted for registration upon complying with the formalities and requirements prescribed by KHK/556. Under some circumstances, the Turkish Patent Institute<sup>85</sup> has the duty to refuse an application for registration. Grounds for refusal fall into two categories: absolute grounds for refusal and relative grounds for refusal.

#### 1. Absolute Grounds for Refusal

Pursuant to KHK/556's provisions specifying absolute grounds for refusal to register a trademark, the Turkish Patent Institute cannot register trademarks with twelve enumerated signs:<sup>86</sup> (1) signs that are not capable of distinguishing the goods or services of one enterprise from the goods and services of other enterprises; (2) trademarks identical or confusingly sim-

80. See Turkish Civil Code No. 743, art. 19 (Feb. 17, 1926) (defining domicile of persons); Act on Associations No. 2908 of October 4, 1983, art. 3 (respecting legal entities - associations); Turkish Civil Code No. 743, art. 75 (respecting legal entities - foundations); Turkish Commercial Code No. 6762, arts. 155, 244, 279, 506 (June 29, 1956) (respecting commercial legal entities).

81. Turkish Commercial Code No. 6762, June 29, 1956.

82. Paris Convention for the Protection of Industrial Property of March 20, 1883, *supra* note 29, 13 U.S.T 1, T.I.A.S. No. 4931, *revised*, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

83. KHK/556 art. 3/I, T.C. Resmi Gazete No. 22326, at 88.

84. *Id.* art. 3/II, T.C. Resmi Gazete No. 22326, at 88.

85. Turk Patent Enstitüsü Kurulus ve Görevleri Hakkında Kanun Hükmünde Kararname [Act on Formation and Functions of the Turkish Patent Institute KHK/544], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 21970 (1994) [hereinafter KHK/544].

86. KHK/556 art. 7, T.C. Resmi Gazete No. 22326, at 88.

ilar to a trademark registered previously with respect to an identical or confusingly similar good or service; (3) trademarks consisting exclusively of signs and indications that indicate the kind, quality, quantity, intended purpose, value, or geographic origin, or designate the time of production of the goods or of rendering of the service or other characteristics of goods and services; (4) trademarks consisting exclusively of signs and names used commonly in trade; (5) trademarks consisting exclusively of signs and names used to distinguish persons belonging to specific groups of a profession, craftsmen, or tradesmen; (6) shapes that constitute the nature of goods themselves or shapes of the goods; (7) signs misleading the public as to the nature, quality, place of production, or geographical origin of the goods and services; (8) trademarks that have not been authorized by the competent authorities for use and, therefore, are to be refused in accordance with Article 6 of the Paris Convention;<sup>87</sup> (9) trademarks containing armorial bearings, emblems, or official signs, other than those covered by Article 6 of the Paris Convention, which have not been authorized for registration by a competent authority and are of particular historical and cultural value for the public; (10) well known trademarks that have not been permitted by their owners under Article 6 of the Paris Convention; (11) trademarks that contain religious symbols; and (12) signs contrary to public policy and public morality.

## 2. Relative Grounds for Refusal

Under KHK/556's provisions specifying relative grounds for refusal, a trademark cannot be registered by the Turkish Patent Institute upon opposition by the owner of a registered trademark in the following cases: (1) if the trademark sought to be registered is identical to a registered trademark or a trademark that has an earlier application date and covers identical goods or services;<sup>88</sup> (2) if the trademark sought to be registered is identical with or similar to goods or services covered by an earlier trademark which has an earlier application date and a risk of confusion results therefrom;<sup>89</sup> (3) if an application for registra-

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87. Paris Convention for the Protection of Industrial Property of March 20, 1883, *supra* note 29, 13 U.S.T 1, T.I.A.S. No. 4931, *revised*, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

88. KHK/556 art. 8/I a, T.C. Resmi Gazete No. 22326, at 89.

89. *Id.* art. 8/I b, T.C. Resmi Gazete No. 22326, at 89.

tion has been made by an agent or representative of the owner of a trademark in his own name without the owner's consent or any just ground and the owner objects;<sup>90</sup> (4) upon objection of the owner of a non-registered trademark or of another sign used in the course of trade, if the right to the mark was acquired before the date of application for registration of the trademark, or before the date of priority specified in the application, or if the sign confers on its owner the right to prohibit the use of a subsequent trademark;<sup>91</sup> (5) in cases where a registered trademark has created a reputation, if the use of the identical or similar trademark for different goods or services would cause damage to the reputation of the registered trademark, harm to its distinctive characteristic, or provide for an unfair advantage for the owner of the identical trademark, upon the objection of the owner of the registered trademark because under KHK/556 a trademark that is identical with or similar to a registered trademark may be used for different goods or services;<sup>92</sup> (6) if the trademark contains the name, photograph, copyright, or any industrial property right of another person upon his objection;<sup>93</sup> (7) with respect to collective and guarantee marks, if an application for registration of a trademark that is identical or similar to a collective or a guarantee mark, upon objection, if the application is made within three years after the termination of these rights;<sup>94</sup> and (8) if within two years after the termination of a trademark as the result of non-renewal, if an application for registration of the same or similar trademark for the same or similar goods or service is made upon objection.<sup>95</sup>

#### F. *Use and Non-use of a Trademark*

Under KHK/556, a trademark enjoys protection if it is used in connection with the goods and services for which it is claimed.<sup>96</sup> Collective and guarantee marks must be used in accordance with their technical regulations.<sup>97</sup> There are various

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90. *Id.* art. 8/II, T.C. Resmi Gazete No. 22326, at 90.

91. *Id.* art. 8/III, T.C. Resmi Gazete No. 22326, at 90.

92. *Id.* art. 8/IV, T.C. Resmi Gazete No. 22326, at 90.

93. *Id.* art. 8/V, T.C. Resmi Gazete No. 22326, at 90.

94. *Id.* art. 8/VI, T.C. Resmi Gazete No. 22326, at 90.

95. *Id.* art. 8/VII, T.C. Resmi Gazete No. 22326, at 90.

96. *Id.* art. 14, T.C. Resmi Gazete No. 22326, at 92.

97. *Id.* art. 59, T.C. Resmi Gazete No. 22326, at 105.

forms of trademark use: (1) use in a form that differs only insignificantly from the registration;<sup>98</sup> (2) use of the trademark on goods or their packaging solely for export purposes where importing goods that carry the trademark also constitute use of the mark;<sup>99</sup> and (3) use of the trademark with the consent of the owner is deemed use by the owner himself.<sup>100</sup>

If, within a period of five years following the date of registration, the trademark has not been used and a reasonable excuse is not offered, or if the use has been suspended during an uninterrupted period of five years, the trademark is cancelled.<sup>101</sup>

### G. *Scope of Protection of Registered Trademarks*

Registration of a trademark confers several rights on its owner. The owner of a registered trademark has, normally, the right to use his trademark exclusively. He may use his trademark within the limitations of law, to identify his goods and services. He may transfer his trademark to another person or grant a license for its use. Furthermore, he may give his trademark as security.<sup>102</sup>

The right to the exclusive use of a trademark confers on the owner the right to prohibit the use of the trademark by other persons. The owner may prevent interventions<sup>103</sup> to be made by third parties. The rights conferred by a registered trademark can be directed by the owner against third persons from the date of publication of registration of the trademark.<sup>104</sup>

In the following cases, the owner of a registered trademark is entitled to prohibit the use a trademark by third parties: (1) the use of any sign that is identical to the registered trademark in relation to goods and services that are identical with those for which the trademark is registered;<sup>105</sup> (2) the use of any sign where, because of its identity with or similarity to the registered trademark and identity and similarity of the goods and services

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98. *Id.* art. 14/II a, T.C. Resmi Gazete No. 22326, at 92.

99. *Id.* art. 14/II b, d, T.C. Resmi Gazete No. 22326, at 92.

100. *Id.* art. 14/II c, T.C. Resmi Gazete No. 22326, at 92.

101. *Id.* art. 14/I, T.C. Resmi Gazete No. 22326, at 92.

102. *Id.* art. 15, T.C. Resmi Gazete No. 22326, at 93.

103. "Intervention" means "objections to be made by third persons with regard to the use of trademark by the owner."

104. KHK/556 art. 9/III, T.C. Resmi Gazete No. 22326, at 91.

105. *Id.* art. 9/I a, T.C. Resmi Gazete No. 22326, at 91.



covered by the registered trademark, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark;<sup>106</sup> and (3) use of any sign that is identical or similar to the registered trademark in relation to goods and services that are not similar to those for which the trademark is registered, where the use of that sign is detrimental to the distinctive character or reputation of the registered trademark.<sup>107</sup>

The following kinds of uses may be prohibited by the trademark owner in the abovementioned situations: (1) affixing the sign to goods or to their packaging; (2) offering the goods, putting them on the market, or stocking them under the sign; (3) offering or supplying services under the sign and; (4) importing the goods under the sign; (5) using the sign on business papers, in advertising, or otherwise in the course of trade.<sup>108</sup>

If a trademark has been registered in the name of an agent or representative of the owner of the trademark without his consent, the owner may oppose and prohibit the use of the trademark unless the agent or representative provides justification.<sup>109</sup>

If a trademark is reproduced in a dictionary, encyclopedia, or a similar reference work without indications that it is registered and gives the impression that it constitutes the generic name of the goods or services for which the trademark is registered, the owner of the trademark may demand correction.<sup>110</sup> The publisher must correct the error in its next edition.<sup>111</sup>

Acts relating to a product containing the registered trademark do not constitute a breach of the trademark rights where such acts have occurred after the product has been put on the market in Turkey by the owner or with his consent.<sup>112</sup> The owner may oppose and prohibit, however, further commerciali-

106. *Id.* art. 9/I b, T.C. Resmi Gazete No. 22326, at 91.

107. *Id.* art. 9/I c, T.C. Resmi Gazete No. 22326, at 91.

108. *Id.* art. 9/II, T.C. Resmi Gazete No. 22326, at 91.

109. *Id.* art. 11, T.C. Resmi Gazete No. 22326, at 91. "Justification" means any "just ground" to be proved by the agent or representative of the trademark owner. Article 11 has not specified the content of the just ground. The specification of the content of this concept has been left by KHK/556 to practice and doctrine relating to this Article in future.

110. "Correction" means that a correction is made and it is indicated that the trademark was registered.

111. KHK/556 art. 10, T.C. Resmi Gazete No. 22326, at 91.

112. *Id.* art. 13/I, T.C. Resmi Gazete No. 22326, at 92.

zation of the goods, particularly where the condition of the goods is changed or impaired after they have been put on the market.<sup>113</sup> The owner of a trademark may not prevent third persons from using his own name or address, indications concerning the kind, quality, quantity, intended purpose, value, geographic origin, or other characteristics of the goods or services in the course of their trading or industrial activities as long as the third persons are acting in good faith.<sup>114</sup>

#### H. *Legal Transactions Relating to Trademarks*

Registered trademarks may be the subject of several distinct legal transactions. The owner of a registered trademark may transfer the trademark to another person or grant a license for its use.<sup>115</sup> Trademarks may be subject to usufruct,<sup>116</sup> pledge, or compulsory execution.<sup>117</sup> They may be inherited by the heirs of the owner. Transactions between living persons relating to

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113. *Id.* art. 13/II, T.C. Resmi Gazete No. 22326, at 92. "Change or impairment of the condition of goods" means any change of purpose of use of goods to be made by third persons of deterioration of the condition of goods by a third person after they have been put on the market.

114. KHK/556 art. 12, T.C. Resmi Gazete No. 22326, at 92.

115. *Id.* arts. 16, 20-21, T.C. Resmi Gazete No. 22326, at 93-94. These Articles set forth the provisions of the Turkish Code of Obligation No. 818 (May 8, 1926) (the fifth Book of the Turkish Civil Code) on lease agreement.

116. Usufruct is a limited "right in rem." It confers on the usufructuary the right to the full use and enjoyment of the "res fructuria." A usufruct can be created over a movable, an immovable, a whole estate, or a single right (e.g. trademark). Turkish Civil Code art. 717.

117. Compulsory execution deals with enforcement of final court decisions or collection of claims: in case of money debts, if the owner of a trademark is debtor of a money claim (defendant) and does not make payment, his creditor applies to the execution office and requests it to send a payment order to the debtor. The execution officer sends a payment order to the debtor requiring him to submit a statement of his income and assets. When this has been submitted, execution may take either of two forms, depending upon the wishes of the creditor (plaintiff) and the condition of the debtor's (defendant's) assets (haciz) and pays the proper fees to the execution office, this office seizes enough of the debtor's property to satisfy the claim. If debtor is the owner of a trademark, it can be seized (haciz) independently from its owner's enterprise. KHK/556 art. 19, T.C. Resmi Gazete No. 22326 at 94. The property can be held in safekeeping or returned to the debtor upon his undertaking to preserve it. Then, the execution officer devises a schedule for the debtor to pay the debt in installments. There is a garnishment procedure also, whereby creditor may secure payment from third persons owing money to the debtor. The execution and garnishment procedures are regulated by the Turkish Code of Execution and Bankruptcy No. 2004 (June 9, 1932).

trademarks are subject to written form.<sup>118</sup> Like registered trademarks, trademark applications may also be the subject of all legal transactions.<sup>119</sup>

### 1. Transfer of Trademark

A registered trademark may be transferred independently or together with an enterprise. A registered trademark may be transferred in part or for all the goods and services for which it is registered.<sup>120</sup> A guarantee mark or a collective mark may also be assigned/transferred. The assignment is valid only when it is entered in the Trademark Register.<sup>121</sup> The transfer of a trademark is valid between the assignor and the assignee when it is made in written form. Agreement of assignment must be signed by the parties. Upon the request of one of the parties, assignment is registered and published.<sup>122</sup> As long as the assignment is not registered, the rights and powers arising from the registration cannot be invoked by the parties against the third persons in good faith.<sup>123</sup> If the nature of the transfer is such that it misleads the public concerning the nature, quality, or geographic origin of the goods and services, the Turkish Patent Institute may refuse to register the transfer unless the transferee agrees to limit registration of the mark to those goods or services that are not misleading as a result of the trademark.<sup>124</sup> Unless otherwise agreed, the transfer of the whole of an enterprise with its assets and liabilities includes the rights to the trademarks of the enterprise.<sup>125</sup>

### 2. Licensing of Trademark

The owner of a trademark may permit others to use his trademark for goods or services for which it is registered in whole or in part.<sup>126</sup> A license may be exclusive or non-exclu-

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118. KHK/556 art. 15/II, T.C. Resmi Gazete No. 22326, at 93.

119. *Id.* art. 22, T.C. Resmi Gazete No. 22326, at 95.

120. *Id.* art. 16/I, T.C. Resmi Gazete No. 22326, at 93.

121. *Id.* art. 60, T.C. Resmi Gazete No. 22326, at 106.

122. *Id.* art. 16/VI, T.C. Resmi Gazete No. 22326, at 93.

123. *Id.* art. 16/VII, T.C. Resmi Gazete No. 22326, at 93.

124. *Id.* art. 16/IV, T.C. Resmi Gazete No. 22326, at 93.

125. *Id.* art. 16/II, T.C. Resmi Gazete No. 22326, at 93.

126. *Id.* art. 20, T.C. Resmi Gazete No. 22326, at 94; *see also* [Foreign Capital Framework Decree], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22352 (1995).

sive.<sup>127</sup> Under KHK/556, the license is, as a rule, non-exclusive unless otherwise provided in the agreement.<sup>128</sup> Where an exclusive license has been granted, the licensor may not grant a license to other parties or use the trademark unless otherwise agreed.<sup>129</sup>

Under KHK/556, license agreements are subject to written form.<sup>130</sup> A license does not have effect against third parties in good faith, however, until it is registered.<sup>131</sup> License agreements relating to guarantee or collective trademarks are also subject to written form, and become valid upon entry in the Trademark Register.<sup>132</sup> Clauses within license agreements that conflict with provisions of KHK/556 are null and void.<sup>133</sup>

The holder of an exclusive license has exclusive rights with respect to the use of the trademark during the term of protection.<sup>134</sup> The licensee is not, however, entitled to transfer rights arising from the license or to grant a sub-license to other persons.<sup>135</sup> In the event of an infringement on the trademark, the holder of an exclusive license may initiate the same proceedings that are available to the owner of the trademark.<sup>136</sup>

The holder of a non-exclusive license, however, is not entitled to apply for legal remedies. In the event of an infringement, the holder of the license may give notice to the licensor, requesting that he initiate proceedings against the infringer. If the licensor refuses to apply for legal remedies or fails to initiate proceedings within three months after the receipt of the notice, the non-exclusive licensee, after notifying the licensor, may apply for legal remedies. In the event of serious damage, however, the holder of a non-exclusive license may apply to the court within the three-month period for a decision on provisional measures.<sup>137</sup>

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127. KHK/556 art. 21/I, T.C. Resmi Gazete No. 22326, at 94.

128. *Id.* art. 21/II, T.C. Resmi Gazete No. 22326, at 94.

129. *Id.* art. 21/III, T.C. Resmi Gazete No. 22326, at 94.

130. *Id.* art. 15/II, T.C. Resmi Gazete No. 22326, at 93.

131. *Id.* art. 21/X, T.C. Resmi Gazete No. 22326, at 94.

132. *Id.* art. 60, T.C. Resmi Gazete No. 22326, at 106.

133. *Id.* art. 21/XI, T.C. Resmi Gazete No. 22326, at 94.

134. *Id.* art. 21/V, T.C. Resmi Gazete No. 22326, at 94.

135. *Id.* art. 21/IV, T.C. Resmi Gazete No. 22326, at 94.

136. *Id.* art. 21/VI, T.C. Resmi Gazete No. 22326, at 94.

137. *Id.* art. 21/VII, T.C. Resmi Gazete No. 22326, at 94.

### 3. Pledge of Trademark

A registered trademark may be pledged<sup>138</sup> independently of the enterprise.<sup>139</sup> At the request of one of the parties, the pledge on the trademark is entered in the register and published. Other issues relating to the pledge of trademarks are subject to the provisions of the Turkish Civil Code.<sup>140</sup>

### 4. Compulsory Execution

A registered trademark can be attached independently of the enterprise.<sup>141</sup> Attachment is entered in the register and published.<sup>142</sup> On other issues relating to attachment, the provisions of the Turkish Code of Execution and Bankruptcy No. 2004, dated June 9, 1932 (as amended) apply.<sup>143</sup>

#### I. *Registration of Trademark*

KHK/556 enumerates a multi-step process for the registration of trademarks. This process includes: the filing, classification, rights of priority, examination, publication, opposition, registration, and renewal.

138. "Pledge" means "pledge of a debt." Debts and other rights can be pledged (given as security for a claim) if they can be assigned under Turkish law. Turkish Civil Code art. 868. The legal relationships on pledge of debts and rights are subject to the provisions set forth in the Turkish Civil Code, articles 868 to 875. Further, except where it is expressly provided otherwise, the ordinary rules on pledge of movable chattels are applicable. Turkish Civil Code arts. 853-67.

139. KHK/556 art. 18, T.C. Resmi Gazete No. 22326, at 94.

140. KHK/556 art. 15/I, T.C. Resmi Gazete No. 22326, at 93; Turkish Civil Code, art. 868 *et seq.* The Turkish Civil Code and Code of Obligations are works of a global reception in Turkey after the foundation of the Republic. The Swiss Civil Code and Code of Obligations were adopted with some alterations and modifications in 1926. The Turkish Code of Obligations is the last part of the Civil Code. For details on the global reception of foreign laws in and impacts of adoption see E. Özsunay, *The Total Adoption of Foreign Codes in Turkey and Its Effects*, in *Le Nuove Frontiere del Dritto et Il Problema dell'Unificazione*, 2 UNIVERSITA DEGLI STUDI DI BARI, MILANO 803 *et seq.* (1979). On the works relating to the amendments in Turkish Civil Code and Code of Obligations see E. Özsunay, *Some Remarks on the Amendments Proposed by the Preliminary Draft of the Turkish Civil Code*, in *LIBER MEMORIALIS FRANÇOIS LAURENT*, BRUXELLES, E. Story-Scientia 605 *et seq.* (1989).

141. "Attachment" means "seizure" (*haciz*) of the property of debtor when he does not satisfy his creditor.

142. KHK/556 art. 19, T.C. Resmi Gazete No. 22326, at 94.

143. Turkish Code of Execution and Bankruptcy, No. 2004, June 9, 1932.

## 1. Filing

With respect to the registration of individual trademarks, any person may apply for registration. The application filed with the Turkish Patent Institute must include: (1) a petition including information identifying the applicant; (2) a reproduction of the trademark; (3) a list of the goods or services for which the trademark is intended; (4) the original receipt of the payment of the application fee; (5) the original receipt of the payment of the class fees; (6) a power of attorney if an agent is appointed; (7) a signature circular where the applicant is a legal entity; and (8) documentation relating to the applicant's business activities.<sup>144</sup> Each trademark requires the filing of a separate application.<sup>145</sup> All documents filed with the application for registration of a trademark must comply with the Implementing Regulation.<sup>146</sup>

When filing an application for registration of a guarantee or collective mark, a technical regulation specifying the ways and means of using the mark must also be filed.<sup>147</sup> If a technical regulation does not conform with the requirements prescribed by law, the Turkish Patent Institute notifies the owner of the mark requiring the necessary alterations. If the owner of the mark does not make the required changes, the Institute will refuse the request for registration of the collective or guarantee mark.<sup>148</sup> A trademark application may be withdrawn by the applicant before it is registered.<sup>149</sup>

## 2. Classification

The goods or services relating to the trademark to be registered are classified in accordance with the international classification of goods and services.<sup>150</sup> Turkey has ratified and is a party to the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration

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144. KHK/556 art. 23, T.C. Resmi Gazete No. 22326, at 95.

145. *Id.* art. 23/III, T.C. Resmi Gazete No. 22326, at 95.

146. *Id.* art. 23/IV, T.C. Resmi Gazete No. 22326, at 95.

147. *Id.* art. 56, T.C. Resmi Gazete No. 22326, at 105.

148. *Id.* art. 58, T.C. Resmi Gazete No. 22326, at 105.

149. *Id.* art. 38, T.C. Resmi Gazete No. 22326, at 100.

150. *Id.* art. 24, T.C. Resmi Gazete No. 22326, at 96.

of Marks.<sup>151</sup> The countries to which the Nice Agreement applies constitute a Special Union and adopt a common classification of goods and services for the purposes of the registration of marks. The classification consists of a list of classes, together with, as the case may be, explanatory notes and an alphabetical list of goods and services with indication of class into which each of the goods or services falls. The trademarks, therefore, are classified according to this Agreement.

### 3. Right of Priority

Two principal kinds of priority rights can be distinguished under KHK/556. First, KHK/556 provides for priority rights under international conventions. Natural or legal persons who are nationals of any party to the Paris Convention, or if not nationals, who are domiciled or have an active business in these signatory States, may enjoy a right of priority for six months from the filing of a valid application for registration of a trademark at the authorized bodies of these States, for the purpose of filing an application for obtaining a registration certificate in Turkey with respect to the same trademark.<sup>152</sup> Priority rights not exercised within this period are forfeited. Moreover, a natural or legal person who is a national of a party to the Paris Convention and has filed a valid application in a State not party to this Convention, may enjoy priority rights with respect to that filing.<sup>153</sup>

Second, KHK/556 provides for an exhibition priority. Natural or legal persons specified in Article 3/I, persons eligible to the protection of trademarks under the KHK/556, who have displayed the goods or services for which the trademark is applied at national or international exhibitions in Turkey or at official or officially recognized national or international exhibitions in a Paris Convention Member State, may claim a right of priority for registration of the trademark in Turkey, if the application of priority is filed within a period of six months from the date of the first display of the goods.<sup>154</sup> Effects of priority rights under Articles 25 and 26 arise from the date of the application for which

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151. [Decree of the Council of Ministers No. 95/7094 of July 12, 1995], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22373 (1995).

152. KHK/556 art. 25/I, T.C. Resmi Gazete No. 22326, at 96. Priority rights not exercised within this period are forfeited.

153. *Id.* art. 25/III, T.C. Resmi Gazete No. 22326, at 96.

154. *Id.* art. 26/I, T.C. Resmi Gazete No. 22326, at 96.

the priority is declared. An applicant wishing to benefit from his right of priority must file a declaration of priority with his application for registration of the trademark. If the document relating to the right of priority is not submitted within three months after the date of filing, the applicant may no longer benefit from this right.<sup>155</sup>

#### 4. Examination of Application

The examination of an application for the registration of a trademark is conducted by the Turkish Patent Institute. The Institute examines the application to ensure that it complies with the requirements specified by law.<sup>156</sup> If the Institute concludes that there are no deficiencies, the application date is deemed the day, hour, and minute on which the application was originally filed with the Institute.<sup>157</sup> If a priority declaration has been filed, it is also examined by the Institute.<sup>158</sup> If there are deficiencies, the Institute requests the applicant to remedy these deficiencies within a period specified by the Implementing Regulation.<sup>159</sup>

The Turkish Patent Institute also examines the applicant's qualifications. If the application has not been filed by the natural or legal persons entitled to claim the protections afforded by KHK/556 Article 3, the application is refused.<sup>160</sup> Upon concluding that there are no deficiencies in the requirements of filing, the Institute examines the application to determine whether it is ineligible for registration under grounds for absolute refusal.<sup>161</sup> When an absolute ground for refusal exists, the application is refused in whole or in part.<sup>162</sup>

#### 5. Publication of Application

Applications for registration of a trademark that comply

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155. *Id.* art. 28/I, T.C. Resmi Gazete No. 22326, at 97.

156. This is known as an "examination concerning the formal requirements."

157. KHK/556 art. 29/I, T.C. Resmi Gazete No. 22326, at 98.

158. *Id.* art. 29/II, T.C. Resmi Gazete No. 22326, at 98.

159. *Id.* art. 30/I, T.C. Resmi Gazete No. 22326, at 98; *see also* Sayili Markaların Korunması Hakkında Kanun Hukmünde Kararnamenin Uygulama Seklini Gosterir Yonetmelik [Implementing Regulation on KHK/556], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22454 (1995).

160. KHK/556 art. 31, T.C. Resmi Gazete No. 22326, at 98.

161. *See supra* note 87 and accompanying text (discussing absolute refusal).

162. KHK/556 art. 32, T.C. Resmi Gazete No. 22326, at 98.



with the application conditions are published in the relevant Bulletin.<sup>163</sup> If the application has been refused after the publication of the application, the decision of refusal is also published.<sup>164</sup>

## 6. Opposition

Any natural or legal person or group representing manufacturers, producers, suppliers of services, traders, or consumers may submit written remarks to the Institute that the trademark does not conform with the registration requirements.<sup>165</sup> Opponents may not, however, be parties to the proceedings before the Institute.<sup>166</sup> Notice of opposition must be lodged in writing within three months of publication of the application.<sup>167</sup> Furthermore, opposition papers must contain the arguments for rejecting the application.

The Institute examines the opposition. During the examination, the Institute may request written opinions from the parties and communicate to them the opinions and remarks submitted by the parties.<sup>168</sup> The Institute may request additional documents and a means of evidence.<sup>169</sup> The Institute, if it deems it appropriate, may invite the parties to make a friendly settlement. If the opposition is not justified the Institute will reject it. If it is found to be valid for some goods or services for which the trademark application has been made, the Institute will accept the opposition with respect to those goods and services.<sup>170</sup>

## 7. Registration of Trademark

If the application is found to be valid under KHK/556 and the Implementing Regulation, the trademark is entered in the

163. KHK/556 art. 33/I, T.C. Resmi Gazete No. 22326, at 99. "Relevant bulletin" has been defined by the Implementing Regulation in Art. 4/e; it is the "Official Trademark Bulletin" (Resmi Marka Bulteni) where the applications for trademark registrations are published. It is published monthly. Implementing Regulation art. 16, T.C. Resmi Gazete No. 22454, at 6.

164. KHK/556 art. 33/II, T.C. Resmi Gazete No. 22326, at 99.

165. Non-conformity with registration requirements includes: unregistrable trademark, improper trademark, one of the absolute grounds of refusal, or remarks by third parties.

166. KHK/556 art. 34, T.C. Resmi Gazete No. 22326, at 99.

167. *Id.* art. 35/I, T.C. Resmi Gazete No. 22326, at 99.

168. *Id.* art. 36/I, T.C. Resmi Gazete No. 22326, at 100.

169. *Id.* art. 35/III, T.C. Resmi Gazete No. 22326, at 99.

170. *Id.* art. 36/III, T.C. Resmi Gazete No. 22326, at 100.

Trademark Register.<sup>171</sup> The applicant is then given a "Trademark Certificate of Registry." This registry certificate includes the date of registration of the trademark, application date, the list of goods and services in respect of the trademark, classification of the goods and services, the name and nationality of the owner of the trademark and his agent, tradename, nationality of the legal entity if the owner is a legal person, and changes relating to the trademark and to the rights on the trademark.<sup>172</sup>

### 8. Term of Registration and Renewal of Trademark

A trademark is registered for a ten-year period from the date of registration.<sup>173</sup> Registration may be renewed for additional ten-year periods. The request for renewal must be submitted and the renewal fee paid within a period of six months before the last day of the month on which protection expires.<sup>174</sup> A grace period of six months is allowed for the renewal of a trademark registration after its term has expired. In these circumstances, however, an extra fee is assessed. Renewal takes effect on the day following the date on which the existing registration expires. The renewal is then entered in the registry and published.<sup>175</sup> Trademarks that are not renewed within six months after the expiration of protection are deemed null and void.<sup>176</sup>

### J. Termination of Trademark Right

Trademark rights terminate in the following cases: (1) upon the expiry of the protection term and non-renewal within the prescribed period;<sup>177</sup> and (2) if the owner of the trademark renounces his rights.<sup>178</sup> The owner of a trademark may renounce his rights with respect to some or all of the goods and services

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171. *Id.* art. 39/I, T.C. Resmi Gazete No. 22326, at 100. The Trademark Register is the register which is kept and maintained by Trademarks Department of the Turkish Patent Institute where applications and registrations, assignments, licensing, and pledges of the trademark are entered. *Id.* art. 13, T.C. Resmi Gazete No. 22326, at 92.

172. *Id.* art. 39/II, T.C. Resmi Gazete No. 22326, at 100.

173. *Id.* art. 40/I, T.C. Resmi Gazete No. 22326, at 101.

174. *Id.* art. 41/III, T.C. Resmi Gazete No. 22326, at 101.

175. *Id.* art. 41/IV, T.C. Resmi Gazete No. 22326, at 101.

176. *Id.* art. 41/V, T.C. Resmi Gazete No. 22326, at 101.

177. *Id.* art. 45/I a, T.C. Resmi Gazete No. 22326, at 103.

178. *Id.* art. 45/I b, T.C. Resmi Gazete No. 22326, at 103.

for which it is registered.<sup>179</sup> The owner of a trademark may not, however, renounce his rights without obtaining the consent of the licensee or holder of rights registered with the Trademark Registry.<sup>180</sup> The renunciation must be made in writing to the Institute. Renunciation takes effect on the date of entry in the Trademark Registry.<sup>181</sup>

#### *K. Cancellation of Trademark*

Under KHK/556, a registered trademark can be declared invalid and cancelled by a court on the following grounds:<sup>182</sup> (1) the existence of one of the grounds of absolute refusal;<sup>183</sup> (2) the existence of one of the relative grounds for refusal;<sup>184</sup> (3) the non-use of the trademark for a period of five years following the registration without a justifiable reason; (4) where the trademark owner's conduct is rendered generic with respect to the goods or services; (5) as a result of use made by the owner or by the person authorized by him, there exists a likelihood of confusion on the part of the public as to the nature, quality, place of production, and geographic origin with respect to the goods or services for which it is registered; and (6) where a collective or guarantee mark is used contrary to its technical regulation.<sup>185</sup> The judgment of cancellation can be total or partial.<sup>186</sup>

On behalf of any person who has suffered damages, a public prosecutor or a related official authority is entitled to a claim for the cancellation of the trademark.<sup>187</sup> An action for the cancellation of a trademark may be initiated before specialized courts that are to be established in accordance with KHK/556 Article 71/I.<sup>188</sup> For actions of cancellation to be initiated against the

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179. *Id.* art. 46/I, T.C. Resmi Gazete No. 22326, at 103.

180. *Id.* art. 46/III, T.C. Resmi Gazete No. 22326, at 103.

181. *Id.* art. 46/II, T.C. Resmi Gazete No. 22326, at 103.

182. *Id.* art. 42/I, T.C. Resmi Gazete No. 22326, at 102.

183. *Id.* art. 7, T.C. Resmi Gazete No. 22326, at 88.

184. *Id.* art. 8, T.C. Resmi Gazete No. 22326, at 89.

185. *Id.* art. 59, T.C. Resmi Gazete No. 22326, at 105.

186. *Id.* art. 42/II, T.C. Resmi Gazete No. 22326, at 102.

187. *Id.* art. 43, T.C. Resmi Gazete No. 22326, at 102.

188. Specialized courts will be established by the Ministry of Justice. Upon proposal of the Ministry of Justice, the High Council of Judges and Public Prosecutors will specify which principal courts for commercial matters and principal courts for criminal matters will have jurisdiction in all cases relating to trademarks under KHK/556. The specialized courts will also have jurisdiction in actions to be initiated against decisions of the Turkish Patent Institute. Persons who have sustained damages as the result of

trademark owner, the competent court is the court of the defendant domicile.<sup>189</sup>

A final decision of cancellation of a trademark has effects as to everybody, *res judicata*.<sup>190</sup> A judgment of cancellation is retroactive in effect.<sup>191</sup> The retroactive effects of cancellation, without prejudice to claims for compensation for damages caused by negligence on the part of trademark owner, do not extend, however, to the following:<sup>192</sup> (1) any final judgment relating to infringement of the trademark that was rendered and enforced prior to the decision of invalidity; or (2) contracts concluded and performed prior to the decision of invalidity.

#### L. *Infringement of Trademarks and Legal Remedies*

Under the KHK/556, the following situations are regarded as an infringement of the registered trademark:<sup>193</sup> (1) the use of any sign that is identical to the registered trademark in relation to goods and services that are identical to those for which the trademark is registered;<sup>194</sup> (2) the use of the same or confusingly similar trademark without consent of the trademark owner; (3) the offer, sale, distribution, import, or export of goods bearing the marks unlawfully used by persons other than their legal owners; (4) the transfer of rights acquired under a license agreement to third parties or the expansion of such rights; (5) complicity in any of the abovementioned acts; and (6) the refrainment of explanation on the origin of the goods bearing the registered or confusingly similar trademark in one's possession. In the event of an infringement, the owner of the trademark has several legal remedies against the infringer.<sup>195</sup>

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the decisions of the Turkish Patent Institute may initiate action for compensation against the Institute before the specialized courts. These courts have not yet been established.

189. KHK/556 art. 63/III, T.C. Resmi Gazete No. 22326, at 107.

190. *Id.* art. 44/III, T.C. Resmi Gazete No. 22326, at 102.

191. *Id.* art. 44/I, T.C. Resmi Gazete No. 22326, at 102.

192. *Id.* art. 44/II, T.C. Resmi Gazete No. 22326, at 102.

193. *Id.* art. 61, T.C. Resmi Gazete No. 22326, at 106.

194. *Id.* art. 9, T.C. Resmi Gazete No. 22326, at 90.

195. *Id.* art. 62, T.C. Resmi Gazete No. 22326, at 106. Under KHK/556, the trademark owner enjoys the following legal remedies: cease-and-desist and prevention of infringement, compensation, moral compensation, confiscation of products that have been produced or imported by infringing on the trademark rights, ownership of the confiscated products, erasure of the trademark from the counterfeit products, and announcement of the court's judgment.

## 1. Action for Cease-and-Desist and Prevention of Infringement

Where there exists a probable danger of infringement of a trademark, the owner of a trademark may initiate an action for prevention. In such actions, negligence on the part of the infringer is not a prerequisite of the action.<sup>196</sup>

## 2. Action for Compensation

If the infringement has been committed by negligence<sup>197</sup> on the part of the infringer, damages may be claimed by the owner of the registered mark.<sup>198</sup> The trademark owner may request from the infringer documents relating to the use of the trademark without his consent for the evaluation of damages resulting from the infringement.<sup>199</sup> In an action for compensation, the infringer must provide compensation for the actual damages of the trademark owner.<sup>200</sup> Moreover, the owner can claim the loss of profit from the infringer.<sup>201</sup> Under KHK/556, the loss of profit is calculated under one of the following methods, at the owner's option:<sup>202</sup> (1) according to the probable profit that the trademark owner would have obtained as a result of the use of the trademark if competition from the infringer did not exist; (2) according to the profit earned by the infringer as the result of the unlawful use of the trademark; or (3) according to a license fee that would have been paid to the trademark owner if the infringer would have utilized the trademark under a license agreement.

KHK/556 provides additional protection for the loss of profit resulting from an infringement. In addition to one of the abovementioned methods of evaluation, the court may assess a reasonable extra amount of damages if, in its opinion, the trademark has contributed substantially to the economic value of the infringing goods.<sup>203</sup>

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196. The action for cease-and-desist and prevention of infringement can be initiated where there exists a probable danger of infringement whether the infringer is negligent or not. The prerequisite of this action is the probable danger of infringement, but not negligence on the part of the infringer.

197. That is, willful, grave, or slight negligence.

198. KHK/556 art. 62/b, T.C. Resmi Gazete No. 22326, at 106.

199. *Id.* art. 65, T.C. Resmi Gazete No. 22326, at 107.

200. *Id.* art. 66/I, T.C. Resmi Gazete No. 22326, at 108.

201. *Id.* art. 66/I, T.C. Resmi Gazete No. 22326, at 108.

202. *Id.* art. 66/II, T.C. Resmi Gazete No. 22326, at 108.

203. *Id.* art. 67/I, T.C. Resmi Gazete No. 22326, at 108.

### 3. Action for Moral Compensation

Under KHK/556, an infringer must also compensate for non-material damages suffered by the owner of the trademark.<sup>204</sup> Moreover, if the respectability of the trademark has been harmed as a result of improper usage by the infringer, the trademark owner may request additional compensation.<sup>205</sup>

### 4. Other Remedies

Under KHK/556, the trademark owner may, in addition to mandatory damages, request: (1) confiscation of products that have been produced or imported by infringing on the trademark rights;<sup>206</sup> (2) ownership of the confiscated products in return for payment of their values;<sup>207</sup> (3) erasure of the trademark from the counterfeit products and, if it is essential for the prevention of acts of infringement, the destruction of the confiscated products and means;<sup>208</sup> or (4) announcement of the court's judgment to the public in daily newspapers or periodicals at the expense of the infringer.<sup>209</sup>

### 5. Action for Ascertainment: Declaratory Action

With regard to infringement of registered trademarks, two kinds of actions for ascertainment exist under KHK/556. First, the owner of a trademark can initiate an action for ascertainment of the infringement if he needs a judicial decree on the existence of an infringement of a registered trademark.<sup>210</sup> Sec-

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204. *Id.* art. 62/b, T.C. Resmi Gazete No. 22326, at 106.

205. *Id.* art. 68, T.C. Resmi Gazete No. 22326, at 108.

206. *Id.* art. 62/c, T.C. Resmi Gazete No. 22326, at 107.

207. *Id.* art. 62/d, T.C. Resmi Gazete No. 22326, at 107.

208. *Id.* art. 62/e, T.C. Resmi Gazete No. 22326, at 107.

209. *Id.* arts. 62/f, 72, T.C. Resmi Gazete No. 22326, at 107, 109.

210. This positive declaratory action has not been regulated by the Code of Civil Procedure No. 1086 (amended) (Turk.) or the KHK/556. It is generally accepted, however, by doctrine and practice. See BAKI KURU, *MEDENI USUL HUKUKU DERS KİTABI [TEXTBOOK ON CIVIL PROCEDURE]* (4th ed. Ankara, 1983); 59 Kaki Kuru, *Tesbit Davalari [Actions for Ascertainment]* (1963); see also Decisions of the Turkish Court of Cassations: Decisions of Plenary Assembly No. 2/4 of November 18, 1964; Decisions of Plenary Assembly No. 5/5 of July 7, 1965; Decisions of Plenary Assembly No. 19/10 of December 29, 1966. Before starting the action for cease-and-desist or compensation (main action), the initiation of security of evidence is a matter relating to the strategy of proceedings to be followed by the counsel of trademark owner. In practice, many attorneys initiate, first, the action of security of evidence, particularly if there is a danger of concealment by the infringer, it is possible to initiate directly the main action. There is

ond, any interested person may initiate an action against the trademark owner to obtain a judgment as to the non-existence of an infringement.<sup>211</sup> Before initiating the action, the requesting party must send a notice to the trademark owner, through a notary public, expressing his opinion on whether the trademark to be used on the products to be produced by the requesting party in Turkey constitutes an infringement on the trademark rights.<sup>212</sup> If the trademark owner does not respond within one month after the receipt of the notice or his response is not found acceptable by the requesting party, an action for ascertainment on non-infringement can be initiated.<sup>213</sup>

#### 6. Action for Security of Evidence

Under provisions of the Code of Civil Procedure, No. 1086<sup>214</sup> and KHK/556 Article 75, the owner of a registered trademark may seek by expert testimony, a view of premises, or other means to secure evidence that will be used in a future action for cease-and-desist, prevention, or compensation.<sup>215</sup> In practice, before starting the action for cease-and-desist or compensation, the action of security of evidence is usually initiated, particularly if there is a danger of concealment or destruction of evidence by the infringer. In such cases, the petition is served upon the infringer after the expert's opinion has been presented to the court.

#### 7. Precautionary Measures: Injunction

Actions for provisional measures are regulated by the Code of Civil Procedure, No. 1086 and KHK/556 Article 78. Under KHK/556, any person entitled to initiate a main action for the infringement of a registered trademark may request precautionary measures when the person can prove that the actual use of the trademark constitutes an infringement of his or her registered trademark or serious preparations to use the trademark

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not any decision of the Turkish Court of Cassation on the types of strategy of proceedings to be followed by trademark owner when his trademark has been infringed.

211. *See* KHK/556 art. 74/I, T.C. Resmi Gazete No. 22326, at 110 (regarding negative declaratory action).

212. KHK/556 art. 74/II, T.C. Resmi Gazete No. 22326, at 110.

213. *Id.* art. 74/III, T.C. Resmi Gazete No. 22326, at 110.

214. Code of Civil Procedure No. 1086 (June 18, 1927) (Turk.).

215. *Id.* arts. 368 *et seq.*

would infringe his or her rights on the trademark.<sup>216</sup> The request for precautionary measure may be filed before or with the initiation of the main action. Precautionary measures can also be requested during the pendency of the main action. Requests for precautionary measures are examined separately from the main action.<sup>217</sup>

Precautionary measures will be of a nature that will preserve property, enabling the enforcement of a future judgment.<sup>218</sup> For this purpose, the precautionary measures should provide: (1) cessation of the acts of infringement on the trademark rights of the plaintiff; (2) an injunction to arrest and keep custody of the goods produced or imported by infringing on the trademark rights where they are located within the borders of Turkey, including customs, free ports, or free areas; (3) an order to give caution for damages to be compensated; (4) at the request of the trademark owner, customs authorities may seize as a precautionary measure the counterfeit products infringing on the trademark rights while being exported or imported.<sup>219</sup> The seizure measure employed by the customs authorities ceases to have effect if the action before a specialized court is not initiated or a preventive injunction order is not obtained from a court within ten days of the seizure.<sup>220</sup>

## 8. Persons Entitled to Initiate Civil Actions

Actions relating to trademark infringement are, normally, initiated by the owners of trademark rights.<sup>221</sup> Unless otherwise provided by the license agreement, the holder of an exclusive license may, in the case of an infringement of the trademark rights, initiate in his own name all actions available to the trademark owner.<sup>222</sup> Holders of non-exclusive licenses, however, are not entitled to initiate actions against the infringer of the trademark. In the event of an infringement, the licensee may give notice through a notary public to the trademark owner and request him to initiate proceedings against the infringer. If the

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216. KHK/556 art. 76, T.C. Resmi Gazete No. 22326, at 110.

217. *Id.* art. 76/II, T.C. Resmi Gazete No. 22326, at 110.

218. *Id.* art. 77, T.C. Resmi Gazete No. 22326, at 111.

219. *Id.* art. 79, T.C. Resmi Gazete No. 22326, at 111.

220. *Id.* art. 79/III, T.C. Resmi Gazete No. 22326, at 111.

221. *Id.* art. 62, T.C. Resmi Gazete No. 22326, at 106.

222. *Id.* art. 73/I, T.C. Resmi Gazete No. 22326, at 109.



trademark owner refuses this request or fails to initiate the action within three months after the receipt of the notice, the licensee may start proceedings.<sup>223</sup> When faced with the possibility of serious damage, the licensee may request the court to issue an injunction for precautionary measures.<sup>224</sup>

### 9. Defendant

The defendant is normally the infringer of the registered trademark. The person who, without consent of the trademark owner, produces, sells, distributes, puts to commercial use, imports for these purposes, or keeps in possession counterfeit goods is liable for damages. The action is directed against these persons.<sup>225</sup> Moreover, the person using, in any form, the registered trademark without the consent of its owner can be liable for damages if he has been informed of the infringement by the trademark owner and has been requested by him to cease the infringement.<sup>226</sup> Similarly, if the use of the trademark without the consent of its owner constitutes negligence on the part of the person, that person is liable for monetary damages.<sup>227</sup> The trademark owner cannot direct his action, however, against those who have used the products put on the market by the infringer who has been held liable for compensation to the trademark owner.<sup>228</sup>

### 10. Courts Having Jurisdiction and Competent Courts

Actions relating to legal remedies or penal sanctions are heard by specialized courts to be established by the Ministry of Justice.<sup>229</sup> Until these specialized courts holding jurisdiction on trademark issues are established, the High Council of Judges and Prosecutors<sup>230</sup> has the power to appoint specialized courts

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223. *See supra* note 137 and accompanying text (discussing actions instituted by licensees).

224. KHK/556 art. 73/II-IV, T.C. Resmi Gazete No. 22326, at 109.

225. *Id.* art. 64/I, T.C. Resmi Gazete No. 22326, at 107.

226. *Id.* art. 64/II, T.C. Resmi Gazete No. 22326, at 107.

227. *Id.* art. 64/II, T.C. Resmi Gazete No. 22326, at 107.

228. *Id.* art. 69, T.C. Resmi Gazete No. 22326, at 108.

229. *Id.* art. 71, T.C. Resmi Gazete No. 22326, at 109.

230. The power of appointment and promotion of judges and public prosecutors in Turkey belongs to the "High Council of Judges and Prosecutors" under [The Act on High Council of Judges and Public Prosecutors, No. 2461 May 13, 1981], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 17340 (1981). The legal status of

from among the principal courts for commercial matters and for criminal matters. As regards competent courts, the competent court for civil actions is the court of the domicile of the trademark owner.<sup>231</sup> The action may be initiated, however, at the place where the infringement has been committed or at the place where the infringement had effects.<sup>232</sup>

If the plaintiff is not a Turkish citizen, the competent court will be the court of the domicile of the authorized agent: the trademark agent registered with the Registry. If the agent's registry has been canceled, the competent court will be the court where the Turkish Patent Institute is located.<sup>233</sup> Where several courts have proper jurisdiction, the court where proceedings are first initiated will be the competent court.<sup>234</sup> For actions to be initiated by third persons against a trademark owner, the competent court will be the court of the defendant.<sup>235</sup> If the applicant or trademark owner is not domiciled in Turkey, the competent court will be the court of the domicile of the trademark agent or the place where the Institute is located.<sup>236</sup>

## 11. Prescription Period

Claims brought for the infringement of registered trademarks are subject to the provisions on prescription found in the Turkish Code of Obligations.<sup>237</sup> Under the Turkish Code of Obligations, the usual prescription period is ten years unless another limitation period is provided by law.<sup>238</sup>

### M. Penal Sanctions

Penal sanctions relating to trademark infringements are

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judges and public prosecutors is regulated by [The Act on Judges and Public Prosecutors, No. 2801, February 24, 1983], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 1791 (1983).

231. KHK/556 art. 63/I, T.C. Resmi Gazete No. 22326, at 107.

232. *Id.* art. 63/I, T.C. Resmi Gazete No. 22326, at 107.

233. *Id.* art. 63/II, T.C. Resmi Gazete No. 22326, at 107.

234. *Id.* art. 63/IV, T.C. Resmi Gazete No. 22326, at 107.

235. *Id.* art. 63/III, T.C. Resmi Gazete No. 22326, at 107.

236. *Id.* art. 63/II, T.C. Resmi Gazete No. 22326, at 107.

237. *Id.* art. 70, T.C. Resmi Gazete No. 22326, at 109; Turkish Code of Obligations, No. 818, May 8, 1926 (constituting Fifth Book of Turkish Civil Code, No. 743, February 17, 1926).

238. Turkish Code of Obligations, No. 818, May 8, 1926. On prescription periods in Turkish law see E. Özsunay, *in* EXTINGTIVE PRESCRIPTION ON THE LIMITATION OF ACTIONS (E.H. Hondius ed. 1994).

prescribed by Act, No. 4128, of November 3, 1995.<sup>239</sup> This Act prescribes effective penal sanctions against infringers in conformity with modern developments in this field.<sup>240</sup>

Trademark infringement constitutes a criminal offense. The owner of the mark may lodge a complaint with the Office of the Public Prosecutor<sup>241</sup> seeking penal sanctions. Further, under some circumstances, the Chambers of Commerce and Industry and consumer associations are also entitled to file complaints. Those using a mark identical or similar to a trademark registered in the name of another person, those knowingly offering for sale, selling, distributing, importing, or exporting goods bearing the trademarks unlawfully used by a person other than the owner of the registered trademark, and those using, without the consent of the trademark owner, the sign on business, papers, and in advertising are punished by imprisonment for a term of two to three years and are subject to heavy fines.<sup>242</sup> Employees, the owner, manager, representative, or the person who is actually managing the undertaking and who has not prevented the offense are also subject to punishment.

A criminal court may order closure of the establishment of the convicted party for one year. It may also order confiscation of goods bearing the infringed mark and the means, such as labels, envelopes, covers, and stamps, used in preparing and affixing the mark.

239. [Act on Amendments Concerning the Law, No. 80 of September 12, 1990; the Law, No. 6762 of June 29, 1956 and the Law, No. 1705 of June 10, 1930 and the Decrees Having Power of Law Nos. 551, 552, 554, 555, 556 of June 24, 1995 and Decree Having Power the Law No. 560 of June 28, 1995, No. 4128 of November 3, 1995], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 22456 (1995).

240. See, e.g., KHK/556 art. 61/A-c, T.C. Resmi Gazete No. 22326 (brought by Act, No. 4128, art. 5) (detailing right of Chambers of Commerce and Industry and consumer associations to initiate proceedings on confiscation of imitated goods). On the penal sanctions prescribed by the previous Act on Trademarks, No. 551, see E. Özsunay, *Trade Marks in Turkey*, *MANAGING INTELLECTUAL PROPERTY*, December 1991, at 47.

241. The legal status of public prosecutors is subject to [The Act on Judges and Public Prosecutors, No. 2802, February 24, 1983], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 17971 (1983). The powers and duties of public prosecutors are regulated by [The Code of Criminal Procedure, No. 1412, April 4, 1929], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 1172 (1929) (amended). Public prosecutor's office means office of a public official who prepares and conducts the prosecution of persons accused of crimes or offenses. The Turkish public prosecutor corresponds to the state prosecutors in the United States.

242. KHK556 art. 61/A-b, T.C. Resmi Gazete No. 22326 (detailing fines from TL 600,000,000 to 1,000,000,000: USD equals approximately TL 69, 000).

### N. *The Turkish Patent Institute*

The Turkish Patent Institute was established by the Decree of the Council of Ministers, No. KHK/544 of June 24, 1994.<sup>243</sup> The Institute is an independent legal entity with a special budget attached to the Ministry of Industry and Trade. It is entrusted with the task of advancing the technological and industrial development of the country and the services relating to the protection of industrial property rights.<sup>244</sup> The Institute has been entrusted with the implementation of services for registration and protection of industrial property rights under KHK/556 (trademarks), KHK/551 (patents), and KHK/554 (industrial designs).<sup>245</sup>

The Institute is composed of the following organs and administrative units<sup>246</sup>: Managing Board<sup>247</sup>; Advisory Board<sup>248</sup>; Chairmanship<sup>249</sup>; Re-examination and Evaluation Board<sup>250</sup>; Main Administrative Units<sup>251</sup>; Auxiliary Service Units<sup>252</sup>; and Consultancy Units.<sup>253</sup>

The Trademarks Department is one of the principal administrative units of the Institute.<sup>254</sup> This Department is entrusted with the responsibility for the registration and protection of trademarks. Furthermore, this Department oversees the Trademark Registry.<sup>255</sup> Representation before the Institute for matters

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243. Turk Patent Enstitüsü Kuruluş ve Görevleri Hakkında Kanun Hukmünde Kararname [Decree Having the Power of Law Concerning Establishment and Functions of the Turkish Patent Institute], T.C. Resmi Gazete [Turkish Republic Official Gazette] No. 21970 (1994) [hereinafter KHK/544].

244. KHK/554 art. 1, T.C. Resmi Gazete No. 21970, at 1.

245. *Id.* art. 3, T.C. Resmi Gazete No. 21970, at 2.

246. *Id.* art. 4, T.C. Resmi Gazete No. 21970, at 2.

247. *Id.* arts. 5-6, T.C. Resmi Gazete No. 21970, at 3-4.

248. *Id.* art. 7, T.C. Resmi Gazete, No. 21970, at 4.

249. *Id.* art. 8, T.C. Resmi Gazete No. 12970, at 5.

250. *Id.* art. 9, T.C. Resmi Gazete No. 12970, at 5.

251. *Id.* art. 11, T.C. Resmi Gazete No. 12970, at 6.

252. *Id.* art. 4/f, T.C. Resmi Gazete No. 12970, at 2.

253. *Id.* art. 4/g, T.C. Resmi Gazete No. 12970, at 2. The main Administrative Units are composed of three Chairmanships. *Id.* art. 11, T.C. Resmi Gazete No. 12970, at 6, T.C. Resmi Gazete No. 12970, at 4. The first is Chairmanship of Patent Department. *Id.* art. 12, T.C. Resmi Gazete No. 12970, at 6. The second is Chairmanship of Trademarks Department. *Id.* art. 13, T.C. Resmi Gazete No. 12970, at 6. The last is Chairmanship of International Relationships Department. *Id.* art. 14, T.C. Resmi Gazete No. 12970, at 7.

254. *Id.* art. 11, T.C. Resmi Gazete No. 12970, at 6.

255. *Id.* art. 13, T.C. Resmi Gazete No. 12970, at 6.

related to trademarks may only be undertaken by natural and legal persons or trademark agents.<sup>256</sup> Those who are domiciled outside the country can only be represented by trademark agents.<sup>257</sup> Where a trademark agent has been appointed, all procedures are executed through the agent and all notices are sent to the agent.<sup>258</sup> The legal status of trademark agents are regulated by the Decree on the Institute, found in KHK/544 Article 30.

Decisions of the Institute can be contested by an appeal to the Institute.<sup>259</sup> If a decision of the Institute causes damage to a person, he may lodge an appeal to the Institute.<sup>260</sup> An appeal must be filed in writing with the Institute within two months after the date of notification of the original decision. In the appeal, the grounds of appeal must be mentioned. If the statement of grounds for appeal is not submitted within this term, the appeal is deemed not to have been made.<sup>261</sup> If the related department of the Institute admits the ground of appeal, it may rectify its decision.<sup>262</sup>

If the appeal is not found admissible by the related department, the appeal is forwarded to the Re-examination and Evaluation Board by the department, without comment as to its merits.<sup>263</sup> This Board considers whether the appeal is admissible. For this purpose, the Re-examination Board invites the parties to submit their opinions within the term prescribed by the Implementing Regulation.<sup>264</sup> After the examination, the Re-examination Board renders its decision.

An action for annulment<sup>265</sup> may be initiated against final decisions made by the Re-examination and Evaluation Board within two months of the notification of the decision. Such ac-

256. KHK/556 art. 80/I, T.C. Resmi Gazete No. 22326, at 111.

257. *Id.* art. 80/II, T.C. Resmi Gazete No. 22326, at 111.

258. *Id.* art. 80/III, T.C. Resmi Gazete No. 22326, at 111.

259. *Id.* art. 47/I, T.C. Resmi Gazete No. 22326, at 103.

260. *Id.* art. 48/I, T.C. Resmi Gazete No. 22326, at 103.

261. *Id.* art. 49, T.C. Resmi Gazete No. 22326, at 104.

262. *Id.* art. 50/I, T.C. Resmi Gazete No. 22326, at 104 (explaining that "rectify" means Institute may correct its decision).

263. *Id.* art. 50/II, T.C. Resmi Gazete No. 22326, at 104.

264. *Id.* art. 51/II, T.C. Resmi Gazete No. 22326, at 104; KHK/544 art. 10, T.C. Resmi Gazete No. 21970, at 5.

265. "Annulment" means to make null and void or cancel a decision of the Re-examination and Evaluation Board. The court's judgment makes null and void the decision of the Board. KHK/556 art. 53, T.C. Resmi Gazete No. 22326, at 104.

tions must be brought before the specialized courts to be established under the KHK/556.<sup>266</sup>

### CONCLUSION

KHK/556 parallels recent international developments and adopts modern solutions for issues arising in the field of trademark law. This legislation is in harmony with trademark legislation of the European Union and laws of the Member States, especially as it relates to: (1) the kinds of trademarks given protection; (2) grounds for refusal or invalidity; (3) the rights conferred by trademark registration; (4) the licensing and use of trademarks; (5) the registration system; and (6) the legal remedies relating to infringement of trademarks.

Turkey has ratified several international agreements in the field of industrial property rights. There is no doubt that Turkey will continue to harmonize its trademark law to keep pace with developments in the European Union. The necessity for reform in the fields of intellectual and industrial property rights has been an important issue for at least a decade in Turkey. The Agreement on Customs Union between Turkey and the European Union has only accelerated the reform movement in these fields.

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266. *Id.* art. 71, T.C. Resmi Gazete No. 22326, at 109.