

Criminal Actions

“BAHMAN” Trademark

REEMSTMA CIGARETTEN FABRIK GMBH vs. SUPRA LTD. ŞTİ.

(*) **Commercial Court of Mersin**
Decision no. 1999/54 - 1999/244 (May 14, 1999)

(**) **11th Civil Chamber of the Supreme Court**
Decision no. 1999/4928 - 1999/7026 (September 23, 1999)

REEMTSMA CIGARETTEN FABRIKEN GESELLSCHAFT MIT BESCHRANKTER HAFTUNG vs. TURKISH PATENT INSTITUTE

(*) **5th Commercial Court of Ankara**
Decision No. 1998/777 - 1999/225 (April 22, 1999) (notified on July 2, 1999)

An action (*) for trademark infringement and unfair competition was instituted claiming the destruction of the seized cigarettes in Mersin Free Zone bearing the trademark “BAHMAN” registered in the name of the plaintiff in Turkey and material and moral compensation. The plaintiff claimed that the cigarettes carrying the trademark BAHMAN shipped to the Mersin Free Zone in the name of the defendants infringes their trademark registered in Turkey and constitutes unfair competition. Upon plaintiff’s complaint the goods in the Mersin Free Zone in the name of the defendant have been seized by the Customs and a penal action was instituted by the Public Prosecutor of Mersin. The defendants objected by asserting that the trademark “BAHMAN” is registered in Bulgaria in the name of the Bulgarian company which produces the cigarettes, that these cigarettes are shipped to the Mersin Free Zone with a view to be imported in Turkey or further shipped to Countries and that it is not possible to apply the (local) Trademark Law in free zones. The defendants further claimed that the trademark used on the cigarettes is legal as the Bulgarian company producing the cigarettes is the registrant of the trademark BAHMAN in Bulgaria and since the cigarettes have not been put on the market in Turkey there has been no unfair competition and requested to this effect the rejection of the action.

The experts appointed by the Court decided that since the cigarettes are produced in Bulgaria by Bulgartabak Holding which is the right owner of the trademark BAHMAN due to the registration in their name in Bulgaria, the production of the cigarettes is legal and therefore the importation of these goods is also legal. Accordingly, the experts further mentioned in their report that these cigarettes having been shipped to the Mersin Free Zone with the purpose of importation in the Country and transit, the conditions of unfair competition were not materialized. The Court decided that this report is not well grounded since the registration in Bulgaria gives its registrant the trademark rights only for Bulgaria, it cannot exceed the borders of its country and does not provide any right in Turkey, moreover it cannot restrict or revoke the rights of a registered trademark in Turkey.

Accordingly, the court ruled that since the plaintiff has a registered trademark BAHMAN in Turkey and the defendant does not have such registration in Turkey and therefore the importation of goods carrying same trademark lead to unfair competition considering that the defendant cannot show a license agreement which enables him to use the trademark in Turkey. The court accepted plaintiff's claims concerning trademark infringement and unfair competition whereby it partially accepted plaintiff's claims concerning the compensation. Also in accordance with the Article 62/E of the Decree-Law No.556, the court ruled to destruct the product which have been seized in Mersin Customs as it is not possible to erase the trademark from the products and prevent the continued infringement of rights.

Upon both parties' appeals in its decision the Supreme Court (**) overturned the initial decision on grounds that as both Bulgaria and Turkey are Paris Union Countries, the defendant's Bulgarian registration is under protection in Turkey due to the Article 6bis of Paris Agreement, accordingly both parties are in possession of duly registered trademarks and that the imported goods are bought as original from a Paris Union Country and brought legally to Turkey. Moreover, the Supreme Court ruled that it has been not proved that the goods are false or counterfeit and therefore there is no situation of trademark infringement or unfair competition.