DECREE-LAW NO. 556 FOR THE PROTECTION OF TRADEMARKS IN FORCE AS FROM JUNE 27, 1995

Provisions in bold, in Articles 5, 7, 9, 42, 62 and new Article 61/A have been amended/added/repealed by Law No. 4128 of November 07, 1995.

PART ONE General Provisions

SECTION ONE Aim, Scope, Definitions and The Persons entitled to Protection

Aim and Scope

Article 1:

The aim of this Decree-Law is to protect the trademarks registered in conformity with the provisions of this present Decree-Law.

This present Decree-Law encompasses the principles, the rules and conditions for the protection of trademarks.

Definitions

Article 2:

For the purposes of this present Decree-Law;

- a) "Trademark" means trade marks or service marks including guarantee marks and collective marks.
- b) "Paris Agreement" means the Paris Convention for the Protection of Industrial Property of March 20, 1883 and its amendments ratified by Turkey.
- c) "Institute" means the Turkish Patent Institute established by Decree-Law No: 544.
- d) "Trademark Agent" means the persons entitled to represent third persons before the Institute for the establishment and protection of the rights provisioned in this Decree-Law.

Persons entitled to protection

Article 3:

The protection conferred by this present Decree-Law is available to natural and legal persons who are domiciled or who have industrial or commercial establishments within the territory of the Republic of Turkey, or to the persons entitled to file application under the provisions of the Paris Convention or the Agreement Establishing World Trade Organisation.

Natural or legal persons other than those referred in the first paragraph of this Article, who are nationals of states which accord legal and de facto protection to the nationals of the Republic of Turkey shall enjoy, according to the reciprocity principle, trademark protection in Turkey.

Priority of application of International Agreements

Article 4:

Where the International Agreements having entered into force according to the Laws of the Republic of Turkey contain provisions which are preferential/more favorable to those of this present Decree-Law, the persons referred to in Article 3 may request to benefit from such preferential/more favorable provisions.

SECTION TWO

Signs of Which a Trade Mark May Consist of and Means Whereby a Trademark is Obtained

Signs of Which a Trademark May Consist of

Article 5:

A trademark, provided that it can distinguish/distinguishes the goods and services of one undertaking from the goods and services of other undertakings, may consist of all kinds of signs such as words, including personal names, designs, letters, numerals, **the shape of the goods or (of) the packagings,** capable of being represented graphically or by similarly descriptive means and capable of being published and reproduced by printing.

Trade mark may be registered along with the product or the packaging. In such a situation, the registration of the product or packaging does not grant to the registrant any exclusive right on (the form of) the product or packaging.

Means Whereby a Trademark Right is Obtained

Article 6:

The trade (service) mark protection according to this present Decree-Law is obtained by registration.

Absolute Grounds for Refusal for Registration of a Trademark

Article 7:

Following signs shall not be registered as a trademark:

- a) signs which do not comply with the provisions of Article 5,
- b) trademarks identical or (almost) identical to the point of being undistinguishably similar to a prior trademark registration or application in respect of good(s) or service(s) whether identical or of identical nature/type,
- c) trademarks which consist exclusively or whose principal element consist of signs or indications which serve in trade to indicate the kind, **characteristics** quality, quantity, intended purpose, value, geographical origin, or designate the time of production of the goods or of rendering of the service or other characteristics of goods or services,
- d) trademarks which consist exclusively or whose principal element consist of signs and names used to distinguish specific groups of craftsmen, professions or tradesmen or have become customary in the current and established practices of the trade,

- e) signs giving substantial value or its shape to the product which shape is a result of the nature of the concerned product or is conditioned by the necessity of obtaining a given technical result.
- f) trademarks which are of such a nature as to deceive the public, such as to the nature, quality, place of production or geographical origin of the goods and services,
- g) trademarks which have not been authorised by the competent authorises and are to be refused pursuant to Article 6ter of the Paris Convention,
- h) trademarks containing badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention which have not been authorised by the competent authorises and are of particular historical and cultural public interest,
- i) trademarks, well known in the sense of the Article 6bis of the Paris Convention, which have not been authorised by their owners,
- i) trademarks which contain refer to religious symbols and values,
- k) trademarks which are contrary to public order and to accepted principles of morality.

The registration of a trademark shall not be refused according to sub-paragraphs (a), (c), (d) where the trademark has acquired distinctive character in respect of the good(s) or service(s) for which it is to be registered as of the use made thereof prior to the date of registration.

Relative Grounds for Refusal for Registration of a Trademark

Article 8:

Upon opposition by the proprietor of an application for registration of a trademark or of a registered trademark, the trademark applied for shall not be registered subject to the following conditions:

- a) Where the trademark applied for registration is identical with a registered trademark or with a trademark applied for registration under a prior date of filing and the registration is sought for identical goods and services,
- b) Where the trademark applied for is identical or similar to a registered trademark or to a trademark applied for registration under a prior date of filing and the registration is sought for identical or similar goods or services in that the likelihood of confusion includes the likelihood of association with the registered trademark or with the trademark applied for registration under a prior date of filing.

Upon opposition by the proprietor of a trademark, a trademark shall not be registered where an agent or representative of the proprietor of the trademark has applied for registration thereof in his own name without the proprietor's consent and without a valid justification.

Upon opposition by the proprietor of a non-registered trademark or of another sign used in the course of trade, the trademark applied for shall not be registered provided that;

- a) the rights to the sign were acquired prior to the date of filing of the application for registration of the trademark, or prior to the date of priority claimed for the application for registration,
- b) the sign confers on its proprietor the right to prohibit the use of a subsequent trademark,

A trademark applied for which is identical or similar to a registered trademark or to a trademark application with a prior date of filing may be used for different goods and services. However, where in the case of a registered trademark or of a trademark application with a prior date of filing, the trademark has a reputation and where the use without due cause of trademark applied for would take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trademark or of the trademark application with a prior date of filing, upon opposition by the proprietor of the prior trademark registration or application, the trademark applied for shall be refused even if it is to be used in respect of differing goods and services.

Upon opposition by the holder of the relevant right, the trademark applied for shall not be registered if it contains the personal name, photograph, copyright, or any industrial property rights of third parties.

Upon opposition, a trademark applied for which is identical or similar to a collective or a guarantee mark shall not be registered within three years from the date of expiry of the collective or of the guarantee mark.

Where the term of protection of a trademark has expired for reasons of non-renewal, the application, filed, within two years from the date of expiry of the non-renewed trademark, for the registration of an identical or similar mark in respect of identical or similar goods and services shall be refused upon opposition.

SECTION THREE Scope of Protection the Trademark

Rights Conferred by a Registered Trademark

Article 9:

The proprietor of a trademark shall be entitled to prevent all third parties not having his consent from using the trademark under the situations described hereunder:

- a/ use of any sign which is identical with the registered trademark in relation to goods and services which are identical with those for which the trademark is registered,
- b) use of any sign where, because of its identity with or similarity to the registered trademark and identity or similarity of the goods or services covered by the registered trademark and sign, there exists a likelihood of confusion on the part of the public including the likelihood of association between the sign and the trademark,
- c) use of any sign which is identical with or similar to the registered trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the use of that sign without due cause takes unfair advantage of or is detrimental to the distinctive character or the repute of the registered trademark.

The following may be prohibited according to the first paragraph,

- a) affixing the sign to the goods or to the packaging thereof,
- b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder,
- c) importing or exporting the goods under that sign,

d) using the sign on business papers and in advertising/promotion.

The rights conferred by a registered trademark shall prevail against third parties from the date of publication of registration of the trademark. Compensation may be claimed in respect of matters arising after the date of publication of a trademark application. However, the rights arising from the publication of an application shall be considered within the rights conferred by the publication of the registration of a trademark. The Court seized of the case may not decide upon the merits of the case until the registration has been published.

Reproduction of the Trademark in Dictionaries and Reference Works

Article 10:

Where a trademark is reproduced published in a dictionary, encyclopedia or a similar reference work without indicating 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, at the request of the proprietor, the publisher shall correct the erroneous publication in the next edition.

Prohibition on the Use of Trademark Registered in the Name of an Agent or a Representative

Article 11:

Where a trademark is registered in the name of the agent or representative of the proprietor of the trademark, without the proprietor's consent, the proprietor shall be entitled to oppose the use of the trademark unless the agent or representative has a valid justification.

Limits on the Effects of a Registered Trademark

Article 12:

The proprietor of a trademark cannot prevent third parties from using in the course of trade their own names or addresses, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the date when the goods or services are produced/provided, or other characteristics of the goods or services, provided the use is effected in accordance with honest practices in industrial or commercial matter.

Exhaustion of the Rights Conferred by a Registered Trademark

Article 13:

The acts related with a product bearing the registered trademark shall not constitute a breach of the rights of a registered trademark, where such acts have occurred after the product has been put on the market in Turkey by the proprietor or with his consent.

The proprietor has the right, even within the provision of the first paragraph, to oppose further commercialisation of the goods, especially where the conditions of the goods are changed or impaired by third parties after they have been put on the market.

SECTION FOUR Use of the Trademark

Use of the Trademark

Article 14:

If, within a period of five years following the registration, the trademark has not been put to use without a justifiable/legitimate reason or if the use has been suspended during an uninterrupted period of five years, the trademark shall be repealed.

The following shall be understood to constitute use:

- a) use of the registered mark with differing elements without altering/affecting thereby the distinctive character of the trademark,
- b) use of the trademark on goods or their packaging solely for exportation purposes,
- c) use of the trademark with the consent of the proprietor,
- d) importation of the goods carrying the trademark.

SECTION FIVE Legal Transactions Related with Trademark Rights

Legal Transactions

Article 15:

A registered trademark may be transferred to a third party, may be given as security and may be licensed and is subject to inheritance. Related provisions of the Civil Code shall apply with respect to security rights.

Transactions between the living concerning the registered trademark shall be entered in writing.

Transfer of Trademark

Article 16:

A registered trademark may be transferred in part of or all of the goods or services for which it is registered.

A transfer of the whole of an undertaking with its assets and liabilities, unless provided otherwise, shall include the rights over the trademarks of the undertaking. This provision shall apply to the contractual obligation to transfer the undertaking.

Without prejudice to paragraph 2, an assignment of a registered trademark shall be made in

writing and signed by the parties to the contract, except when it is a result of a court decision. Contracts otherwise are considered to be void.

Where the nature of the transfer is such to deceive the public as to the nature, quality, geographical origin of the goods and services in respect of which the (transferred) trademark is registered, the Turkish Patent Institute shall not register the transfer unless the successors agrees to limit the registration of the trademark to goods or services is not likely to deceive the public.

During the assignment (recordal) of a registered trademark, other trademarks identical or almost identical to the assigned trademark and registered in respect of goods and services identical or similar to those of the assigned trademark to the point of confusing/deceiving the public must also be assigned.

On request of one of the parties a transfer shall be entered in the register and published.

As long as the transfer has not been entered in the register, the parties cannot invoke the rights arising from the registration of the trademark against third parties in good faith.

Transfer of a Trademark Registered in the Name of an Agent or a Representative

Article 17:

Where a trademark is registered in the name of an agent or representative of the proprietor of a trademark without the consent of the proprietor of the trademark, unless the agent or the representative justifies his action the proprietor of the trademark shall be entitled to demand the assignment in his favor of the said registration.

Placing the Trademark as Security

Article 18:

A registered trademark may be given as security independently of the undertaking.

On request of one of the parties, the placing of security shall be entered in the register and published.

Levy of Execution

Article 19:

A registered trademark may be levied in execution independently of the undertaking.

Levy of execution shall be entered in the register and published.

Licensing

Article 20:

Rights over a registered trademark may be licensed for some or all of the goods or services for which it is registered.

Licensing Conditions

Article 21:

A license may be exclusive or non-exclusive.

Unless otherwise provided in the contract the license shall understood to be non-exclusive. Licensor may use the trademark himself, and may grant licences to third parties on the same trademark.

In the case of an exclusive license, licencor may not grant licences to other parties and cannot make use of the trademark unless such is provided specifically by the contract.

Unless it is specifically provided in the contract, licensee cannot transfer the rights arising from the license or cannot grant a sub license.

Unless provided otherwise in the contract, licensee shall have exclusive rights with respect to the use of the trademark during the period of protection.

Unless provided otherwise by the contract, the holder of an exclusive license may, in the case of an infringement of the trademark rights, institute in his own name all legal proceedings which have been made available to the proprietor of the trademark by this Decree-Law. Holders of non-exclusive licenses do not have the right to institute legal proceedings.

In the case of an infringement, the holder of a (non-exclusive) license, not having the right to institute proceedings according to paragraph six, may give notice, through a notary public, requesting the proprietor of the trademark to institute such proceedings as required. In the event that the proprietor of the trademark refuses to initiate or within three months of the reception of the notice fails to institute proceedings, the (non-exclusive) license holder shall have the right to institute proceedings in his own name, by enclosing thereto his notice (to the proprietor) in this regard. The licensee may, in the face of likelihood of serious damage (where elapsing of time cannot be remedied), request the court to issue an injunction for precautionary measures without waiting until the elapsing of said (3 months) period. The licensee who has instituted proceedings shall notify the proprietor of the trademark that the proceedings have been instituted.

The proprietor of the trademark shall undertake the necessary measures to ensure the quality of the products produced or services rendered by the licensee.

Where the licensing contract provisions have been breached by the licensee, rights arising from a registered trademark may be claimed against the licensee by instituting proceedings.

A license cannot have effect against third parties in good faith until it is recorded.

A licensing contract cannot contain provisions contrary to this Decree-Law and other related laws, decrees and regulations. The contrary provisions of a licensing contract shall be void even if legal provisions have come into effect after the signing of the contract.

Legal Procedures

Article 22:

Legal procedures related with the transfer, licensing, execution, placing of security and changes in the proprietorship of the trademark shall also have effect with regard for a trademark application.

PART TWO Application

SECTION ONE Filing of the Application and its enclosures

Filing Requirements

Article 23:

An application for registration of a (trade/service) mark must be filed with the following:

- a) a petition, the form and contents of which specified in the Implementing Regulations, including information pertaining to the identity of the applicant,
- b) a representation of the (trade/service) mark suitable for reproduction,
- c) a listing of product or services in respect of which the (trade/service) mark shall be used,
- d) the original of the receipt documenting the payment of the application fee,
- e) the original of the receipt documenting the payment of the class fee(s),
- f) a power of attorney, where an agent is appointed,
- g) a signature circular where the applicant is a legal person,
- h) a certificate attesting the trading (business) activity of the applicant.

The application fee must be paid at the time of filing in order an application for the registration of a trademark to be valid.

For the registration of each trademark a separate application needs to be filed.

All documents filed with the application for registration of a trademark or submitted later to the Institute must comply with the Implementing Regulations.

Classification

Article 24:

The goods and services in respect of the trademark to be registered shall be classified in conformity with the international classification of goods and services. The principles/guidelines of classification shall be specified in the Implementing Regulation.

SECTION TWO Priority Right

Priority rights arising from applications filed according to International Conventions

Article 25:

Natural or legal persons who are nationals of any State party to the Paris Convention or when not nationals who are domiciled or have an active business in these states, shall enjoy a right of priority of six months as from the date of filing a valid application for registration of a trademark before the authorised bodies of these states, for the purpose of filing an application for obtaining a registration certificate in Turkey in respect of the same trademark. The priority rights not exercised within this period are considered to be void.

When a priority is claimed within the provisions of paragraph one, all applications filed and registration certificates obtained by third parties shall be declared invalid as from the date recognized as giving rise to a priority right and for trademarks falling in respect of goods or services within the scope of protection.

Where a natural o a legal person who is a national of a state party to the Paris Convention has filed a valid application in a state not party to the Paris Convention he shall enjoy within the provisions of this Article priority right in respect of that application.

Priority Rights arising from display in exhibitions

Article 26:

Natural or legal persons specified in the first paragraph of Article 3 who have displayed the products or services on which the trademark is applied, at national or international exhibitions held in Turkey or at official or officially recognized national or international exhibitions held in the states party to the Paris Convention, may claim a right of priority for registration of the trademark in Turkey if the application for trademark is filed within a period of six months from the date of the first display of the products.

Where the products or the services in respect of which the trademark is applied have been displayed at the exhibition before the official opening date, right of priority shall run from the date when the products or the services were first displayed at the exhibition.

The authorized organs of the exhibitions held in Turkey, shall supply evidence by clearly specifying the names of the displayed products or the types of the services, the date when the same has been visibly displayed at the exhibition and the official opening date of the exhibition.

For the products and services exhibited in foreign countries, the evidence as specified in the third paragraph shall be supplied by the relevant authorities of the state concerned.

Products on which the trademark, registered or under application, is applied, cannot be prevented from being displayed at an exhibition held in Turkey and from being returned to their country of origin after the closing of the exhibition.

Where there are two or more applications for the same products or services in respect of the trademark registered or registration applied for, the applicant who first displayed the products or

services and if displayed at the same time the one who filed his application first shall enjoy the right of priority.

Effect of Priority Right

Article 27:

The effects of the priority rights ensuing from Articles 25 and 26, shall arise as of the date of the Application for which the priority is claimed.

Claiming and Evidencing of Priority

Article 28:

An Applicant desiring to advantage of his priority right shall file a declaration of priority with his application (for a registered trade (service) mark). If the right of priority is not documented within three months of the filing of the application the declaration of priority shall be considered invalid.

A priority granted with respect to an exhibition priority right does not extend the period of priority laid down in Article 25.

PART THREE Registration Procedures

SECTION ONE Examination of the Application

Examination as to Filing Requirements

Article 29:

Institute shall examine whether the application complies with the conditions specified in Article 23 and whether there are any formal deficiencies. If the Institute concludes that in accordance of the paragraphs 2 and 3 of Article 23, there are no deficiencies, the application is accorded the date of filing as of the date, hour and minute on which the application was filed before the Institute or before the body authorised to this effect by the Institute.

If priority has been claimed, the Institute shall further examine (the application) in accordance with the provisions of Articles 25, 26 and 27.

Remedying Deficiencies as to Filing Requirements

Article 30:

If deficiencies with respect to conditions of Article 23 are established, the Institute shall request the applicant to remedy these deficiencies within the period specified in the Implementing Regulation.

The Institute shall refuse an application where the information identifying the applicant as provisioned in the sub paragraph (a) of Article 23 is completely or partially lacking, or where of

anyone of the documents provisioned in the sub paragraphs (b), (c) and (d) has not been supplied.

If the applicant complies with the Institute's request and remedies within the prescribed time as specified in the Implementing Regulation the deficiencies which fall within the scope of sub paragraphs (e), (f), (g) and (h) of Article 23 the Institute shall allow as the date of filing the date on which the (deficient) application was originally filed.

Failure to satisfy the requirements concerning the claim to priority shall result only in the loss of the right of priority for the application.

Examination as to the right to apply

Article 31:

Applications of natural or legal persons who are not within the scope of Article 3 shall be refused.

Examination as to Absolute Grounds for Refusal

Article 32:

The Institute upon concluding that there are no deficiencies as to the conditions of filing, the application shall be examined whether it is eligible for registration within the provisions of Article 7 in respect of all or part of the goods and services to be registered. The application found ineligible shall be refused under Article 7 in respect of all or part of those goods and services.

SECTION TWO Publication of the Application

Publication of the Application

Article 33:

An application for registration of a trademark which has complied with the application conditions and has not been refused according to Articles 29, 30, 31 and 32 shall be published in the relevant Bulletin.

Where an application is refused in accordance with the provisions of the Articles referred to in the first paragraph, after the publication of the application, the decision of refusal shall also be published.

SECTION THREE Observations by Third Parties

Observations by Third Parties

Article 34:

Following the publication of the trademark application, any natural or legal person or any group or any organization representing providers of services, manufacturers or producers, traders or consumers may submit to the Institute their written observations in that the trademark does not conform to the registration requirements in accordance with Article 7. However, they shall not be parties to the proceedings before the Institute.

Opposition

Article 35:

Notices of opposition to the registration of trademark on the grounds that it may not be registered under the provisions of Articles 7 and 8, and notices of opposition on the ground that there exists bad faith in the application shall be submitted within three months of the publication of the application.

The opposition made under the last paragraph of Article 8 shall be refused if the opposing party does not use his trademark during this period.

Oppositions must be submitted in writing and contain the arguments. Institute may request further facts, evidence and documents to be complied within the period prescribed in the Implementing Regulation.

Where the additional facts, evidence and documents requested are not submitted within the period prescribed by the Implementing Regulation the opposition shall be deemed to have not been made.

Examination of the Opposition

Article 36:

During the examination of the opposition, the Institute when it deems fit and as often as necessary may request the written observations of the parties and communicate to the parties involved such observations and objections submitted by the parties.

Institute, if it finds appropriate may invite the parties to (meet) for amicable settlement.

The Institute shall refuse the opposition if it is not found to be valid. If the opposition is found to be valid for some of the goods or services for which trademark application has been made, the opposition shall be accepted in respect of those goods or services.

SECTION FOUR Procedural Matters Related with Trademark Application

Corrections

Article 37:

Upon the request of the applicant, corrections of the spelling errors and the errors in the name and address of the applicant, which do not cause any changes in the goods and services and the scope of the application shall be allowed during examination/prosecution of the application.

Withdrawal of Application

Article 38:

A trademark application may be withdrawn by the applicant before it is registered.

SECTION FIVE Registration

Registration

Article 39:

Where an application filed under the provisions of this Decree-Law and the related Regulations, shows no deficiencies or its deficiencies have been remedied or against which no opposition has been raised within the prescribed period or the opposition raised has been definitely refused shall be entered in the Register. The applicant shall receive a "Trade/Service Mark Certificate of Registration".

The Register entry shall include; date and number of registration of the trademark, representation of the trademark, application date, the list of the goods or services in respect of the trademark, classification of the goods and services, the name and nationality of the proprietor of the trademark and agent's name if applicable, title, address and country of incorporation of the legal person, statue changes relating to the trademark and to the rights on the trademark as well as other particulars specified in the Implementing Regulation.

The Trademark register shall be (open to the) public. Upon request and payment of the prescribed fee a copy the register shall be available.

Upon registration, a trademark shall be published as set forth in the Implementing Regulation with the particulars indicated under paragraph two.

PART FOUR

Term of Protection of Trademark and Renewal of Trademark Registration

Term of Protection of Trademark

Article 40:

A trademark is registered for a period of ten years from the date of filing of the application. A Registration may be renewed for further periods of ten years.

Renewal

Article 41:

The trademark registration shall be renewed, at the expiry of its term of protection upon the payment of the renewal fee set forth in the Implementing Regulation upon filing the application for renewal by the right holder or by the representative duly authorised by him.

The Institute shall inform the right holder of the expiry of the registration within the time period as specified in the Implementing Regulation. Failure to give such information shall not engage the responsibility of the Institute.

The application for renewal shall be filed and the renewal fee paid within a period of six months preceding the last day of the month in which the term of protection ends. In failing to meet this deadline, the application for renewal may be filed within a period of six months subsequent to the last day of the month in which the term of protection ends subject to the payment of an additional fee.

The term of renewal shall run from the day when the existing registration expires. The renewal shall be entered in the register.

The provisions of this Decree-Law shall cease to produce effect for trademarks which have not been renewed within six months after the expiry of the term of protection.

PART FIVE Invalidity of a Trademark and Termination of the Trademark Right

SECTION ONE Invalidity of a Trademark

Invalidity

Article 42:

A registered trademark shall be declared invalid by the court in following cases:

- a) where in breach of Article 7, (However, the action regarding well-known trademarks as specified under subparagraph (i) of Article 7, has to be instituted within five years **from the date of registration**. In case the (concerned) mark has been registered in bad faith no time limit shall apply for instituting the cancellation action),
- b) where in breach of Article 8, (However, in the proceedings instituted under the last paragraph of Article 8, the non-use by the previous right holder of his trademark within the two years consecutive to the expiry of the period of protection will not constitute a ground for invalidity),
- c) where in breach of Article 14, (However, serious use between the date of instituting of the proceedings and the expiry of five years shall not constitute a ground for invalidity. If use has been made upon realisation that proceedings are to be instituted, in such a case the court shall not take into consideration the use that took place within three months prior of the institution of the proceedings),
- d) where the trademark has become by the acts of proprietor of the trademark, a widely used (generic) name to designate the goods or services,
- e) where, as result of the use made by the proprietor or by the person authorised by him, there exists a likelihood of confusion on the part of the public as to the nature, quality, place of production and geographical origin in respect of the goods or services it is registered,
- f) where used in breach of Article 59,

Where the invalidity concerns some of the products or services, partial invalidity shall be ruled only with respect of those products and services.

The provisions of sub paragraphs (b), (c) and (d) of Article 7, may not be invoked to declare invalid a trademark registration where the trademark has acquired distinctiveness in respect of the good(s) or service(s) for which it is (to be) registered as of the use made thereof prior to the date of registration.

Application for a Declaration of Invalidity

Article 43:

Persons suffering damage/prejudice, State Prosecutors or interested official authorities may appeal to the court for the invalidation of the mark.

Effects of Invalidity

Article 44:

A (Court) Decision ruling/deciding that the mark is invalid, shall have retroactive effect.

The retroactive effects of invalidity, without prejudice to claims for compensation for damage caused by acts of bad faith on the part of the proprietor of the trademark, shall not extend to/affect the following:

- a) Any final decision for infringement of the trademark reached and enforced prior to the decision of invalidity;
- b) Contracts concluded and executed prior to the decision of invalidity. (However, partial or total reimbursement of sums paid under the contract may be claimed on grounds of justified, reasons and of equity to an extent justifiable by the circumstances);

A final decision of invalidity shall produce effect against all.

SECTION TWO Termination of a Trademark

Causes for Termination

Article 45:

A trademark right shall terminate upon:

- a) the expiry of the term of protection and non-renewal within the prescribed period,
- b) the surrender by the proprietor of a trademark of the trademark right..

The termination of a trademark right shall have effect from the moment when the cause of the termination was realised. The termination of a trademark right shall be published in the related Bulletin.

Surrender of Right to a trademark

Article 46:

The proprietor of a trademark may surrender his right for all or part of the goods and services in respect of which the trademark is (to be) used.

The surrender shall be declared in writing to the Institute. The surrender shall have effect as of the date of entry in the Trademark Register.

The proprietor of a trademark cannot surrender his right to the trademark without having the consent of the licensees or holders of rights entered in the Trademark Register.

Where a third party claims the ownership of a trademark, surrender of right to the trademark cannot be requested without the consent of the concerned third party.

PART SIX Appeals/Objection Against the Decisions of the Institute

Appeals

Article 47:

Appeals/objections may be placed against the decisions of the Institute.

Where an appeal/objection is made for an interim decision, a separate appeal/objection shall be allowed upon decision becoming final.

Persons Entitled to Appeal

Article 48:

Persons adversely affected/damaged by decisions of the Institute may appeal/object to the Institute against such decisions.

Any other parties to the proceedings pertaining to the decisions of the Institute have competence to appeal/object to the Institute against the concerned decisions as of right.

Form and Term of Appeal/Objection

Article 49:

Notice of appeal/objection must be filed in writing at the Institute within two months after the date of notification of the decision. The fee for appeal/objection has to be paid when filing of the notice for the appeal/objection to be examined/assessed. The grounds for appeal/objection must be filed in a written statement within two moths of the notification of the decision. Where the statement of grounds for appeal/objection has not been submitted within this period the appeal/objection shall be deemed not to have been filed.

Rectifying Decision

Article 50:

The related department of the Institute upon deciding that the appeal/objection is founded and rightful may rectify its decision. This shall not apply where the appellant is facing opposition by (third) persons not directly party to the proceedings.

If the appeal/objection is not found acceptable by the related department, the appeal/objection shall be forwarded to the Re-examination and Evaluation Board by the department without comment as to its merits.

Examination of Appeals/Objections

Article 51:

The Re-examination and Evaluation Board shall consider the appeal/objection it if is admissible.

The Re-examination and Evaluation Board shall invite the parties to submit their observations within the period prescribed by the Implementing Regulation, on the observations of the other parties or those of itself.

Decision In Respect of Appeal/Objection

Article 52:

After the examination of the appeal/objection, the Re-examination and Evaluation Board shall deliver its decision in respect thereof.

Actions Before the Court Against the Decisions

Article 53:

Actions may be instituted, within two months of the notification of the decision, before the Competent court against the final decisions of the Re-examination and Evaluation Board in respect of the appeals/objections provisioned in Articles 47 through 52 inclusive.

PART SEVEN GUARANTEE MARKS AND COLLECTIVE MARKS

Guarantee Marks

Article 54:

The guarantee mark is a sign which serves to guarantee, under the control of the proprietor of the mark, the common characteristics of production methods, geographical origins and quality of (the goods/services of) several undertakings.

The registrant of the Guarantee Mark or an undertaking economically related/dependent on the registrant are not authorized to use the Guarantee Mark on their products or services.

Collective Marks

Article 55:

The collective mark is a sign used by a group of undertakings of producers or traders or providers of services.

Collective mark serves to distinguish the goods and services of the undertakings belonging to the group from the goods and services of other undertakings.

Technical Regulations of the Guarantee and Collective Marks

Article 56:

When filing an application for registration of a guarantee or a collective mark, a regulation specifying the ways and means of using the mark must be filed.

The guarantee mark regulation shall contain provisions regarding the common characteristics of the goods and services under guarantee and the ways to implement the control to be effected on the use of the mark and the penalties to be administered when necessary.

The collective mark regulation shall specify the undertakings authorised to use the mark. Proprietors of a collective mark shall act jointly for the registration of a collective mark.

The application filed by one of the parties shall be sufficient for the renewal of a collective mark.

Amending the Technical Regulations

Article 57:

Technical regulations cannot be altered unless approved by the Institute.

Any changes to be made in the technical regulations which do not conform to the requirements of the second and third paragraphs of Article 56 or which are contrary to public order and principles of morality shall be rejected by the Institute.

Regulations in Violation of the Decree-Law

Article 58:

Where a technical regulation does not conform to the requirements of Article 56, Institute shall notify the proprietor of the mark to proceed to the necessary amendments. Where the proprietor of the mark does not make the changes requested and amend the regulation accordingly the request for the registration of the collective mark or the guarantee mark shall be rejected.

Use in Violation of the Technical Regulation

Article 59:

Where the proprietor of a mark disregards use of a collective or a guarantee mark in violation of the technical regulation, and neglects to remedy the violation within the time-limit imported by the court under an action instituted by one of the parties, the mark shall be repealed by the court.

Transfer and Licensing

Article 60:

The transfer or license of a guarantee mark or a collective mark shall become valid only after entry of same in the Trademark Register.

PART EIGHT Situations of Infringement of a Trademark Right

Acts Constituting Infringement of Trademark Right

Article 61:

Following act shall be considered infringement of a trademark:

- a) violations of Article 9,
- b) using the same or confusingly similar trademark without the consent of the proprietor of the trademark,
- c) selling, distributing or putting in commerce under any form or importing for these purposes or keeping in possession for commercial purposes the goods carrying the infringed trademark where the person concerned knows or should know that a trademark is infringed by using the same or a confusingly similar mark,
- d) enlarging the scope of the rights granted by the patent holder on the basis of a contractual license or granted by compulsory license or transferring such rights to third persons without authorization,
- e) participating in acts foreseen in subparagraphs (a) to (c) or assisting or inducing/encouraging them or facilitating in any way and under any circumstances their occurrence/perpetration,
- f) refraining from declaring the source from where and the manner how the product carrying the same or confusingly similar trademark registered in the name of another person were obtained when found in possession or when put in commerce.

Article 61/A

- (a) Those making false declaration with respect to true identity of the trademark right holder, or those removing without authority the sign indicating a trademark right rightfully placed on a product or on its packaging, or those falsely presenting themselves as the proprietor of a trademark application right or a trademark right shall be sentenced to an imprisonment term of between one and two years and to pay a fine of between three hundred million liras and six hundred million liras,
- (b) Having committed the acts without authority, those transferring or placing as security or undertaking any other such action for utilising any one of the rights of transfer, placing of security, execution of levy and other such rights provisioned in the related articles and the licenses thereof, and those affixing signs on a product produced or put to sale by own self or by others, or on its packaging thereof or on commercial documents or on advertising material in such a way that would convey the impression as if a relationship

exists with a legally protected trademark right, or of using to the same effect writings, signs or expressions in the advertisements and commercials at the published and visual media without being the rightful proprietor of the trademark or after the expiry of the protection term or after the invalidation of the trademark right or after the termination of the trademark right shall be sentenced to an imprisonment term of between two and three years and to pay a fine of between six hundred million and one billion liras,

(c) Those who have committed any one of the felonies specified in Article 61 shall be sentenced to an imprisonment term of between two and four years and to pay a fine of between six hundred million and one billion liras, furthermore, judgment shall be ruled to close down the premises of their undertaking for a period not to be less than one year and they shall be prevented from practicing any commercial activity during the same period.

Where the felonies stated above are committed by those working in the undertaking whether on their own or under instructions while carrying out their duties, the employees and the owner or the manager or their representative and the person holding whatever title whatsoever who is de facto managing the undertaking who have not prevented the misdemeanor shall be punished in the same manner. Where the felonies stated in Article 61 have been committed during the execution of tasks related with a legal person, the legal person shall also be liable for the fines, expenses and damages in succession of the real persons who have committed the misdemeanor. For those assisting the acts, depending on the nature of the action the provisions of Articles 64, 65, 66 and 67 of the Turkish Penal Code shall apply. Prosecution with respect to the felonies stated above shall be subject to complaint.

Subparagraphs 8 of paragraph 1 of Article 344 of the Criminal Procedures Code No. 1412 shall not apply for the implementation of the provisions of this present Article. The right of complaint belongs to the person whose trademark right has been infringed, and additionally belongs also to the Institute for all felonies except those provisioned in Article 61, and to the Consumer Associations and to the establishments under the jurisdiction of Laws No. 5590 or No. 507 for acts of false declaration with respect to true identity of the trademark right holder, and for acts of affixing signs on a product produced and put to sale by own self or by others, or on its packaging or on commercial documents or on advertising material in such a way that would give the impression as if a relationship exists with a protected trademark right, or of using to the same effect writings, signs or expressions in the advertisements and commercials at the published and visual media without being the rightful proprietor of the trademark or after the expiry of the protection term or after the invalidation of the trademark right or after the termination of the trademark right.

The proceedings with respect to the felonious acts should be initiated within two years of the date of being informed of the act and the actor. The complaints with respect to acts falling within this scope shall be treated as of urgent matters. The provisions of Article 36 of the Turkish Penal Code and the related articles of the Criminal Procedures Code shall apply for the seizure, the confiscation or the destruction of the goods and the equipment and machinery used to produce these goods which are subjects of acts of felony having infringed the rights arising from a trademark application or a protected trademark within the provisions of this Decree-Law.

Appeals/Claims of the Proprietor of a Trademark

Article 62:

A proprietor of a trademark whose rights are infringed may, in particular, appeal for the following at the Court:

- a) for the cessation of the acts in infringement of trademark right,
- b) appeal for remedies of infringement and request compensation for material and moral damages incurred,
- c) request the confiscation of products and the equipment and machinery used to produce these products, in infringement of the trademark right, the production and the use which is a felony,
- d) appeal for the proprietorship over the products confiscated in accordance with subparagraph (c); (In such case the value of said products shall be deducted from the amount of compensation awarded. Where the value of said products happen to be above the amount of compensation value awarded, the proprietor of the trademark shall repay the excedentary balance to the other party.)
- e) appeal for precautionary measures for preventing the continued infringement of rights, request the erasing of the trademark from the products and means/vehicles, or, where inevitable for the preclusion of acts of infringement, the destruction of the products and means/vehicles confiscated according to subparagraph (c).)
- f) request the disclosure by means of publication, to the public and to those related, of the court's judgment rendered against the party infringing the trademark right who shall bear the costs for such publication.

Competent Courts

Article 63:

The competent court, for the institution of civil proceedings by the proprietor of a trademark against third parties, is the court of the domicile of the plaintiff or of the place where the offence was committed or of the place where the act of infringement had effect.

Where the plaintiff is not domiciled in Turkey, the competent court is the court of the location of the business premises of the empowered registered agent and when the agent's entry in the register has been canceled, the court where the headquarters of the Institute is located.

The Competent Court, for the institution of proceedings by the third parties against the applicant or the proprietor of a trademark, is the court of domicile of the defendant. Where the applicant or trademark right holder is not domiciled in Turkey, the provisions of the second paragraph shall prevail.

Where several courts are competent, the court before which the proceedings are first instituted shall be the competent court.

Compensation

Article 64:

A person who, without the consent of the proprietor of a trademark, produces, sells, distributes or puts in commerce under any form or imports for these purposes or keeps in possession for commercial purposes the product produced by infringing the trademark shall be liable to remedy the unlawful situation and to compensate the damages he has caused.

A person using in any way the infringing trademark, who has been informed by the proprietor of the trademark of its existence and of the infringement of same and who has been requested to stop such infringement or where such use constitutes a faulty behaviour, shall be liable to compensate the damages he has caused.

Documents Evidencing Infringement

Article 65:

The proprietor of a trademark can request from the infringing party the documents related with the use without his consent of the trademark, for the evaluation of the damage suffered resulting from the infringement of the trademark.

Non realized income

Article 66:

The damage suffered by the proprietor of the trademark includes not only the value of the effective loss but also includes the income non-realized because of the infringement of trademark right.

The non-realized income shall be calculated in accordance with one of the following evaluation methods, on the option of the proprietor of the trademark who has suffered the damage:

- a) According to the income that the proprietor of the trademark might have possibly generated if the competition of the infringing party did not exist;
- b) According to the income generated by the infringing party from the use of the trademark;
- c) According to a license fee that would have been paid if the party infringing the trademark right would have lawfully utilized the trademark under a licensing contract.

In calculating the non-realized income, circumstances having effect on the case, such as, in particular the economic value of the trademark, the term of protection remaining at the time of infringement, the type/nature and number of licences granted in respect of the trademark shall be taken into consideration.

Increasing the non-realized income

Article 67:

Where the person right holder of a trademark has selected one of the evaluation options specified in the paragraph 2, sub paragraphs (a) or (b) or (c) of Article 66; in calculating the non-realized income, the Court may add on a reasonable extra amount when in court's opinion the trademark contributes substantially, from an economical aspect, to the sale of the product.

The assessment of the trademark's contribution to the economic value of the product shall be grounded on the verification that the trademark constitutes the determining factor in creating the demand for the product.

Reputation of the Trademark

Article 68:

The proprietor of a trademark may request extra damages where the reputation of the trademark is harmed from the bad or improper use of trademark by the infringing party.

Person against whom no compensation may be claimed

Article 69:

The proprietor of a trademark may not institute proceedings, under the provisions of this present Section of this Decree-Law, against those persons using the products put on the market by the person who has paid compensation for damages to the proprietor of the trademark.

Prescription of Time Limit

Article 70:

The provisions of the Code of Obligations on prescription of time-limit shall have effect concerning the time periods for appeals/claims, under civil provisions, relating to violations of trademark rights.

Competent courts

Article 71:

Special courts to be established by the Ministry of Justice shall have jurisdiction for all of the actions and claims provisioned by this present Decree-Law.

Upon the request/invitation of the Ministry of Justice, the High Council of Judges and Prosecutors shall determine which of the Commercial Courts of the First Instance and the Criminal Courts of the First Instance shall have competence as special courts and indicate their respective jurisdictions.

For actions instituted against all of the Institute's decisions taken in respect of the provision of this present Decree-Law and for actions instituted against the Institute by the third parties having been damaged/adversely affected from the decisions of the Institute, the special court referred in the first paragraph shall have competence.

Publication of the Court's Decision

Article 72:

Where a court judgment becomes res judicata, provided it has a legitimate ground or interest the successful party may request the publication in full or in summary of the final judgment in a daily paper, or by similar means, the costs of which are to be met by the other party.

The nature and extent of the publication shall be determined in the judgment. Right of publication shall be void if not exercised within three months after the judgment becomes res judicata.

Claims by the Licensee and requirements therefore

Article 73:

Unless provided otherwise by the contract, the holder of an exclusive license may, in the case of an infringement of the trademark rights, institute in his own name all legal proceedings which have been made available to the proprietor of the trademark by this Decree-Law. Holders of non-exclusive licenses do not have the right to institute legal proceedings.

In the case of an infringement, the holder of a (non-exclusive) license not having the right to Institute proceedings according to paragraph one may give notice, through a notary public requesting the proprietor of the trademark to institute such proceedings as required.

In the event the proprietor of the trademark right refuses to initiate or within three months of the reception of the notice fails to institute proceedings, the (non-exclusive) license holder shall have the right to institute proceedings, in his own name by enclosing thereto his notice to the (proprietor) in this regard.

The licensee may, in the face of likelihood of serious damage (where elapsing of time cannot be remedied), request the court to issue an injunction for precautionary measures without waiting until the elapsing of said (3 months) period.

The licensee who has instituted proceedings in accordance of paragraph three, shall notify the proprietor of the trademark that the proceedings have been instituted.

Action claiming of non-infringement of trademark right and requirements thereof

Article 74:

Any interested person may institute proceedings against the proprietor of a trademark to obtain a judgment of non-infringement of trademark right.

Prior to the institution of proceedings referred in the first paragraph, a notice shall be served through the notary public to the attention of the proprietor of the trademark to enable the trademark right holder to express his observations on whether the trademark to be used on the products produced or to be produced by the requesting party in Turkey constitute infringement of the trademark rights.

Where the proprietor of the trademark upon receiving such a notice does not respond within one month of receiving the notice, or the content of the response is not found acceptable by the requesting party, the appealing party shall have the right to institute proceedings according to the first paragraph.

Persons, against whom action of infringement has been instituted in respect of the trademark right, cannot institute proceedings according to paragraph one of this present Article.

Institution of proceedings shall be notified to all right holders entered in the Trademark Register.

The actions referred to in this Article may also be instituted jointly with an action claiming the invalidity.

Action for Determination of Evidences

Article 75:

Any person entitled (legally) to bring action against the infringement of trademark right, may appeal the court to determine and secure the acts which may/can be considered to infringe such (trademark) rights.

Precautionary Measures

Article 76:

Persons who are to Institute or who have instituted action as prescribed by this present Decree-Law, in order to ensure the effectiveness of the (main) action may appeal the court to order precautionary measures provided that they bring evidence as to the existence of acts of actual use in Turkey of the trademark or serious and effective preparations to use the trademark against which the action is instituted which would constitute an infringement of the plaintiff's trademark right.

The request for precautionary measures may be filed before or with the institution of proceedings or filed later. The request for precautionary measures shall be examined separately from the main action.

Nature of Precautionary Measures

Article 77:

Precautionary measures shall be in nature to enable of securing fully the effectiveness of the judgment and particularly provide the following measures:

- a) cessation of the acts of infringement of the trademark rights of the plaintiff;
- b) injunction to seize within the borders of Turkey wherever they are seen/found, including the customs, free ports or free trade areas and keep in custody the goods produced or imported trademark rights,
- c) ordering the placement of security/guarantee for damages to be compensated.

Code of Civil Procedures

Article 78:

With respect to other matters for securing of evidences and for precautionary measures provisions of the Code of Civil Procedures shall have effect.

Seizure at Customs

Article 79:

Customs authorities, while being exported or imported, shall withhold as a precautionary measure the products which have infringed the rights of a trademark.

Withholding procedures shall be determined by statute to be enacted for this purpose.

The withholding measure employed by the customs authorities shall cease to have effect if proceedings are not instituted at the special court or preventive injunction is not obtained from the court within ten days of the withholding.

PART NINE Persons Authorized to Act (Before the Institute) and Agents

Persons Authorized to Act (Before the Institute)

Article 80:

The following persons have capacity to act before the Institute for matters of trademarks:

- a) natural or legal persons. Legal persons may only be represented by those person(s) duly empowered by their authorised bodies/organs.
- b) trademark agents.

The persons domiciled abroad can only be represented by trademark agents.

Where an agent has been appointed, all procedures are executed through the agent. All notices made to the agent shall be deemed to have been made to the principal.

PART TEN Payment of Fees and Legal Effects

Term of Payment of Fees and Effects

Article 81:

The fees relating to an application for trademark and to a trademark registration as set forth in the Implementing Regulations shall be paid by the applicant or by the proprietor of the trademark or by the trademark agent.

Where the prescribed fees for the registration of a trademark have not been paid within the period provisioned by this Decree-Law, the application for the registration of the trademark shall be deemed to have been withdrawn.

PART ELEVEN LAST PROVISIONS

Article 82:

Articles of The Trademark Law No: 551 dated 03.03.1965 have hereby been repealed.

TRANSITIONAL PROVISIONS

Transitional Article 1 - For applications for the registration of a trademark filed prior to the entry into force of this present Decree-Law, the provisions of the law in force on the date of filing of the application shall have effect.

Without prejudice to acquired rights in respect of all acts of transfer, inheritance and licensing contracts concluded and registered prior to the entry in force of this present Decree-Law, for any further actions and for all changes on such matters the provisions of this present Decree-Law shall prevail.

Transitional Article 2 - Those who have put to actual use their service marks, may request the registration of their service marks filing the evidence of use within 12 months of the entry in force of this Decree-Law.

The Institute shall examine/assess the requests/claims of the service mark owners after the expiry of 12 months by taking into consideration the date of first use (of the concerned service marks).

Transitional Article 3 - For the purposes of this Decree-Law, until the setting-up of such specialized courts by the Ministry of Justice; the Supreme Council of Judges and Prosecutors shall determine from amongst the Commercial and Criminal Courts of First Instance those which will function as specialized courts.

These courts will be competent also for all <u>actions</u> (to be) instituted <u>against T.P.I.</u> by third persons negatively affected/damaged by the decisions of T.P.I., in any matter.

ENTRY INTO FORCE

Article 83:

This Decree-Law shall enter into force on the day of its publication.

EXECUTION

Article 84:

This Decree-Law shall be implemented by the Council of Ministers.