



# INVALIDITY LAWSUITS OF TRADEMARK REGISTRATION

## Introduction

**T**RADEMARK, WHICH IS ONE OF THE INDISPENSIBLES of the business life, is the most important tool for promotion and advertisement of goods and services to buyers. This search for image sometimes even exceeds the quality of the goods and services. Where merchandise is offered to consumers with a trademark, some real or legal persons, who see that consumers are very much impressed with that trademark might like to benefit from such image, in other words the trademark, and use a trademark that is similar to that one. Therefore, it is necessary to protect the rights of the

trademark owner and prevent suffering due to such unfair actions. The protection is not only for the trademark owners but also for the consumers who are deceived by false trademarks.

The invalidity lawsuits serve both public and private purposes. The reasons for absolute refusal of trademark applications are listed in Article 7 of the Decree with Force of Law on Trademark Protection numbered 556 ("Decree with Force of Law numbered 556") and the reasons for relative refusal are listed in Article 8 therein. Article 7 provides for the cases of invalidity based on reasons of absolute refusal, for the protection of public interests;

while Article 8 provides for the cases of invalidity based on reasons of relative refusal, for the protection of private interests.

## Consequences of Cases of Invalidity

### An Order for Invalidity

Where there are reasons for absolute refusal, this could be handled ex officio by the Turkish Patent Institute (TPE). Where there are reasons for relative refusal, on the other hand, the case cannot be handled by the TPE without application from the relevant parties. If a mark is registered as a trademark despite the existence of facts sated in Articles 7 and 8 of the Decree with Force of Law numbered 556, a case for invalidity may be filed under paragraphs (a) and (b) of Article 42 by the persons listed in Article 43. The

cases of invalidity arising after registration, on the other hand, are listed in paragraphs (c), (d), (e) and (f) of Article 42. An application to have a trademark invalidated can only be made to a court. TPE does not have power to decide on the invalidity of a trademark.

## Invalidity of a Trademark and Expiry of Trademark Rights

The Decree with Force of Law numbered 556 differentiates between invalidity of a trademark and expiry of a trademark. Invalidity of a trademark means removal of the trademark from registration by a court order, while expiry of trademark refers to the expiry of trademark rights without a court order. The main differences between the two are as follows:

- There is a requirement for a court order to invalidate a trademark, while the trademark right expires within the knowledge of the trademark owner.
- The order of the court for invalidity has retrospective effect except the circumstances specified in the Decree with Force of Law numbered 556 (Articles 44/II-a and b). According to Article 44/I of the Decree with Force of Law numbered 556, expiry of the trademark rights, on the other hand, is effective from the date of expiry (see also Article 45/II of the Decree with Force of Law numbered 556).
- A trademark, for which an invalidity order is made, cannot be used by its former owner; and that person cannot register the trademark again; however, the owner of a trademark that has expired, may continue to use it and may register it in his name once again in accordance with Articles 8/7 and 35/II of the Decree with Force of Law numbered 556.
- The final decision of the court on the invalidity of the trademark shall be effective before all and not just between the parties in accordance with Article 44/III of the Decree with Force of Law numbered 556.
- Partial invalidity and partial expiry are possible in accordance with Articles 42/II and 46/I of the Decree with Force of Law numbered 556.

## Differences between the Case for Invalidity and Case for Revocation

If a trademark is registered despite the existence of reasons of absolute or relative refusal, then the invalidity of the trademark is the issue. In cases of removal from registry, for reasons arising after registry, the revocation of the trademark is the issue.

Use of the term invalidity of trademark in some articles of the Decree with Force of Law numbered 556 and the term revocation in some others is due to misprint and not reasons for removal arising before or after registration.

The concept of invalidity also leads to the consequence of removal. The purpose is to have the trademark removed from the trademark registry, in other words, to have it erased. This does not involve a mere declaration but there must be an action for removal. However, as this cannot be clearly concluded from the Decree with Force of Law numbered 556, it will be necessary to include the demand for “removal” in the section for requests of the case petition.

**Effects of Invalidity of Trademark**

**Effects of Orders for Invalidity and Revocation in Terms of Time**

Article 54/I of the Regulation on the Community Trademark details the effects of an order for revocation of a trademark and an order for invalidity of a trademark. Accordingly, if an order is ruled for revocation of a trademark, then such order shall be effective from the date of application; and if an order is ruled for invalidity, such order shall be effective from the date of registration. Reasons for invalidity which were somehow overlooked exist at the time of registration. Reasons for revocation are the reasons which did not exist at the time when the trademark was registered; but they become exist during the time period of the trademark (Article 42/I-c-f of Decree with Force of Law numbered 556). Although the term invalidity is mentioned in the Decree with Force of Law numbered 556 in general, a trademark is removed as a result of invalidity or revocation.

**Effects of the Orders for Invalidity**

According to Article 44/1 of the Decree with Force of Law numbered 556: “If an order is made for the invalidity of a trademark, this will have retrospective effect.” As a result of this paragraph, the rights acquired over the trademark through registration cease. The trademark shall be considered as invalid starting from the date of registration. For this reason, the legal actions relating to the trademark are also invalid other than the exceptions stipulated in the Decree with Force of Law numbered 556.

The order for invalidity has retrospective effect, in other words, by the order for invalidity, the rights gained through registration shall become void from the date of registration.

According to Hamdi Yasaman, the phrase “outcome of the orders have retrospective effect” in Article 44 of the Decree with Force of Law numbered 556 means that the rights gained by registration shall cease from the date of registration. What is meant in the article is that the order will have retrospective effect.

The strict application of the retrospective effect could produce some unjust results; therefore there are some exceptions to the rule in the Decree with Force of Law numbered 556.

In cases where trademark rights cease with retrospective effect due to reasons for absolute refusal, then it is considered that the trademark right has never arisen in the first place.

These reasons for invalidity are as explained in Article 7 of the Decree with Force of Law numbered 556. Anyone has an interest in filing a case if these reasons apply.

Where the trademark rights cease to exist due to relative invalidity, the rights will be regarded as not to have existed at all. Those reasons for invalidity are detailed in Article 8 of the Decree with Force of Law numbered 556, where application by an entitled person based on a prior right is allowed. Where there are reasons for invalidity of a trademark, person who suffer loss is the person who owns the prior rights.

**Effects of the Order for Revocation**

As mentioned above, in cases of revocation of the trademark, the trademark is valid from the registration date until the revocation. The reasons for revocation occur after the trademark is registered due to the actions of the trademark owner. In time the use of the trademark may bring about some unfair results.

According to Article 54 of the EC Regulations, in the event that the trademark right is revoked, it is considered that the effects of the order for revocation of the community trademark do not start from the date when the court order requires revocation or the counter case is filed. As a rule, the effect of the order for revocation takes place as of the date when revocation is claimed. However, upon the claim of one of the parties, the date when any of the reasons for revocation arose may also be determined as the expiry date of the right arising out of registration. According to the legal perspective, the order for revocation should bring outcomes starting from the date of claim in Turkish law as well. If it is ruled that the protection provided by the trademark should cease by an earlier date, then the court may order a decision for revocation as of such date. If the

causes for revocation exist, then removal of the trademark right will be decided as of the registration date, and such provision is ordered under Article 44/I of the Decree with the Force of Law.

**The Consequences of the Revocation for Non-Use of a Trademark**

A decision for the revocation of the trademarks that are never used in 5 years after registration is ordered to revoke retrospectively when such period of 5 years expires. Also, the retrospective effect can arise for any trademarks, which is used for some time after registration but whose use is interrupted for an uninterrupted period of minimum 5 years when the 5-year period expires. If the order for revocation of the trademark has retrospective effect by the time of registration, then the owner of the trademark may face the liability of returning or compensation due to contracts and any possible cases filed against third parties;

**i)** During the 5 years following registration for trademarks not used for 5 years following registration,

**ii)** During the time of use of the trademark as the trademark owner and the period of uninterrupted 5 years of non-use following the same, in case of non-use for 5 years after use for some time following registration.

**Cases not Affected by the Order for Invalidity**

According to Article 44; a final decision for the declaration of invalidity shall have retroactive effect.

The retroactive effects of invalidity, without prejudice to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the trademark, shall not extend to the following:

**i)** Any final decision for infringement of the trademark reached and enforced prior to the decision of invalidity. (Article 44/II-A of the Decree with the Force of Law)

**ii)** Contracts signed and implemented before an order Regarding the Invalidity of the Trademark. (Article 44/II-B of the Decree with the Force of Law)

**Claims for Damages to Compensate the Loss in case of Registration of the Trademark in Bad Faith**

In cases which the trademark owner acts in bad faith, the third parties have a right to claim damages arising from such bad faith. Therefore, the trademark owner should be careful and should not hurry when filing cases of prohibition and damages against third parties while the trade-

mark is registered, especially if the trademark owner knows that there is an obstacle for registration. Once revocation occurs the third parties may file cases of damages or unjustified enrichment against the person whose trademark registration is revoked.

**The Impact of the Order for Invalidity on the Trademark Rights**

As a result of the order for invalidity, the trademark is considered as invalid including all its elements. However, if the reason for invalidity of the trademark is related to only a part of the goods or services, for which the trademark is registered, then the court orders for invalidity of the trademark will be ruled for such part only. In the event that a part of the trademark is removed, the current trademark will be subject to removal from the trademark registration and a new trademark will not be a continuation of the removed trademark.

**The Circles to be Affected by the order for Invalidity**

Pursuant to Article 44/II of the Decree with the Force of Law numbered 556, the finalized order for the invalidity of the trademark enures to all.

The finalized order for invalidity also enures for the person taking over the trademark. If there is any license agreement entered into before the order for invalidity but not implemented, then the existence of license right will cease. Similarly, pledge and mortgage over the trademark shall also cease with the termination of such right.

**Removal of Entry from the Registration and Announcement of the Order for Invalidity in the Bulletin**

Once the order for invalidity is finalized, the trademark entry is removed from the registration by TPE. The Decree with the Force of Law numbered 556 does not set forth any provisions as to whether the order for invalidity shall be announced or not.

In practice, although the announcement of the removal of the trademark is requested from the courts, the court rejects such announcement regarding the invalidity order. Based on such courts order, TPE removes the trademark.

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