

Compulsory Use of Trademarks under Turkish Law

by

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Due to the worldwide economic and commercial developments, trademarks provide high profits in many aspects to their proprietors compared to the goods and services, therefore against the high risk of violation of trademark rights, the scope of protection for trademarks must be expanded.

It was on the other hand stipulated that in order to benefit from the expanded legal protection, a trademark shall satisfy certain conditions.

Although the proprietor of a trademark has right to request cessation, prevention, termination of the trademark, prohibition of the use of imitation the trademark, pecuniary and non-pecuniary damages, it would be unfair to continue to protect the trademarks in case they are not economically valuable and there is no commercial activities held.

Taking international regulations into account as well, Turkish Decree Law 556 on Protection of Trademarks charges the proprietors of the trademark with the compulsory use of the trademark. With this, it is aimed to decrease the congestion of the trademarks which are not of any economical and legal value at the trademark registry and not to prevent the use of such trademarks by third persons.

Compulsory use of trademarks is regulated under article 14 of Decree Law 556 on Protection of Trademarks. It is stated that: "If, within a period of five years following the registration, trademark has not been put to use without a justifiable reason or if the use has been suspended for an uninterrupted period of five years, the trademark shall be repealed."

A- Use of Trademark

In the light of mentioned legislations and court decisions, the proprietor of the trademark shall use his/her registered trademark of goods and services in conformity with its function, with

economical purposes in a serious manner without giving a 5 year- break. A trademark is deemed to be used when it is used in accordance with its aims and functions, such as distinctive character, quality, advert, introduction, citation. In the context of use of the trademark, the trademark shall basically introduce a business enterprise, differentiate its goods and services from the same or similar of other business enterprises before the target customers, and enable the establishment of a connection between itself and the goods and services for which the trademark is registered. Otherwise, use of the trademark shall not be recognized as use according to article 14 of the Decree Law.

Date of commencement of five years mentioned in article 14 is the date when the application procedures is over at Turkish Patent Institute and certificate of registration is given to trademark proprietor.

Principally, use of the trademark means use of the trademark on goods itself or their packages, except when it is not possible for practical or economic reasons.

In that regard, for it is impossible to use the trademarks on services in practice, use of the trademark on the business documents, office tools and equipments , catalogues, brochures, leaflets, signboards and other advertisement means in a way that establishes a connection with the services that the proprietor of the trademark provides is regarded as use.

In case of the proprietor of the trademark has another trademark along with his/her well-known or main trademark, it is accepted as use of trademark if this trademark has a distinctive character and a sign representing the goods and services before consumer.

Besides, the main trademark of the proprietor, other trademarks intended to protect the main trademarks in various ways shall also be used in accordance with its functions. Otherwise protective trademarks can be claimed to be repealed by the authorities.

Use of trademark as “domain name” by its proprietor is not sufficient; distinctive character shall be attained as well by such use at the internet and that such use shall be supported by activities, aiming to attain distinctive character and appropriate for advertising.

In order for color, smell, sound marks to be accepted as use, they shall have a distinctive character before consumers in terms of their registered goods and services and they shall be used effectively, consistently and in conformity with their functions.

Pursuant to article 14 paragraph 2 of the Decree Law, “use of the registered mark in a form differing in elements which do not alter the distinctive character of the trademark” is also regarded as use of the trademark. Similarly, putting a descriptive appendix along with the trademark itself or not using such appendix which exists at trademark registry is not detrimental to the distinctive character of the trademark therefore it is also regarded as use of trademark. Changing the font style, writing two words adjacently or separating the adjacent words can constitute use of trademark, as long as consumers get the impression that registered trademark is being used.

According to article 14 paragraph 2 of the Decree Law “use of the trademark on goods or their packaging solely for export purposes” is regarded as use of trademark, however during the exportation of the goods, trademark shall be put on the good or its package at the time of custom clearance and departure from Turkey

Within the scope of article 14 paragraph 2 of the Decree Law, “use of trademark by a third person with the consent of the proprietor” is also regarded as use. Although there is no specific form of consent required by regulations in order to regard it as use of trademark, such permission shall be given in advance by the proprietor before the trademark was used by third persons. The proprietor of the trademark and the person using the trade mark do not need to have a legal or economic connection in between. The proprietor of the trademark may authorize the third persons for use of the trademark via exclusive or non-exclusive licensing agreements, exclusive distributorship agreement, franchising or merchandising agreements. In order for those agreements to be valid, the third person using the trademark shall use the trademark in compliance with its function and purpose.

Pursuant to article 14, paragraph 2, “importing the goods carrying the trademark” is accepted as fulfillment of the obligation of using the trademark.

B- Use of the Trademark for Its Registered Classes

Within the scope of the Decree Law numbered 556, the trademarks are registered according to the classes of goods and services which are set out in the Communiqué on ‘Grouping the Goods and Services’. Thus, the class of goods and services for which the trademark was registered and protected will be included in the certificate of trademark and the requirement for use of trademark shall be applied in the class concerned.

The proprietor of the trademark shall therefore use his/her trademark in registered goods and services. Otherwise, use of the trademark in goods and services other than the registered ones does not constitute as use of the trademark, according to article 14 of the Decree Law.

If the trademark owner uses his trademark only for some groups of goods and services that s/he has registered, it is accepted that the condition of usage is fulfilled only for the goods and services that are used, which means that it is possible to repeal the trademark for the unused goods and services.

Sanctions for non-Use of a Trademark

As mentioned above, the proprietor of the trademark faces the sanction of repeal of the trademark according to article 42/1-c of the Decree numbered 556, in the event of non-use of the trademark for five years after the date of its registry or suspension of use.

Article 42/1-c of the Decree Law numbered 556 seeks for “serious use” of the trademark in registered goods and services. The “serious use” of the trademark is a matter that shall be evaluated according to the circumstances of each case. When evaluating the “serious use” in a practical case, some objective criteria shall be taken into account such as the kind, quality, quantity, price and total annual sale, market structure, regional relations, the period of buying and the consumer environment. For instance, it cannot be assessed as a no-serious use, in an event that sale figures of certain goods are respectively low, because the production of such goods is limited by its nature due to some economical and technical reasons. On the other hand, endorsement alone cannot be taken into account for assessing the condition of ‘serious use of the trademark’ for products which were produced and consumed consistently and in large quantities.

In brief, “serious use” is the use of trademark in line with its purposes and functions to create a specific consumer profile in market. The term “serious use” covers the requirement of use of trademark for registered goods and services. Therefore, use of the trademark symbolically just to keep the reserved legal rights of the trademark shall not be considered as “serious use”.

For the repeal of the trademark, there shall not be a justifiable reason for non-use of the trademark for the classes that the trademark is registered for, according to the article 14 of the Decree Law. If the trademark could not be used due to an unexpected occurrence despite the will of the proprietor, then it cannot be regarded as non-use. The term ‘despite his/her will’ refers to cases that s/he has no control over it.

Within justifiable reasons natural disasters, war, embargo sections, terrorist activities as well as decisions of authorities regarding prohibition of sales and manufacturing, temporary suspension of imports and exports, or restrictions of commerce in certain cases can be listed. To use the insolvency or inability of the proprietor of the trademark due to exclusive or non-exclusive license agreements shall not constitute a justifiable ground for non-use of the trademark.

In case of situations in which the trademark use is suspended due to a justifiable reason, the five year period mentioned in the Decree numbered 556, pauses until the justifiable reason is ceased.

Invalidity of the Trademark Due to Non-use

Cancelling a trademark by any institution on its own initiative, due to non-use is not possible. For declaration of invalidity, an action of invalidity shall be brought against the proprietor of the trademark and his successors by the concerned parties; the court shall decide for invalidity and decision shall become final.

According to 43 of the Decree numbered 556, the concerned parties are those who have suffered the State prosecutor or related official authorities and only they may apply to the court for invalidation of the trademark on the ground of five-year non-use or suspension of use.

According to the aforesaid Decree Law and decisions of the Supreme Court, action for repeal can be brought before the court, with the claim of non-use of the trademark according to the Decree by users of trademark, prospective users of trademark and third parties who applied for registration, and also by those who have legal interest such as those using the trademark as their business or trade name or those who intend to do so.

Within the framework of the Decree Law, foreclosure and limitation of action for repeal are not applicable when the action of repeal is brought due to non use.

According to the article 63/III of the Decree Law, in the cases of action for repeal because of non-use of a trademark, the authorized court is the court at the domicile of the proprietor of the trademark if the trademark proprietor is a real person, or of the registered centre if the proprietor of the trademark is a legal person.

If the trademark proprietor is not domiciled in Turkey, the court located in the registered centre of his representative, or the proprietor of the trademark has not got a representative, then the Ankara Court of Intellectual and Industrial Property Rights, located in the centre of TPI, will be the authorized courts.

Burden of Proof

Although burden of proof lies with the claimant according to the general legal principle, this rule is not applicable for the actions of repeal of non-used trademarks.

Since non-use of the trademark is a negative condition and proving and certifying 'non use' is not practically possible, action of repeal in case of non use constitutes an exception to the general rule which imposes burden of proof to the claimant. The burden of proof is on the defendant/ the proprietor of the trademark in this action who is widely protected with the registry of the trademark and by this way prevents third persons using his/her trademark. The proprietor of the trademark have to prove that s/he uses the trademark for its registered goods and services and this exception is clearly expressed in various Supreme Court decisions which reads that '*defendant shall prove the contrary of the claim for non-use of the trademark for five years*'.

Conclusion

The Decree Law numbered 556 does not stipulate that the applicant shall have intention to use the trademark at the stage of trademark registry applications. However, the proprietor has to use his/her trademark as prescribed therein in order to benefit from the legal protection set forth in the Decree Law.

Trademarks would be legally protected for the first five years, starting right after the registry certificate is prepared and given to the proprietor or after the suspension period. Even after this period, registered trademark shall continue to be protected, so long as no action of repeal is brought against the proprietors of the trademark and their successors. However if an action is brought by the proprietor in order to protect his/her trademark against the use of third parties, it is highly likely that s/he may be faced with a counter action brought against himself/herself for invalidity of his/her trademark for non-use.

It is therefore important for the proprietors to ensure that their trademarks are constantly under protection.