

A COMPARATIVE STUDY OF TRADEMARKS UNDER GERMAN AND TURKISH LAW

Gregor Grubhofer*

Abstract

With Decision 1/95 of the EC-Turkey Association Council, Turkey and the EC established a Customs Union. In implementing that decision Turkey also undertook the obligation to ensure effective protection and enforcement of intellectual property rights.¹ Annex VIII of the same decision provides specific measures in the field of intellectual property rights that Turkey should bring into effect. Accordingly a new Decree-Law No. 556 Pertaining to the Protection of Trademarks was adopted in Turkey and entered into force on June 27, 1995, to harmonize the Turkish trademark system with European standards, especially with the TRIPS Agreement and the EC Council Directive EEC 89/104.² The legal basis for the protection of trademarks in Turkey before was Law No: 551 of March 3, 1965. As with the Turkish law the German law also had to be amended according to the EC Council Directive in 1994 and came into force on January 1, 1995.³ The new German Trademark Law replaced the former "Warenzeichengesetz" trademark law, which dated back to 1874. Considering the latest amendments to the German and Turkish Trademark Laws similarities in both laws show that Turkey has adapted great parts of its trademark laws to the European standard.

* Gregor Grubhofer, Mag. jur., is a lawyer in a Turkish lawfirm who has studied law at the University of Vienna and is a student in the LL.M. program of Marmara University. Currently he is writing on his LL.M. thesis in the field of Intellectual Property Rights in the EC.

1. General Requirements for Trademarks

A fundamental principle in every trademark law is that the trademark must be capable of distinguishing the goods and services of one undertaking from the goods and services of other undertakings. Both German and Turkish law follow basically the text of Article 15 of the TRIPS Agreement and allow all kinds of signs to be registered that are represented *graphically or are else visually perceptible*. Moreover both legislations mention the *shape of goods or their packaging* to be permissible for registration. This complies with Article 15 of the TRIPS Agreement, in which it is expressly stated that parties to the agreement may require, as a condition of registration, that signs are *visually* perceptible. Under German law, however, also *sound trademarks* are permissible for registration, for example signature tunes of radio and television programs. With respect to Turkey it is also to be mentioned in this context that under Turkish law protection was extended for the first time to service-marks with the amendments in 1995. The amendments follow Turkey's obligation under the TRIPS Agreement. In Turkey protection for a trademark is obtained by registration.⁴ In Germany protection for trademark may be obtained not only upon registry but also through common usage in the course of trade acquired in the relevant market. If the sign is a well-known mark within the meaning of Article 6^{bis} of the Paris Convention, protection is also granted under German Law without registration.⁵ The Paris Convention, of which Turkey has become a party with respect to its Articles 1 to 12 on February 1, 1995, provides that a state may either *ex officio* grant protection to well-known marks or at the request of an interested party. Although trademarks can only be obtained upon registry in Turkey, the competent authority has to refuse registration, if the mark subject to application is a well-known mark according to Article 6^{bis} of the Paris Convention and the owners did not permit the use of it.⁶ Thus, both laws provide protection for well-known marks that are not registered with the authorized body. German and Turkish Law distinguishes between *absolute grounds* of refusal and *relative grounds* of refusal of registry of a trademark. In Turkey, contrary to Germany, protection is not provided for marks that are not registered but have acquired acceptance through common usage in a specific market sector.

2. Absolute Grounds of Refusal

Registration of trademarks is denied on absolute grounds if the trademark is not capable of distinguishing the goods and services of one undertaking from the goods and services of other undertakings. Turkish law gives a typical example and says that this is the case when the trademark is identical or confusingly similar to a trademark registered earlier with respect to an identical or same type of product or service.⁷ Other absolute grounds of refusal are very similar in both national legislations and deny protection for signs or indications which serve in trade to indicate the kind, characteristics, quality etc. of the goods and the services or which could deceive the public as to the nature, quality and the geographical origin of the goods and services. Also trademarks that resemble state or other official emblems are prohibited. Additionally, Turkish law expressly and separately from all other items mentions that religious symbols cannot be used as a valid trademark. As has been mentioned above German law, but not Turkish law, grants protection to marks also through common usage *without registration* if the mark has been *de facto* accepted as such in the relevant market ("secondary meaning of a mark or sign"). Notwithstanding this, Turkish law – and also German law – provides that registration of trademarks, which have acquired distinctiveness in practice through common usage, cannot be denied on grounds that the trademark was non-distinctive or of a descriptive nature.⁸ Thus, in both laws, a mark that would generally lack distinctiveness or is descriptive in nature can nevertheless obtain protection under the condition that the mark has acquired its distinctive character by means of common usage in the relevant market. It is also impermissible if the sign to be registered is in fact the shape of goods or packaging, which results from the nature of the good, which is necessary to obtain a technical result or which gives substantial value to the good.⁹ Last, registration may be denied under German and Turkish laws, where the trademark is contrary to public policy.

3. Relative Grounds of Refusal or Cancellation

While Turkish law defines relative grounds of refusal, German law defines relative grounds for cancellation of registry. The content of these relative grounds are, however, similar and are related to the existence of prior rights already obtained by other proprietors. In both laws these grounds are relative because the competent authority will take them into consideration only upon opposition by a person who has filed an earlier application or

possesses a conflicting trademark. Turkish and German law distinguishes three situations:

- The trademark is identical with another trademark for identical goods and services.
- The trademark is identical or similar with another trademark for identical or similar goods or services provided the *likelihood of confusion*.
- The trademark is identical or similar with another trademark for goods and services that are, however, not identical or similar goods, *if registration would be detrimental to the distinctive character or repute of the registered prior trademark*.

Also the proprietor of a non-registered trademark or of a sign used in the course of trade can object to the registry of trademarks on the above grounds, provided that he shows that the non-registered trademark has acquired acceptance in the relevant market through common usage.

Moreover, a trademark may be challenged according to both German and Turkish laws on grounds that the mark contains the name, photograph, copyright, or any industrial property rights of a third party.¹⁰ The German Law also mentions the right of a third party related to the geographic origin or to other protective commercial laws.¹¹ If there is a likelihood of confusion with regard to the geographic origin on the part of the public as to the nature, quality, place of production and geographical origin in respect of the goods or services for which the trademark is registered, the trademark may also be declared invalid under Turkish law, though not being expressly mentioned within the relative grounds for refusal.¹² Last, under both laws a proprietor may object to registration where an agent or representative of the proprietor of the trademark has applied for registration in his own name without the proprietor's consent and without valid justification.¹³

4. The Priority Rights

The right to register a trademark with the competent authority is conditional upon the non-existence of conflicting prior rights of third parties. This right of priority is generally determined by the day of filing application. Due to

international conventions, however, a proprietor who has registered a trademark abroad enjoys, for the purpose of filing in another country that is party to the international convention, a right of priority during a defined period. The Paris Convention to which Germany and Turkey are signatories provides a six months period for right holders in one state to apply for registry of the same trademark in another member state. The filing in the first country must be equivalent to a regular national filing under the domestic legislation of the other country or under bilateral or multilateral treaties concluded between the two countries. Turkish law acknowledges any filing by nationals of a country which is party to the Paris Convention as equivalent to a regular national filing. The filing does not necessarily have to take place in a country, which is party to the convention.¹⁴ German law accepts equality of filings only if the states have agreed so in an international agreement or under the condition of reciprocity.¹⁵ Turkish law fixes the priority period in accordance with the Paris Convention at 6 months from the date of first filing provided that the priority right is documented within three months, while German law without defining the period just refers to the prevailing rules of international conventions.¹⁶ Turkish law does not specify the requirements for such documentation. In contrast, the German law requires that any proprietor that claims the right of priority on grounds of an earlier equivalent filing in another country has to name the state and the date of this filing within two months of his claim. And within another two months he has to submit the reference number of his first filing and a copy of his application.¹⁷

The proprietor of a trademark cannot claim any right of priority under German law if he tolerated the use of the opposed trademark for a continuous period of five years or gave his consent to its usage, unless the proprietor of the opposed sign used the mark without good faith.¹⁸

5. Registration

Within three months following the day of publication of registration any proprietor of priority rights (relative grounds of refusal) may oppose the registration of a trademark under German and Turkish law.¹⁹ Turkish law also allows any natural or legal person or any group representing manufacturers, producers, suppliers of services, traders or consumers to submit to the authorized body their written observations that the trademark is in breach with absolute grounds of refusal following the publication of the trademark application. However, they shall not be parties to the proceedings

before the Institute.²⁰ Under both laws, registration of a trademark will grant protection for ten years following the day of application and can be renewed for a further ten years every time protection expires.²¹

6. Scope of Protection

The legal consequences of a proprietor's right to use a protected mark can be divided into three categories. First the proprietor may prevent other parties from using the same or similar marks, second he may authorize a third party to make use of the rights granted to him and third, to some extent the proprietor has to tolerate the use of his mark or sign by third parties. The following will show how these aspects are regulated under German and Turkish law.

a) The Right to Prevent Unauthorized Use

The proprietor of a trademark, who puts his trademark in use, may prevent any third party from using unauthorized identical signs in relation to goods and services, which are identical with those for which the trademark is registered; or similar or identical signs in relation with similar goods and services covered by the registered trademark and sign in a way that is capable of causing confusion on the part of the public including any possible association between the sign and the trademark. Last, the proprietor of a trademark is entitled to prevent third parties using identical or similar rights 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.²²

b) The Right to Transfer Trademarks

A registered trademark may be charged as security independently of the undertaking and may be transferred or be licensed for all or some of the goods or services for which it is registered.²³ Contrary to German law, Turkish law distinguishes exclusive from non-exclusive licenses. According to German law the mutual rights and obligations of the licensor and the licensee are solely determined by the license agreement. The Turkish law, on the other hand, also provides rules that shall apply, when the parties did

not agree on something else. For example: the license shall be understood to be non-exclusive; the licensor may use the trademark himself and may grant licenses to third parties on the same trademark; in case of an exclusive license the licensor may not grant licenses to other parties and cannot make use of the trademark; the licensee cannot transfer the rights arising from the license or cannot grant a sub-license; the licensee shall have exclusive rights with respect to the use of the trademark during the period of protection. Under German law the licensee, in the case of an infringement of the trademark rights, can initiate proceedings in his own name only with the proprietor's consent. Under Turkish law the holder of an exclusive right may initiate all proceedings in his own name, which have been made available to the proprietor of the trademark, while holders of non-exclusive licenses do not have the right to initiate legal proceedings at all. In Turkey, a license agreement has to be registered to have effect against third parties acting in good faith.²⁴

e) Limitation of Protection

Protection, however, does not exclude all use of the registered trademark by third parties. A proprietor has to tolerate that the trademark is reproduced in a dictionary, encyclopedia or similar reference work provided an indication that the trademark is registered.²⁵ This means that the proprietor himself has to ensure that his trademark does not become generic by being reproduced without any indication of its registration. The proprietor of a trademark cannot prevent third parties from using, in the course of trade, his name or address, or the use of a sign that is identical to the registered trademark to indicate the kind, quality, intended purpose, value, geographical origin, the time of production of goods or rendering of the services, or other characteristics of the goods or services, provided the use is in accordance with honest practice in industrial or commercial matters. German law, additionally in this context, also refers to the legitimate use of a trademark that is necessary to indicate that one good is accessory to another.²⁶ In addition, a registered trademark may be levied in execution independently of the undertaking and as a result be put to use by third parties without the proprietors consent.²⁷

Another very important limitation is the exhaustion of rights. This means that once a product has been distributed to the public, the right to control its distribution shall come to end. Practically this is a necessary corollary to the right of distribution; otherwise, the trademark holder could prevent every further transfer of the goods bearing his trademark.²⁸ To protect the domestic market in some countries the rights of the trademark holder are

only exhausted in the domestic market once the product has been marketed there and the proprietor of a trademark is able to prevent the same goods marketed in a third country being re-imported again into the domestic market. This issue gained even greater importance when the European Court of Justice decided that, if a product is marketed by the right holder himself or with his consent in two Member States under the same trademark then the trademark owner cannot prevent parallel importation with reliance on his trademark rights.²⁹ Parallel importation means that goods marketed in the domestic market and in a third country by the proprietor of the trademark are re-imported from the third country to the domestic market (and sold at a lower price). Following the European Court of Justice's jurisdiction the German Trademark Law provides that the rights of a proprietor of a trademark exclude the right to prevent third parties in the course of trade using the trademark in relation to goods that have been marketed by him or with his consent on the domestic market or on the market of another country that is a member of the European Union or of the European Free Trade Area.³⁰ As Turkey is not a member of the European Union or European Free Trade Area its Trademark laws protect the domestic market from parallel imports. Under Turkish law acts related to a product containing 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.³¹ This is in harmony with the rules establishing a customs union between Turkey and the EC as the exhaustion of intellectual property rights in the trade relations between the two parties shall not be implied by the decision establishing the customs union.³² In Germany and Turkey the proprietor of a trademark has the right to oppose further commercialization of the goods, where the conditions of the goods is changed or impaired after they have been put on the market.³³

7. Invalidity of Registration

Any registered trademark that is not represented graphically or is visually perceptible, or is incompatible with absolute or relative grounds of refusal can be declared invalid. German Law expressly points out that the reasons for declaring a trademark invalid must be current on the date when the competent body decides on the case. The German law provides that the

registered trademark can be declared invalid only within a period of ten years upon registration on grounds that it lacks a distinctive character or that the sign is descriptive in nature.³⁴ A trademark may also become void when it loses its distinctive character and becomes generic in respect of the goods or services of the trademark. In Germany, however, application for the cancellation of a generic trademark has to be filed within 10 years upon registration of the trademark.³⁵ If the trademark was registered lawfully but the proprietor did not put the trademark to use for a period of five years, then the trademark can be repealed.³⁶ Furthermore the rights related to a registered trademark end upon the expiry of the protection period and non-renewal within the prescribed period or the surrendering of the rights by the proprietor of the trademark.³⁷

In Germany the competent bodies declare a registered trademark invalid at the request of a legitimate party. Anyone can bring in a request for declaring the registration of a trademark invalid on absolute grounds of invalidity or upon expiry of registration under German law.³⁸ If the trademark is invalid on absolute grounds other than the trademark's lack of distinctive character, its descriptive character or because it has become generic, then the authorized body may *ex officio* declare the trademark invalid under German Law. The authority must do so within two years of registration of the trademark and the grounds of invalidity must be obvious and current on the date of the cancellation decision.³⁹ Applications related to the existence of priority rights have to be filed by the proprietor of such rights.⁴⁰ Under Turkish law any person who has suffered, the State Prosecutor or related official authorities may appeal for invalidity to the court.⁴¹

8. Infringement of Rights Related to Trademarks

A proprietor of a trademark whose rights have been infringed may claim for the cessation of the acts of infringement, request compensation and the confiscation of the products as well as the equipment and machinery used to produce the goods that have infringed the trademark right.⁴² German law also provides that the right to forbearance and to claim damages may be held against the owner of a business, where his employees or other persons acting on behalf of him caused the infringement.⁴³ Under German law the proprietor has a right that the offender destroys the confiscated products or offers other remedies where the destruction levies an unreasonable burden on him. Conversely, under Turkish law the holder of the trademark rights

may achieve proprietorship over the product confiscated, in addition to his right to have the infringing goods destroyed or the infringing marks erased from the goods. Under German law the right holder may also request information from the offender as to where the infringing goods have been distributed.⁴⁴

Besides facing private claims from a proprietor of a trademark whose rights have been infringed, the infringer of such rights also has to remedy the illegality.⁴⁵ If a person is infringing the rights of a proprietor of a trademark under German law, then he shall be sentenced to an imprisonment term of up to three years or pay a fine. If he was taking commercial advantage then the term of imprisonment can be extended up to five years. Under Turkish law offenders shall be sentenced to a term of imprisonment between two and four years and to pay a fine of between approximately 340,- to 570,- EUROS. Furthermore the premises of the undertaking concerned is closed down for a period of not less than one year and they shall be prevented from practicing any commercial activity during the same period. Apart from punishing the offender working in an undertaking where the offence was committed, the person who is de facto managing the undertaking and has not prevented the misdemeanor shall be punished in the same manner.

Other offences specified under Turkish rules that provide for severe punishment are the making of false declaration with respect to the true identity of the trademark right holder or unauthorized removal of the sign indicating a trademark sign (one to two years of imprisonment and payment of about 170,- to 345,- EUROS)⁴⁶ and the unauthorized transfer or placing as security etc of rights belonging to the proprietor of the trademark or the affixing of signs on a product in a way that is capable to convey the impression that a relationship exists with a legally protected trademark right (two to three years imprisonment and a payment of about 345,- to 570,- EURO).⁴⁷ Under German law the right of complaint belongs to the person whose trademark right has been infringed unless the authorized body regards prosecution inevitable with regard to public interest. Where the offender commercialized infringement the authorized body will prosecute *ex officio*.⁴⁸ If the offender is convicted and sentenced, the trademark right holder by taking into account his legitimate interest, may ask for the publication of the verdict.⁴⁹ Under Turkish law the rights of complaint belong to the person whose trademark right has been infringed, and

additionally – with one exception as under German law - belongs to the authorized body and to the Consumer Association and to the establishments under the jurisdiction of laws no 5590 or no 507 for acts of false declaration and affixing signs that could be related to a registered trademark.⁵⁰

9. Conclusions

A comparison between Turkish and German trademark laws shows that both countries have adopted very similar rules in this field. These similarities are due to the fact that intellectual property law is determined by international agreements. Turkey and Germany are parties to the Paris Agreement⁵¹, TRIPS Agreement⁵² and Madrid Agreement⁵³ all of which set guidelines for the uniform definition and protection of rights related to trademarks, and set up ways that make it easier for owners to acquire rights in different countries. With respect to the latter German law also includes provisions for the registration of international trademarks as provided under the Madrid Agreement. Turkey, which became a member to this agreement in January 1, 1999, will have to amend its legislation in order to allow applicants to file international registrations in Turkey. Also EC law has great impact on the national law of Member States and Turkey in the field of trademark rights. Germany and Turkey designed their laws protecting trademarks according to the directive EEC/89/104.⁵⁴ Moreover another important EC regulation 40/94/EC⁵⁵ has been implemented into German law regulating the Community Trademark. With this regulation an Office was established where natural or legal persons are enabled to register their marks as Community Trade Marks. The registration is not only open to proprietors who are nationals of the Member States of the EC but also to nationals of other States, which – such as Turkey - are party to the Paris Convention.⁵⁶ The authorized bodies in EC countries have to submit filings for a Community Trademark to the international Office for Harmonization in the Internal Market (OHIM). Thus, Turkish nationals can apply for a Community Trademark at the OHIM, at the central industrial property office of a Member State or at the Benelux Trade Mark Office.⁵⁷

Endnotes:

¹ Article 31, 1/95 Turkey-EC Association Council Decision

² The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) was signed at the conclusion of the "Uruguay" round of trade negotiations under the General Agreement of Tariffs and Trade ("GATT") in 1994. The agreement defines standards of intellectual property rights and enforcement mechanisms for individual countries to follow, and incorporates these into the existing Dispute Settlement mechanism of the World Trade Organization (WTO). Directive EEC 89/104, OJ L 40, 11/02/1989 p.1-7, aims for the approximation of trademark laws in the EC, formerly EEC, to ensure that registered trademarks enjoy the same protection under the legal systems of all the Member States.

³ German Trademark Law "Markengesetz," as of 25 October 1994 (Federal Official Gazette: BGBl. I S. 3082, ber. I 1995 S. 156)

⁴ Article 6 D-Law No. 556

⁵ § 4 German Trademark Law

⁶ Article 7 lit.i Turkish Trademark Law

⁷ Article 7 lit.b Turkish Trademark Law

⁸ Article 7 lit.b, last sentence, Turkish Trademark Law

⁹ Article 7 lit.e Turkish Trademark Law; § 3 (2) German Trademark Law

¹⁰ Article 8 Turkish Trademark Law

¹¹ § 13 (2) no. 5 and 6 German Trademark Law

¹² Article 42 Turkish Trademark Law

¹³ Article 8 lit.e Turkish Trademark Law; § 11 German Trademark Law

¹⁴ Article 25 Turkish Trademark Law

¹⁵ § 34 German Trademark Law

¹⁶ Article Turkish Trademark Law; § 34 German Trademark Law

¹⁷ § 35 German Trademark Law

- ¹⁸ § 51 German Trademark Law
- ¹⁹ Articles 8, 35 Turkish Trademark Law; § 42 German Trademark Law
- ²⁰ Article 35 Turkish Trademark Law
- ²¹ Article 40 Turkish Trademark Law ; § 49 German Trademark Law
- ²² Articles 9 Turkish Trademark Law; § 14 (2) German Trademark Law
- ²³ Articles 16, 18, 19, 20 Turkish Trademark Law; §§ 27, 29, 30 German Trade Law
- ²⁴ Articles 21 Turkish Trademark Law
- ²⁵ Articles 10 Turkish Trademark Law; § 16 German Trademark Law,
- ²⁶ Articles 12 Turkish Trademark Law; § 23 German Trademark Law
- ²⁷ Articles 19 Turkish Trademark Law; § 29 German Trade Law
- ²⁸ *Ray August*, International Business Law, Prentice Hall Inc., New Jersey, 1993, p. 589
- ²⁹ ECJ, C-16/74 *Centrafarm BV and others v. Sterling Drug*, 31/10/1974, (Rec. 1974 p. 1147)
- ³⁰ § 24 (1) German Trademark Law
- ³¹ Article 13 Turkish Trademark Law
- ³² 1/95, Association Council Decision, Annex VIII, Article 10/2
- ³³ Article 13 (2) Turkish Trademark Law; § 24 (2) German Trademark Law
- ³⁴ § 50 (2) German Trademark Law
- ³⁵ Article 42 Turkish Trademark Law, § 50 (2) German Trademark Law
- ³⁶ Article 14 Turkish Trademark Law, § 49 German Trademark Law
- ³⁷ Article 45 Turkish Trademark Law, § 48 German Trademark Law
- ³⁸ §§ 54, 55 German Trademark Law
- ³⁹ § 50 German Trademark Law
- ⁴⁰ § 55 German Trademark Law
- ⁴¹ Article 43 Turkish Trademark Law
- ⁴² Article 62 Turkish Trademark Law, §§ 14, 18 German Trademark Law
- ⁴³ § 14 German Trademark Law
- ⁴⁴ § 19 German Trade Law

⁴⁵ Article 64 Turkish Trademark Law; § 143 German Trademark Law

⁴⁶ Article 61/A (a) Turkish Trademark Law

⁴⁷ Article 61/A (b) Turkish Trademark Law

⁴⁸ § 143 (4) German Trademark Law

⁴⁹ § 143 (6) German Trademark Law

⁵⁰ Article 61/A Turkish Trademark Law

⁵¹ Paris Convention for the Protection of Industrial Property Rights 1883

⁵² Agreement on Trade Related Aspects of Intellectual Property Rights

⁵³ Madrid Agreement Concerning the International Registration of Trademarks 1891

⁵⁴ OJ L 40, 11/02/1989 p.1-7,

⁵⁵ OJ L 11 14/01/1994 p. 36

⁵⁶ Article 5, 40/94/EC

⁵⁷ Article 25, 40/94 /EC