



Recent case highlights lack of harmonisation between courts' approach and PTO's practice

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Legal updates: case law analysis and intelligence

- Beiersdorf opposed an application for NEVAYA based on its NIVEA trademarks, alleging a likelihood of confusion and the well-known status of its marks
- The PTO partially accepted the opposition based on the likelihood of confusion argument, but rejected the well-known status argument
- A key issue was whether the well-known status argument could be asserted in an action for the cancellation of the PTO's decision, even though no appeal was filed against the refusal of such argument during the administrative stage

In Turkey, actions for the cancellation of decisions of the Turkish Patent and Trademark Office (PTO) are filed before the Ankara IP Court. Under Turkish procedural law, decisions of the First-Instance IP Court can be appealed before the Regional Court of Appeal.

In a recent decision of the Regional Court of Appeal, the assertability of the well-known status argument in an action for the cancellation of the PTO's decision was discussed, even though such argument was rejected in the initial administrative stage and no appeal was filed by the opponent during the administrative stage against the refusal of such argument.

Administrative proceedings

A trademark application for NEVAYA was filed for goods in Classes 5 and 10 by a natural person before the PTO. Beiersdorf AG filed a partial opposition against this application, relying upon its NIVEA trademarks on following grounds:

- likelihood of confusion between the trademarks (Article 6/1 of the IP Code); and
- well-known status of the NIVEA trademark under the Paris Convention for the Protection of Industrial Property and in Turkey (Articles 6/4 and 6/5 of the IP Code).

Beiersdorf requested the partial refusal of the application for related/similar goods.

The NIVEA trademarks which were relied on in the opposition were registered in Classes 3, 5, 16, 25 and 44 before the PTO. Beiersdorf's NIVEA trademark is recorded as well known in the PTO's registry.

The PTO's Trademarks Department partially accepted the opposition for several goods based only on the likelihood of confusion argument. The well-known status argument was not accepted since the conditions set forth by the relevant articles were not met. Beiersdorf did not file an appeal for the remaining goods.

The applicant filed an appeal against the partial refusal of her application before the Higher Board. The Higher Board stated that there was no likelihood of confusion between the trademarks and decided to accept the applicant's appeal. Beiersdorf filed an action against the PTO's decision, requesting:

1. the cancellation of the PTO's decision; and
2. the partial invalidation of the NEVAYA trademark.

Court proceedings

Beiersdorf raised the arguments of likelihood of confusion between the trademarks and well-known status of the NIVEA trademarks in its petition, as both arguments were initially included in its opposition before the PTO.

The IP Court partially accepted the case as it determined that there was a likelihood of confusion between the trademarks and that the conditions for alleging the well-known status of the NIVEA trademarks were satisfied.

Upon appeals by both defendants (the PTO and the trademark holder), the matter was reviewed by the Regional Court of Appeal. The court reviewed the IP Court's decision on procedural points only. The court determined that the IP Court's decision was procedurally flawed for the following reasons, among others:

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The IP Court stated that the plaintiff's NIVEA trademarks are well known and that, therefore, the PTO's disputed decision should be cancelled and the disputed trademark should be invalidated, even for different goods, based on this well-known status. However, the IP Court only accepted the case for the goods which it found similar based on a likelihood of confusion. There was no mention in the decision of the goods rejected based on the well-known status. The reasoning and the conclusion of the decision are in contradiction.

The Trademarks Department of the PTO accepted the plaintiff's claim based only on a likelihood of confusion and the plaintiff did not file any appeal against this (so there was no appeal by Beiersdorf regarding the non-acceptance of the well-known status argument before the PTO). Therefore, the IP Court's decision is erroneous since it took the well-known status argument into account, not only for the invalidation of the trademark but also for the cancellation of the PTO's decision. Since Beiersdorf had not appealed the decision initially and not taken the well-known status argument before the Higher Board, it could not put it forward in its request for the cancellation of the decision.

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Based on the above, the Regional Court of Appeal ordered the rescission of the IP Court's decision on procedural grounds under Article 353/1(a)6 of the Code of Civil Procedure (6100), which reads as follows:

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Following the preliminary examination, the Regional Court of Appeal, without holding a hearing and as a final decision, shall send the file back to the court that rendered the original decision or another court in the same jurisdiction without examining the merits of the dispute in the following circumstances:

[...]

6. *If the court rendered the judgment without collecting or evaluating the evidence submitted by the parties or if the court did not render a judgment on a significant part of the claim.*

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As it was a procedural rescission decision, it could not be appealed by any of the parties, so the case was sent back to the IP Court with a new merit number. The IP Court continued the proceedings in line with the Regional Court of Appeal's decision and stated as follows:

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*The well-known status argument should not be accepted in the request for the cancellation of the decision since the Trademarks Department of the PTO accepted the plaintiff's opposition based **only** on a likelihood of confusion and the plaintiff did not file any appeal against this. As Beiersdorf did not file an appeal regarding the rejection of the well-known status argument, it cannot raise such argument during the court phase.*

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As a result, the IP Court partially accepted the case and ordered (i) the partial cancellation of the PTO's decision for the goods for which it found a likelihood of confusion, and (ii) the partial invalidation of the trademark NEVAYA for all the goods within the scope of the action, relying on the likelihood of confusion between the trademarks for similar goods and the well-known status of the NIVEA trademark for dissimilar goods.

In conclusion, the IP Court considered the well-known status of the NIVEA mark only for the invalidation request and for dissimilar goods. The list of goods for which the trademark was invalidated was broader than that for which the PTO's decision was cancelled.

The matter was reviewed by the Regional Court of Appeal again, upon appeal by the defendants. This time the Regional Court of Appeal found the IP Court's decision appropriate and rejected the appeals on the merits.

The defendants filed a further appeal before the Court of Cassation, and the case is currently pending.

Comment

As an action requesting the cancellation of a PTO decision constitutes one step further compared to the PTO's administrative proceedings, it was arguably a mistake not to consider the well-known status of the NIVEA trademarks in the subject matter. Indeed, Beiersdorf had put this argument forward at the initial opposition stage. The opposition was accepted, and the goods at issue were removed from the scope of the application. Therefore, when the applicant appealed and this appeal was accepted, Beiersdorf should have had the right to put such argument forward again at the court stage.

The authors believe that there was a misinterpretation on the courts' part on this issue; otherwise, even if the decision is favourable (and the goods/services are removed), the opponent will have to appeal anyway if one of its arguments has not been accepted, in order to ensure that such argument will be taken into consideration at the (potential) court stage.

Further, the courts' approach contradicts the PTO's implementation. If one of the opposition arguments is accepted, the PTO will dismiss appeals against the rejection of other arguments due to a lack of interest. In addition, if an application is rejected upon opposition by one opponent, the PTO will not examine appeals filed by other opponents whose oppositions were rejected since the application was ultimately refused (following another party's opposition). Therefore, the courts' approach and the PTO's implementation are not harmonised. If the courts' approach became a general practice, it would lead to unnecessary appeals and court proceedings, which would have an adverse impact on the enforceability of trademark rights and the consistency of administrative and court proceedings. Moreover, such practice would seriously increase the PTO's and the courts' workload.

Despite such adverse impact, every case should be reviewed on its own merits, and a strong strategy must be put in place to decide whether filing an appeal/starting court proceedings due to the rejection of one argument is the right move.

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