

## Infringement & Defenses- Counterfeiting

“MARLBORO-PARLIAMENT“ vs. (not known)

**This case has been cited in the Journal of Ankara Bar Association on Intellectual Property and Competition Law (Issue No. 2004/4) where the names of the parties concerned are not cited.**

**(\* ) Court of Istanbul on Intellectual and Industrial Rights**

**Case No. 2002/278 - Decision No. 2002/771 - (21.11.2002)**

**(\*\*) 11<sup>th</sup> Civil Chamber of the Supreme Court**

**Case No. 2003/2043 - Decision No. 2003/8219 - (23.09.2003)**

**(\*\*\*) 11<sup>th</sup> Civil Chamber of the Supreme Court**

**Case No. 2003/13968 - Decision No. 2004/1201 - (13.02.2004)**

An action (\*) was instituted for stopping the trademark infringement and unfair competition due to the counterfeit cigarettes bearing the trademarks MARLBORO and PARLIAMENT been kept in defendant's warehouse in Mersin Free Zone and for the destruction of counterfeits.

Defendant objected by claiming that the goods subject to the transit pass cannot constitute unfair competition.

Upon the upholding by the Supreme Court (\*\*) of the rejection of the plaintiff's claims by the first instance court, the plaintiff has appealed for the reconsideration of the Supreme Court's decision.

The Supreme Court (\*\*\*) has reconsidered and overturned its decision declaring that there is no conflict between the parties regarding the fact that the goods kept in the defendant's warehouse are counterfeit goods and that the matter under dispute is to determine whether the goods in transit in the Free Zones could constitute trademark infringement. The Supreme Court held in its decision that immunity as to the “Principle of Territoriality” free zones are within the borders of the country and there is no exception concerning the use and protection of the trademark rights for the enterprises in

free zones. Likewise, according to Article 9/II-c of the Decree-Law no.556 on Trademarks the importation and/or exportation of the goods bearing a registered trademark can be prohibited by the right owner of the trademark and since the acts of infringement are not cited therein exhaustively, the transit passage of counterfeits bearing a registered trademark without the consent of the registrant should be considered as infringement of trademark rights. According to Article 61/e of said Decree-Law **participating in acts foreseen in subparagraphs (a) to (c) or assisting or inducing/encouraging them or facilitating in any way and under any circumstances their occurrence/perpetration** have been considered as trademark infringement as well. Furthermore, according to Article 64/1 a person who keeps in possession for commercial purposes the counterfeit product bearing the infringed trademark will be liable to compensate the damages he has caused. Besides, as per Articles 105/last and 109 of Customs Regulation, the transactions regarding the counterfeit goods in free zones shall be suspended. In the light of the all these explanations, the Supreme Court overturned its own decision by ruling that without the consent of the trademark owner, the acts of defendant, who keeps the counterfeit goods in his possession for commercial purposes in the Free Zone, constitute trademark infringement.

On such grounds the Supreme Court held that the decision of the first instance Court to deny trademark infringement and unfair competition because no evidence is produced to show the defendant's intention to introduce such goods in free circulation within the country shall be overruled.