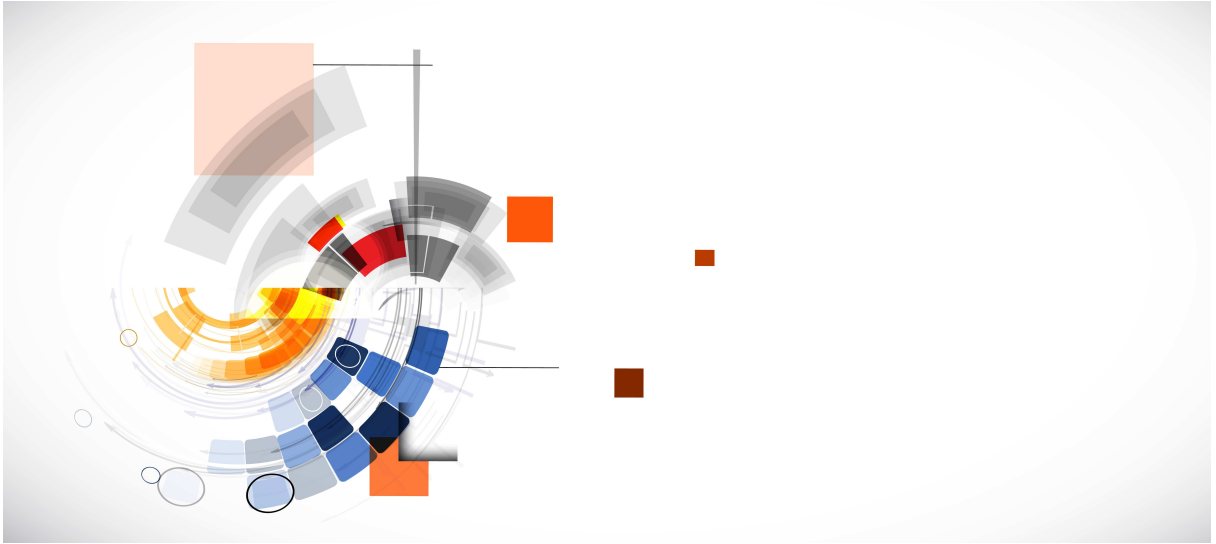


TURKEY - TRANSIT PASSING GOODS AS PER THE NEW IP CODE

Okan an, Feride Utku / July 2018
Deris IP Attorneys



Introduction

The Industrial Property Code no. 6769 (IP Code) entered into force on January 10 2017. It repealed and replaced the decree-laws on patents, utility models, trademarks and service marks, industrial designs and geographical indications. The IP Code, despite its essential changes, makes no clear reference to the status of IP enforcement relating to 'transit passing' goods.

What the repealed legislation Decree-Law no. 556 on the Protection of Trademarks said:

The wording of the repealed Article 9 of Decree-Law no. 556 on the Protection of Trademarks (amended in 2009 through the Law no. 5833), was stating trademark protection would be enforceable against the "goods bearing the sign entering the customs territory, being subject to a procedure or use that is approved by the customs". With this definition, the Court's understanding of trademark infringement was broadened so as to include 'transit passing' goods.

This provision had been applied court proceedings, as the repealed Decree-Law no. 556 included no other regulation or special wording other than the direct reference to Article 9.

There are many cases which acknowledge that the transit of goods can constitute trademark infringement based on Decree-Law 556, the Customs Law and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

What the New IP Code says:

Following the IP Code's enactment on 10 January 2017, trademark protection has been redefined under Article 7 by which the right holder has been entitled to prevent "the unauthorized importing or exporting the goods."¹ For some IP practitioners, this limits the scope of the prior legal provision with respect to goods in transit, as the wording of Article 7 limits protection scope only over the goods subject to import or export among others.

Whereas Article 30 of the IP Code concerning criminal provisions and the violation of trademark rights adds transportation to the scope of trademark infringement acts. The term 'transportation' can be interpreted as referring to 'transit passing' goods under the new IP Code.

The absence of clear reference to transit passing goods and the absence of a broad description as in the repealed Decree Law No. 556 (see above) may cause hesitation as to whether the trademark rights can be enforced against the transit passing counterfeits.

What the Current Customs Act says:

Although the Customs Act does not specifically regulate this matter, Article 57 defines the acts which can be prevented based on IP rights as "customs procedures", which suggests an a broad description inclusive of 'transit passing' goods. This means that the Customs can continue to suspend the release of the counterfeits regardless of whether they are exported, imported or transit passing.

Recent case law

- On 13 June 2018, a specialized IP Court in Istanbul issued an interim decision that accepted a preliminary injunction over the transit passing products (lighters)

¹ The "importing or exporting the goods" description of the new IP Code was existing in the repealed Decree Law No. 556 prior to the amendment in 2009. Still during that time, the Supreme Court had interpreted the Law in the way that the right holder would be entitled to enforce its rights over the transit passing counterfeits.

bearing a well-known 3rd party brand upon the suspension of release decision of the Istanbul/Ambarlı Customs Authority.

- On 01 February 2018 a Criminal Court in Istanbul also issued an injunction over transit passing counterfeit watches upon the suspension of release decision of the Ataturk Airport.

Both court proceedings are still pending and the injunction decisions have not been challenged by the defendants, either before the Court or the Regional Appellate Court yet.

Comment

Recent case law shows that despite change in the wording of the IP Code, prior practice concerning goods in transit persists at administrative (Customs) and the judicial level (at least at the first instance level).

However, the lack of clear reference to counterfeits in transit must to be clarified to avoid potentially inconsistent decisions due to the different interpretation of the new IP Code.