

The Turkish Supreme Court of Appeals on Non-Use of Trademarks

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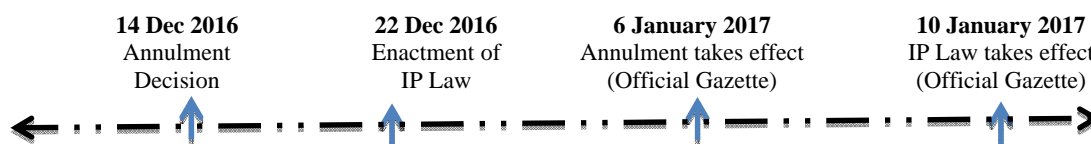
Prior to Law No. 6769 on Industrial Property of 1 January 2017, save for copyright, IPRs were regulated in Turkey by decrees that dated from 1995. The latter marked a turning point in the history of the Turkish IP regime when the country harmonized its legislation with that of the EU for admission to the Customs Union. Over time, several provisions were annulled by the Turkish Constitutional Court such as those in the Patent and Trademark Decrees that provided for criminal sanctions. The Constitutional Court ruled that imposition of criminal sanctions would only be possible through laws and not decrees. These decisions caused mayhem in practice as it left local as well as foreign trademark and patent owners devoid of protection against blatant infringements.

Annulment of Non-Use Provision by the Constitutional Court

Revocation of a trademark based on non-use was also deemed unconstitutional since revocation of someone's right over a property amounted to breach of a fundamental right to ownership which could not be the subject of decrees. Thus Section 14 of the

Section 9(1) of the IP Law reiterated the rule that non-use of a trademark, *prima facie*, would result in revocation. Since, this time the relevant provision was introduced through an Act and not a decree, all seemed in order.

The relevant dates and the timeline are shown below:



Trademark Decree, according to which non-use of a trademark led to revocation, was similarly annulled by the Constitutional Court in its ruling of 14 December 2016 (Case citation reference: AYM, 14.12.2016, E. 2016/148, K. 2016/189). The decision became effective as of 6 January 2017 upon its publication in the Official Gazette.

While trademark squatters were presumably having a field day, there came another twist: Lo and behold, the new IP Law, which was enacted on 22 December 2016 came into force just 4 days after the annulment by the Constitutional Court, on 10 January 2017 upon its publication in the Official Gazette. Laws, in the same way as decisions of the Constitutional Court, take effect upon publication in the Official Gazette.

An Unforeseen Snag

With annulment of the non-use provision and repeal of the Decree that was replaced by the IP Law it soon became obvious that the existing time lags between the enactment of the IP Law, the annulment decision and the dates when each took effect, respectively, resulted in uncertainty and conflicting rulings by the courts. Had the lawmakers included a transitional provision in the Law to cover the gaps in time there might perhaps have been a less cumbersome transition notwithstanding the annulment decision.

The prevailing view among practitioners and academics was that the non-use provision could only apply in lawsuits that were initiated after the IP Law came into force on 10 January 2017. This in effect meant that the soonest one could lodge a claim for revocation would be 2022.

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Judgment of the Supreme Court of Appeals Lays the Matter to Rest

In its latest ruling on the matter (Case citation reference: 11. HD, 14.6.2019, E. 2019/1765, K. 2019/4421), which was just recently handed down, the Supreme Court of Appeals, at the expense of stretching the limits of the law, has attempted to resolve the conundrum.

In the case at hand, the claimant lodged a case for revocation with the first instance IP Specialist Court on 10 July 2017, *inter alia*, on the ground that the trademark which was registered in the name of the defendant had not been used for fruit beverages under class 32, for a period of five years since it was first registered in 1999. On 31 January 2018, the Court ordered for the revocation and cancellation of the trademark on the basis of non-use. The Ankara Regional Administrative Court, affirmed the decision on 17 January 2019. When the case reached the Supreme Court, it was held that as a consequence of the decision for annulment of the relevant provision in the repealed Decree, there remained no legal basis for a case of revocation on the ground of non-use. The Supreme Court added however, that the IP Law had already been accepted in the Turkish Parliament on 22 December 2016. The latter date, according to the Supreme Court was relevant rather than the date when the IP Law came into force.

The Court reasoned that enactment of the Law reflected the intent of legislators. After this fairly liberal interpretation, the Court stated that the repealed provision had remained effective until 6 January 2017 when the annulment was published in the Official Gazette and it took effect. Insofar as the annulment decision, the Court maintained that the relevant date was its publication in the Official

Gazette. Whereas, in regard to the IP Law, it was the date of its enactment in Parliament that mattered rather than the date of its publication in the Official Gazette when it technically became effective.

The Supreme Court acknowledged that one of the fundamental tenets of law is that legal norms may not be applied retroactively. It noted, however, that this did not preclude the Parliament from passing laws that could be retroactively applied. The Court held that since lawmakers had ultimately intended to ensure that non-use amounted to revocation, which was evident in both the former and current legislation, the gap, which arose by the unforeseen annulment decision of the Constitutional Court in between the enactment and publication of the Law should be filled accordingly.

Hence, non-use of a trademark that precedes the entry into force of the IP Law should also be taken into account when calculating the five-year period. The Court held short of commenting as to whether the four consecutive days from the date of the annulment on 6 January 2017 and the date of entry into force of the IP Law on 10 January 2017, should be taken into account or not. From a practical viewpoint, it might be advisable that those four days be included in a revocation claim to be on the safe side.

The ruling by the Supreme Court does not alter the fact that revocation lawsuits that were launched on the grounds of non-use prior to the IP Law and finally settled by a court judgment will result in being dismissed by courts. On the other hand, the fact that the Court of Cassation took into consideration the periods of time when a trademark has not been used prior to the entry into force of the new IP Law when calculating the five-year period of non-use will serve as an authority for similar ongoing cases.