

I.E. Bad Faith

AMG Compagnie (SA) commenced an action against Şendoğan Osmanoğlu for the cancellation of the trademark RG 512 DEVICE¹ covering goods and services in classes 24, 25, 35 based on its trademark RG 512 DEVICE² on grounds of unfair competition.

The plaintiff claimed that his trademark is not registered or being used and in Turkey, however, his trademark is registered in home country France for classes 16, 18, 25 and in other countries through WIPO and is a well-known trademark. Considering that the defendant is involved in the same sector, the high level of originality of the trademark RG 512 and the well-known character of this trademark, it is not possible to accept that the defendant is not aware of the plaintiff and its trademark and has registered the trademark RG 512 DEVICE in good faith.

The court accepted the action on the grounds of bad faith³, however upon the appeal by the defendant the Supreme Court reversed the court decision with the motivation that Article 42 of the Decree Law no. 556 on Trademarks providing the reasons of invalidity through the court action, “bad faith” has not been determined as a reason and therefore it is not possible to decide for the cancellation of a trademarks on the grounds of “bad faith” only and ruled that the decision has been made without adequate evaluation⁴.

The court reevaluated the case and decided to uphold the initial decision⁵ and the defendant appealed the decision again. This time the case was evaluated by the General Council at Supreme Court formed of the judges from all Chambers.

The General Council at Supreme Court approved the initial court decision with the motivation that⁶:

Although there is no specific reference to bad faith in Article 42, it is unanimously being accepted in doctrine that the bad faith is on its own a reason for invalidity. As indicated in the court decision, the registration of a trademark in bad faith is a reason for invalidity on its own in the Spanish, German and English trademark laws as well. Besides, the registration of a trademark in bad faith has been accepted as a reason for invalidity and absolute ground for cancellation in the Article 3/2 of the European Union Trademark Directive (*Avrupa Birliği Marka Yönergesi*) no.89/104 and Article 51/1-b of the Community Trademark Rules (*Topluluk Marka Tüzüğü*) no.40/94 which constitute the source of the Decree Law no. 556. Thus, in the light of the doctrine, comparative law, provisions in the legislation of the



¹. Registration no.2001/21313.

². **RG 512** International Registration no 827362

³. AMG Compagnie (SA) v. Şendoğan Osmanoğlu, Case No. 2005/23, Decision No. 2005/303 (2nd Istanbul Court of Intellectual and Industrial Rights, December 20, 2005)

⁴. Decision No. 2666-10117 (11th Chamber of Supreme Court, July 03, 2007)

⁵. AMG Compagnie (SA) v. Şendoğan Osmanoğlu, Case No. 2008/17, Decision No. 2008/109 (4th Istanbul Court of Intellectual and Industrial Rights, April 04, 2008)

⁶. Case No. 2008/111-501, Decision No. 2008/507 (General Council at Supreme Court, July 16, 2008)

European Union, it is being understood that the basic principal that the bad faith shall not be protected by laws is being provided.

Considering that;

-the Article 42/1-a provides that: “the cancellation action regarding well-known trademarks shall be instituted within five (5) years as from the date of registration. If there is *bad faith* time no limit shall apply”

-the Article 35/1 provides that: “Notices of opposition to the registration of trademark on the grounds that it may not be registered under the provisions of Articles 7 and 8, and notices of opposition on the ground that there exists *bad faith* in the application shall be submitted within three months of the publication of the application”

these arrangements in the said provisions are in fact a special arrangement of the Article 2 of Turkish Civil Code providing that “laws shall not protect the bad faith”.

Based on the above, it the court decision for cancelling the defendant’s trademark registered in bad faith by applying the Article 2 of Turkish Civil Code is approved.