

Trademarks with High Distinctiveness in Bad Faith Assessment

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11th Civil Chamber of the Turkish Court of Appeals (“CoA”) has set forth in its decision dated 18.11.2019 (2019/359 E. and 2019/7279 K.) that the later dated trademark application was filed in bad faith by taking into account the high level of recognition as well as the original and distinctive nature of the prior dated trademark which has no meaning.

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CoA has emphasized in its decision dated 18.11.2019 (2019/359 E. and 2019/7279 K.) that the high distinctive character of the well-known trademarks should also be taken into account when assessing the applications claimed to be filed in bad faith.

In the case between the parties; Plaintiff’s attorney has requested and sued the annulment of the decision numbered 2015-M-12344 issued by The Turkish Patent and Trademark Office (“Office”) the Re-examination and Evaluation Board (“REEB”) and has requested the invalidity of the trademark application in case of registration by claiming that the “ANL CHOCO LEXUS” trademark application numbered 2014/6684 was filed in order to acquire unfair benefit from the well-known status of the “LEXUS” trademark of the plaintiff company which is world-renowned and produces luxury vehicles and that therefore the trademark application was filed in bad faith. While the allegations as to the existence of bad faith has been submitted, the plaintiff’s attorney argued that the word “LEXUS” is a phrase with a high level of distinctiveness which has no meaning in any language.

The defendant parties have claimed that there cannot be a likelihood of confusion between the trademarks since the goods and services under the trademarks are different, the well-known status of the trademark cannot be proven and “LEXUS” trademarked cars are not sold in Turkey.

In the decision of First Instance Court; the annulment of the aforementioned REEB decision and the invalidity of the “ANL CHOCO LEXUS” trademark numbered 2014/6684 were decided stating that there is a similarity between trademarks to cause likelihood of confusion, that the distinctiveness level of “LEXUS” is high, that a high level of recognition is gained with the use of the trademark, that the public opinion created with the level of recognition and quality can be a transfer to the defendant’s trademark and provide unfair advantage, that it is likely that the distinction, the advertising power and the value of the luxury car trademark will decrease, and its reputation and distinctive character will be damaged with the use of the trademark in low-cost and ordinary products, that the defendant company has learned that the “LEXUS” trademark is well-known the latest in 2011, since there were other disputes between the parties based on the “LEXUS” trademark resulting in the plaintiff’s favour and that it cannot be said that the application is in good faith.

Upon appeal of the decision by the defendants, the District Court decided to reject the appeals by noting that even though the goods and services in scope of the trademarks are different, the plaintiff’s trademark enjoys a high reputation within automotive industry, that “LEXUS” phrase which has no meaning, has a high originality and distinctive character and when these facts are taken into consideration together with the level of the reputation of the ground trademark, it cannot be considered as a coincidence for the defendant company to choose this sign to register and the application was filed in bad faith.

In line with the decisions of the First Instance Court and the District Court, the CoA has considered in its decision dated 18.11.2019 (2019/359 E. and 2019/7279 K.) that the trademark application was filed in bad faith and upheld the decision rendered by the District Court upon taking into account the “LEXUS” phrase, which has no meaning, is original and highly distinctive, also considering the high level of recognition

The decision in question sheds light on the implementation of the provision “*Trademark applications that are filed with bad faith are rejected upon opposition*”; in the Article 6/9 of the IP Code (“IPC”) before the courts. The CoA once again underlined that the distinctiveness of a well-known trademark should be taken into account during the bad faith assessment. The decision

also clearly shows that it is important for the beneficiaries to prefer highly distinctive phrases in trademark choices in order to benefit from more effective and broader protection in the future.