

**DECREE-LAW NO.556 PERTAINING TO THE
PROTECTION OF TRADEMARKS
IN FORCE AS FROM JUNE 27, 1995**

Provisions in ***bold***, in Articles 5, 7, 9, 42, 62, 82 and new Article 61/A
have been amended/added by the Law No. 4128
of November 7, 1995.

**PART ONE
General Provisions**

**SECTION ONE
Aim, Scope, Definitions and The Persons Entitled for Protection**

Aim and Scope

Article 1 - The aim of this Decree Having the Power of Law is to protect the trademarks registered in conformity with the provisions of this Decree.

This Decree Having the Power of Law encompasses the principles, the rules and conditions for the protection of trademarks.

Definitions

Article 2 - For the purposes of this Decree;

a) "Trademark" means trademarks or service marks including guarantee marks and collective marks.

b) "Paris Agreement" means the Paris Convention for the Protection of Industrial Property of March, 1883 and its amendments ratified by Turkey.

c) "Institute" means the Turkish Patent Institute established by the Decree Having the Power of Law No: 544.

d) "Trademark Agent" means the persons entitled to represent third persons before the Institute for the establishment and protection rights provisioned in this Decree Having the Power of Law.

Persons Entitled to Protection

Article 3 - The protection conferred by this law is available to natural and legal persons who are domiciled or who have industrial or commercial establishments within the territory of the Turkish Republic, or to the persons who have application rights resulting from the terms of the Paris or Bern Conventions or the Agreement Establishing World Trade Organisation.

Natural or legal persons other than those referred in the first paragraph of this Article, who are nationals of states which accord legal and de facto protection to the nationals of the Turkish Republic shall enjoy according to the reciprocity principle trademark protection in Turkey.

Priority of International Agreements

Article 4 - Where the provisions of International Agreements which have entered into force as provided by the Laws of the Turkish Republic afford preferable provisions than this Decree Having the Power of Law, persons referred in Article 2 may request treatment according to the preferable provisions.

SECTION TWO

Sign of Which a Trademark May Consist and Means Whereby a Trademark is Obtained

Signs of Which a Trademark May Consist

Article 5 - A trademark , provided that it is capable of distinguishing the goods and services of one undertaking from the goods and services of other undertakings, may consist of all kinds of signs being represented graphically such as words, including personal names, designs, letters, numerals, *shape of the goods or their packaging* and similarly descriptive means capable of being published and reproduced by printing.

Trademark may be registered along with the product or the packaging. However, the registration of the product or the packaging does not grant exclusive rights.

Means Whereby a Trademark Right is Obtained

Article 6 - Protection for a trademark under this Decree Having the Power of Law is obtained by registration.

Absolute Grounds for Refusal for Registry of a Trademark

Article 7 - Following signs shall not be registered as a trademark:

- a) signs which do not conform with the provisions of Article 5,
- b) *trademarks identical or confusingly similar with a trademark registered earlier or with an earlier date of application for registration in respect of an identical or same type of product or services,*
- c) trademarks which consist exclusively of signs or indications which serve in trade to indicate the kind, *characteristics*, quality, intended purpose, value, geographical origin, or designate the time of production of the goods or of rendering of the service or other characteristics of goods or services,
- d) trademarks which consist exclusively of signs and names used to distinguish specific groups of craftsmen, professionals or tradesmen or have become customary in the current and established practices of the trade,

e) signs containing the shape of the product which results from the nature of the good, which is necessary to obtain a technical result or which gives substantial value to the good,

f) trademarks which are of such a nature as to deceive the public, such as to the nature, quality, place of production or geographical origin of the goods and services,

g) trademarks which have not been authorised by the competent authorities and are to be refused pursuant to Article 6ter of the Paris Convention,

h) trademarks containing badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention which have not been authorised by the competent authorities and are of particular historical and cultural public interest,

i) trademarks which have not been authorised by their owners, well known marks according to 6bis of the Paris Convention,

j) trademarks which contain religious symbols,

k) trademarks which contrary to public policy and to accepted principles of morality.

The provisions of (a), (c) & (d) can not be invoked to refuse the registration of a trademark which has been used before the registration and has acquired through this usage distinctive character in respect of the goods and services for which it is to be registered.

Relative Grounds for Refusal for Registration of a Trademark

Article 8 - Upon opposition by the proprietor of an application for registration of a trademark or of a registered trademark, the trademark applied for shall not be registered under following conditions:

a) If the trademark applied for is identical with a registered trademark or a trademark which has an earlier application date and the protection is sought for the identical goods and services,

b) If because of its identity with or similarity to a trademark which has an earlier application date or a registered trademark and because of the identity or similarity of the goods and services covered by the trademarks there exists a likelihood of confusion on the part of the public and the likelihood of confusion includes the likelihood of association with the registered trademark or with the trademark which has an earlier application date.

Upon opposition by the proprietor of a trademark, a trademark shall not be registered where an agent or representative of the proprietor of the trademark has applied for registration thereof in his own name without the proprietor's consent and without a valid justification.

Upon opposition by the proprietor of a non-registered trademark or of another sign used in the course of trade, the trademark applied for shall not be registered provided that;

a) the rights to the sign were acquired prior to the date of application for registration of the trademark, or the date of priority claimed for the application for registration,

b) the sign confers on its proprietor the right to prohibit the use of a subsequent trademark,

A trademark applied for which is identical or similar to a registered trademark or to a trademark with an earlier date of application may be used for different goods and services. However, where in the case of a registered trademark or of a trademark which has an earlier date of application for registration the trademark has a reputation and where the use without due cause of trademark applied for would take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trademark or of the trademark with an earlier application date, upon opposition by the proprietor of the earlier trademark, the trademark applied for shall not be registered even to be used for goods and services which are not similar to those for which the earlier trademark is registered.

Upon opposition by the holder of the relevant right, the trademark applied for shall not be registered if it contains the name, photograph, copyright, or any industrial property rights of the third parties.

Upon opposition, trademark applied for which is identical or similar to a collective or a guarantee mark shall not be registered within three years from the date of expiry of the collective or of the guarantee mark.

Trademark applied for which is identical or similar and which is to be registered for the identical or similar goods and services of a trademark which has not been renewed, upon opposition shall not be registered within two years of the expiry date.

SECTION THREE

Scope of Protection the Trademark

Rights Conferred by a Registered Trademark

Article 9 - The proprietor of a trademark shall be entitled to prevent all third parties not having his consent from using the trademark as described herewith:

a) use of any sign which is identical with the registered trademark in relation to goods and services which are identical with those for which the trademark is registered,

b) use of any sign where, because of its identity with or similarity to the registered trademark and identity or similarity of the goods and services covered by the registered trademark and sign, there exists a likelihood of confusion on the part of the public including likelihood of association between the sign and the trademark,

c) use of any sign which is identical with or similarity to the registered trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the of that sign without due cause takes

unfair advantage of or is detrimental to the distinctive character or the repute of the registered trademark.

The following may be prohibited under the first paragraph,

- a) affixing the design to the goods or to the packaging thereof,
- b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder,
- c) importing *or exporting* the goods under that sign,
- d) using the sign on business, papers and in advertising.

The rights conferred by a registered trademark shall prevail against third parties from the date of publication of registration of the trademark. Compensation may be claimed in respect of matters arising after the date of publication of a trademark application. However, the rights arising from the publication of an application shall be considered within the rights conferred by the publication of the registration of a trademark. The Court seized of the case may not decide upon the merits of the case until the registration has been published.

Reproduction of the Trademark in Dictionaries and Reference Works

Article 10 - Where a trademark is reproduced in a dictionary, encyclopaedia or a similar reference work without indications that it is registered and gives the impression that it constitutes the generic name of the goods or services for which the trademark is registered, at the request of the proprietor, the publisher shall correct the fault in the next edition.

Prohibition on the Use of Trademark Registered in the Name of an Agent or a Representative

Article 11 - Where a trademark is registered in the name of the agent or representative of the proprietor of the trademark, without the proprietor's consent, the proprietor shall be entitled to oppose the use of the trademark unless the agent or representative has a valid justification.

Limits on the Effects of a Registered Trademark

Article 12 - The proprietor of a trademark cannot prevent the third parties from using in the course of trade his own name or address, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the services, or other characteristics of the goods or services, provided the use is effected in accordance with honest practices in industrial or commercial matters.

Exhaustion of the Rights Conferred by a Registered Trademark

Article 13 - The acts related with 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.

The proprietor have the right, even within the provision of the first paragraph, to oppose further commercialisation of the goods, especially where the conditions of the goods is changed or impaired after they have been put on the market.

SECTION FOUR Use of the Trademark

Use of the Trademark

Article 14 - If, within a period of five years following the registration, trademark has not been put to use without a justifiable reason or if the use has been suspended during an uninterrupted period of five years, the trademark shall be repealed.

The following shall be understood to constitute use:

- a) use of the registered mark in a form differing in elements which do not alter the distinctive character of the trademark,
- b) use of the trademark on goods or their packaging solely for export purposes,
- c) use of the trademark with the consent of the proprietor,
- d) importing of the goods carrying the trademark.

SECTION FIVE Legal Transactions Related with Trademark Rights

Legal Transactions

Article 15 - A registered trademark may be transferred to a third party, may be given as security and may be licensed and is subject to inheritance. Related provisions of the Civil Code shall apply with respect to security rights.

Transactions between the living concerning the registered trademark shall be entered in writing.

Transfer of Trademark

Article 16 - A registered trademark may be transferred in part of or all of the goods or services for which it is registered.

A transfer of the whole of an undertaking with its assets and liabilities, unless provided otherwise, shall include the rights over the trademarks of the undertaking. This provision shall apply to the contractual obligation to transfer the undertaking.

Without prejudice to paragraph 2, an assignment of a registered trademark shall be made in writing and signed by the parties to the contract, except when it is a result of a court decision. Contracts otherwise are considered to be void.

Where the nature of the transfer is such to mislead the public concerning the nature, quality, geographical origin of the goods and services in respect to which it is registered, the Institute shall not register the transfer unless the successors agrees to limit registration of the trademark to goods or services of which it is not likely to mislead.

On request of one of the parties a transfer shall be entered in the register and published.

As long as the transfer has not been entered in the register, the parties cannot invoke the rights arising from the registration of the trademark against the third parties acting in good faith.

Transfer of a Trademark Registered in the Name of an Agent or a Representative

Article 17 - Where a trademark is registered in the name of an agent or representative of the proprietor of a trademark without the consent of the proprietor of the trademark, unless the agent or representative justifies his action the proprietor of the trademark shall be entitled to demand the assignment in his favour of the said registration.

Placing the Trademark as Security

Article 18 - A registered trademark may be given as security independently of the undertaking.

On request of one of the parties, the placing of security shall be entered in the register and published.

Levy of Execution

Article 19 - A registered trademark may be levied in execution independently of the undertaking.

Levy of execution shall be entered in the register and published.

Licensing

Article 20 - Rights over a registered trademark may be licensed for some or all of the goods and services for which it is registered.

Licensing Conditions

Article 21 - A licence may be exclusive or non-exclusive.

Unless otherwise provided in the contract the license shall be understood to be non-exclusive. Licensor may use the trademark himself, and may grant licences to third parties on the same trademark.

In the case of an exclusive license, licensor may not grant licences to other parties and cannot make use of the trademark unless such is provided specifically by the contract.

Unless it is specifically provided in the contract, licensee cannot transfer the rights arising from the license or cannot grant a sub-license.

Unless provided otherwise in the contract, licensee shall have exclusive rights with respect to the use of the trademark during the period of protection.

Unless provided otherwise by the contract, the holder of an exclusive license may, in the case of an infringement of the trademark rights, institute in his own name all legal proceedings which have been made available to the proprietor of the trademark by this Decree Having the Power of Law. Holders of non-exclusive licenses do not have the right to institute legal proceedings.

In the case of an infringement, the holder of a non-exclusive license may give notice, through a notary public, requesting the proprietor of the trademark to institute such proceedings as required. In the event that the proprietor of the trademark refuses to initiate or within three months of the reception of the notice fails to institute proceedings, the non-exclusive license holder shall have the right to institute proceedings. The licensee may, in the face of serious damage where elapsing of time cannot be remedied, request the court to issue an injunction for precautionary measures. The licensee who has instituted proceedings shall notify the proprietor of the trademark that the proceedings have been instituted.

The proprietor of the trademark shall undertake the necessary measures to ensure the quality of the products produced or services rendered by the licensee.

Where the licensing contract provisions have been breached by the licensee, rights arising from a registered trademark may be claimed against the licensee by instituting proceedings.

A license cannot effect against third parties of good faith until it is registered.

A licensing contract cannot contain provisions contrary to this Decree Having the Power of Law and other related laws, decrees and regulations. The contrary provisions of a licensing contract shall be void even if legal provisions have come into effect after the signing of the contract.

Legal Procedures

Article 22 - Legal procedures related with the transfer, licensing, execution, placing of security and changes in the proprietorship of the trademark shall also have effect with regard for a trademark application.

PART TWO Application

SECTION ONE Filing of Application

Filing of Application

Article 23 - An application for registration of a trademark must be filed with the following:

- a) a petition, the form and contents of which specified in the Implementing Regulations, including information identifying the applicant,
- b) a representation of the trademark suitable for reproduction,
- c) list of the product or services for which the trademark shall be used,
- d) the original receipt documenting the payment of the application fees,
- e) the original receipt documenting the payment of the class fees,
- f) power of attorney if an agent is appointed,
- g) signature circular where the applicant is a legal person,
- h) documentation of the applicants business activity.

The application fee must be paid at the time of filing in order an application for the registration of a trademark to be valid.

Each trademark shall be subject to a separate filing of an application.

All documents filed with the application for registration of a trademark or submitted later to the Institute must comply with the Implementing Regulations.

Classification

Article 24 - The goods and services in the respect of the trademark to be registered shall be classified in conformity with the international classification of goods and services. The principles of classification shall be specified in the Implementing Regulation.

Right of Priority

Article 25 - Natural or legal persons who are nationals of any state party to the Paris Convention or if not nationals who are domiciled or have an active business in these states, shall enjoy a right of priority of six months from the date of filing a valid application for registration of a trademark at the authorised bodies of these states, for the purpose of filing an application for obtaining a registration certificate in Turkey in respect of the same trademark. The priority rights not exercised within this period are considered to be void.

When a priority is claimed within the provisions of the first paragraph, all applications filed and registration certificates obtained by third parties shall be declared invalid as from the date recognised as giving rise to a priority right and for trademarks falling within the scope of protection.

If a natural or a legal person who is a national of a state party to the Paris Convention has filed a valid application in a state not party to the Paris Convention he shall enjoy within the provisions of this Article priority right in respect of that filing.

Exhibition Priority

Article 26 - Natural or legal persons specified in the first paragraph of Article 3 who have displayed the products or services on which the trademark is applied, at national or international exhibitions in Turkey or at official or officially recognised national or international exhibitions in the states party to the Paris Convention, may claim a right of priority for registration of the trademark in Turkey if the application for priority is filed within a period of six months from the date of the first display of the products.

If the products or services in respect of which the trademark is applied has been displayed at the exhibition before the official opening date, right of priority starts from the date the products or the services were first displayed at the exhibition.

The officials of the exhibition held in Turkey, shall supply evidence specifying the names of products or the types of the services, first displayed date and the official opening date when the product or the service was visibly displayed.

For the product and the services displayed in foreign countries, the evidence as specified in the third paragraph shall be supplied by the relevant authorities of the state concerned.

Products on which the trademark is applied, cannot be prevented from being displayed at an exhibition in Turkey and from being forwarded to its country of origin after the closing of the exhibition.

Where there are two or more applications for the same products or services in respect of the trademark registered or registration applied for, the applicant who first displayed the products or services and if displayed at the same time the one who filed his application first shall enjoy the right of priority.

Effect of Priority Right

Article 27 - The effects of the priority rights ensuing from Article 25 and 26, shall arise as of the date of the Application for which the priority is declared.

Claiming and the Evidencing of Priority

Article 28 - An Applicant desiring to advantage of his priority right shall file a declaration of priority with his application for a registered trademark. If the right of priority is not documented within three months of the filing of the application the declaration of priority shall be considered invalid.

A priority granted with respect to an exhibition priority right does not extend the period of priority laid down in Article 25.

PART THREE Registration Procedures

SECTION ONE Examination of the Application

Examination as to Conditions of Filing

Article 29 - Institute shall examine whether the application complies with the conditions specified in Article 23 and whether there are deficiencies. If the Institute concludes that there are no deficiencies, the application is accorded the date of filing as the date, hour and minute on which the application was filed originally at the Institute or at the body authorised as such by the Institute.

If a priority declaration has been filed, Institute shall undertake an examination in accordance with the provisions of Article 25, 26 and 27.

Remedying Deficiencies as to Conditions of Filing

Article 30 - If deficiencies with respect to conditions of Article 23 are established, the Institute shall request the applicant to remedy these deficiencies within the period specified in the Implementing Regulation.

The Institute shall refuse an application where the information identifying the applicant as provisioned in the sub paragraph (b) of Article 23 is completely or partially lacking, or where of the any one of the documents provisioned in the sub paragraphs (b), (c) and (d) has not been supplied.

If the applicant complies with the Institute's request and remedies within the prescribed time as specified in the Implementing Regulation the deficiencies which fall within the scope of sub paragraphs (e), (f), (g) and (h) of Article 23 the

Institute shall allow as the date of filing the date on which the deficient application was originally filed.

Failure to satisfy the requirements concerning the claim to priority shall result only in the loss of the right of priority for the application.

Examination as to Entitlement

Article 31 - Applications of natural or legal persons who are not within the scope of Article 3 shall be refused.

Examination as to Absolute Grounds for Refusal

Article 32 - The Institute upon concluding that there are no deficiencies in the conditions of filing, the application shall be examined whether it is eligible for registration within the provisions of Article 7 in respect of all or parts of the goods and services to be registered. The application found ineligible shall be refused under Article 7 in respect of all or part of those goods and services.

SECTION TWO Publication of the Application

Publication of the Application

Article 33 - An application for registration of a trademark which has complied with the application conditions and has not been refused according to Articles 29, 30, 31 and 32 shall be published in the relevant Bulletin.

Where an application is refused in accordance with the provisions of the Articles referred to in the first paragraph, after the publication of the application, the decision of refusal shall also be published.

SECTION THREE Observations by Third Parties

Observations by Third Parties

Article 34 - Any natural or legal person or any group representing manufacturers, producers, suppliers of services, traders or consumers may submit to the Institute their written observations that the trademark does not conform to the registration requirements in accordance with Article 7, following the publication of the trademark application. However, they shall not be parties to the proceedings before the Institute.

Opposition

Article 35 - Notices of opposition to the registration of trademark on the grounds that it may not be registered under the provisions of Article 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.

The opposition made under the last paragraph of Article 8 shall be refused if the opposing party does not use his trademark during this period.

Oppositions must be submitted in writing and contain the arguments. Institute may request further facts, evidence and documents to be complied within the period prescribed in the Implementing Regulation.

Where the additional facts, evidence and documents requested are not submitted within the period prescribed by the Implementing Regulation the opposition shall be deemed to have not been made.

Examination of the Opposition

Article 36 - During the examination of the opposition, the Institute when it deems fit and as often as necessary may request the written observations of the parties and communicate to the parties involved such observations and objections submitted by the parties.

Institute, if it finds appropriate may invite the parties to make a friendly settlement.

The Institute shall refuse the opposition if it is not found to be valid. If the opposition is found to be valid for some of the goods or services for which trademark application has been made, the opposition shall be accepted in respect of those goods or services.

SECTION FOUR

Procedural Matters Related with a Trademark Application

Corrections

Article 37 - Upon the request of the applicant, corrections of the spelling errors and the errors in the name and address of the applicant, which does not cause any changes in the goods and services and the scope of the application shall be allowed during the application examination stage.

Withdrawal

Article 38 - A trademark application may be withdrawn by the applicant before it is registered.

SECTION FIVE Registration

Registration

Article 39 - Where an application filed under the provisions of this Decree Having the Power of Law and the related Regulations, has been found to be without defects or its deficiencies remedied or received no opposition within the prescribed period or the opposition of which has been refused shall be entered in the Register. The applicant shall receive a 'Trademark Certificate of Registry'.

Registry shall include; date of registration of the trademark, representation of the trademark, application date, the list of the goods or services in respect of the trademark, classifications of the goods and services, the name and nationality of the proprietor of the trademark and agents name if applicable, title, address and country of registry of the legal person, changes relating to the trademark and to the rights on the trademark as well as other particulars specified in the Implementing Regulation.

Trademark registry is open to the public. Upon request and payment of the prescribed fee a copy the register shall be available.

Upon registry a trademark shall be published as provisioned in the Implementing Regulation including the information contained in paragraph two.

PART FOUR Duration of Registry and Renewal of a Trademark

Duration of Registry

Article 40 - Trademark is registered for a period of ten years from the date of filing of the application. Registration may renewed for further periods of ten years.

Renewal

Article 41 - Registration of the registered trademark shall be renewed, upon the payment of the renewal fee at the request of the right holder or of the person authorised by him.

The Institute shall inform the right holder of the expiry of the registration within the time period as specified in the Implementing Regulation. Failure to give such information shall not involve the responsibility of the Institute.

The request for renewal shall be submitted and the renewal fee paid within a period of six months before the last day of the month in which protection ends. In failing this deadline, the request may be submitted within a further period of

six months from the day referred to in the previous sentence upon payment of an additional fee.

Renewal shall take effect from the day following the date on which the existing registration expires. The renewal shall be entered in the registry.

The provisions of this Decree Having the Power of Law shall cease to produce effect for trademarks which have not been renewed within six months after the expiry of the period of protection.

PART FIVE

Invalidity of a Trademark and Termination of the Trademark Right

SECTION ONE

Invalidity of a Trademark

Invalidity

Article 42 - A registered trademark shall be declared invalid by the court in following cases:

a) where in breach of Article 7, (However, the action regarding well-known trademarks as specified subparagraph (i) of Article 7 has to be instituted within five years *from the date of registration*. If there is bad faith time limit shall not apply.)

b) where in breach of Article 8, (However, regarding the proceedings instituted under the last paragraph of Article 8, if the previous right holder has not used his trademark within the two years after the expiry of the period of protection it will not constitute a reason for invalidity.)

c) where in breach of Article 14, (However, serious use between the date of instituting of the proceedings and the expiry of the years shall not constitute a reason of invalidity. If use has been made upon realisation that proceedings are to be instituted, in such a case the court shall not take into consideration the use within three months prior of the institution of the proceedings.)

d) where the trademark has become generic in respect of the goods or services by the acts of the proprietor of the trademark,

e) where, as result of the use made by the proprietor or by the person authorised by him, there exists a likelihood of confusion on the part of the public as to the nature, quality, place of production and geographical origin in respect of the goods or services it is registered,

f) where used in breach of Article 59,

Where the invalidity is involved only for some of the products or services, partial invalidity shall be ruled with respect of those products and services.

Where the trademark having been used before the registration has acquired through this usage distinctive character in respect of the goods and

services for which it is to be registered, the provisions of (b), (c) & (d) can not be invoked to invalidate the registration .

Application for a Declaration of Invalidity

Article 43 - Any person who has suffered, State Prosecutor or related official authorities may appeal for invalidity at the court.

Effects of Invalidity

Article 44 - A final decision for the declaration of invalidity shall have retroactive effect.

The retroactive effects of invalidity, without prejudice to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the trademark, shall not extend to the following:

a) Any final decision for infringement of the trademark reached and enforced prior to the decision of invalidity;

b) Contracts concluded and executed prior to the decision of invalidity. However, partial or total reimbursement of sums paid under the contract may be claimed on grounds of equity to an extent justifiable by the circumstances;

A final decision of invalidity shall produce effect against all.

SECTION TWO Termination of the Rights

Causes for Termination

Article 45 - The rights of a trademark shall terminate upon:

a) the expiry of the protection period and non-renewal within the prescribed period,

b) the surrendering of the rights by the proprietor of the trademark.

The termination of the rights of a trademark shall have effect from the time when the cause of the termination was realised. The termination of the rights of a trademark shall be published in the related Bulletin.

Surrender of a Right

Article 46 - Proprietor of a trademark may surrender his rights in respect of some or all of the goods and services for which it is registered.

The surrender shall be declared in writing to the Institute. Surrender shall effect as of the date of entry in the Trademark Register.

Proprietor of a trademark cannot surrender his right without having the consent of the licensees or holders of rights recorded in the Trademark Register.

Where there is a claim by a third party for the rights, surrender of the rights cannot be requested without the consent of the referred third party.

PART SIX

Appeals Against the Decisions of the Institute

Appeals

Article 47 - Appeals may be placed against the decisions of the Institute.

Where an appeal is made for an interim decision, a separate appeal shall be allowed upon decision becoming final.

Persons Entitled to Appeal

Article 48 - Any party adversely affected by a decision of the Institute may appeal. Any other parties to the proceedings shall be parties to the appeal as of right.

Form of Appeal

Article 49 - Notice of appeal must be filed in writing at the Institute within two months after the date of notification of the decision. The fee for appeal has to be paid when filing of the notice for the appeal to be examined. The grounds for appeal must be filed in a written statement within two months of the notification of the decision. Where the statement of grounds for appeal has not been submitted within this period the appeal shall be deemed not to have been filed.

Rectifying a Decision

Article 50 - The related department of the Institute upon deciding that the appeal is true and right may rectify its decision. This shall not apply where the appellant is opposed by another party to the proceedings.

If the appeal is not found acceptable by the related department, the appeal shall be forwarded to the Re-examination and Evaluation Board by the department without comment as to its merits.

Examination of Appeals

Article 51 - The Re-examination and Evaluation Board shall consider the appeal if the appeal is admissible.

The Re-examination and Evaluation Board shall invite the parties to submit their observations within the period prescribed by the Implementing Regulation, on the observations of the other parties or those of itself.

Decision in Respect of Appeal

Article 52 - After the examination, the Re-examination and Evaluation Board shall deliver its decision.

Actions before the Court against the Decisions

Article 53 - Actions may be instituted, within two months of the notification of the decision, at the authorised court against the final decisions of the Re-examination and Evaluation Board in respect of the appeals provisioned in Articles 47 through 52 inclusive.

PART SEVEN GUARANTEE MARKS AND COLLECTIVE MARKS

Guarantee Marks

Article 54 - A guarantee mark, under the control of the proprietor of the mark, serves the purpose of the guaranteeing the common characteristics of the undertakings, production methods, geographical sign and quality of those undertakings.

Collective Mark

Article 55 - Collective mark is a mark used by a group of undertakings of producers or traders or providers of services.

Collective mark serves the purpose of distinguishing the goods and services of the undertakings belonging to the group from the goods and services of the other undertakings.

Technical Regulations of the Guarantee and Collective Marks

Article 56 - When filing an application for registration of a guarantee or a collective mark, a regulation specifying the ways and means of using the mark must be filed.

The guarantee mark regulation shall contain provisions regarding the common characteristics of the goods and services under guarantee and supervision procedures as to the use of the mark and the penalties to be administered when necessary.

The collective mark regulation shall specify the undertakings authorised to use the mark. Proprietors of a collective mark shall act collectively for the registration of a collective mark.

Application by one of the parties shall be sufficient for the renewal of a collective mark.

Amending the Technical Regulations

Article 57 - Technical regulations cannot be altered unless approved by the Institute.

Any changes to be made in the technical regulations where they are in violation of the second and third paragraphs of Article 56 or contrary to public policy and principles of morality shall be rejected by the Institute.

Regulations in Violation of the Decree Having the Power of Law

Article 58 - Where a technical regulation does not conform to the requirements of Article 56, Institute shall notify the proprietor of the mark to undertake the necessary alterations. Where the proprietor of the mark does not make the changes requested and alter the regulation accordingly the request for the registration of the collective mark or the guarantee mark shall be rejected.

Use in Violation of the Technical Regulation

Article 59 - Where the proprietor of a mark disregards a use of a collective or a guarantee mark which constitutes a violation of the technical regulation, and neglects to remedy the infraction within the time determined by the court in respect of an action brought by one of the parties, the mark shall be repealed by the court.

Transfer and Licensing

Article 60 - The transfer or licensing of a guarantee mark or a collective mark shall become valid only after entry in the Trademark Register.

PART EIGHT Infringement of Rights

Infringement

Article 61 - Following shall be considered infringement of a trademark:

- a) violations of Article 9,
- b) use of the same or confusingly similar trademark without the consent of the proprietor of the trademark,

c) where being aware or should being aware that a mark is plagiarised, sell, distribute or put the commercial use or import or keep in possession for these purposes the goods carrying the infringed trademark,

d) to transfer to third parties or to expand rights acquired by a licensing contract,

e) to participate or to assist or to encourage or to facilitate in whatever form the acts referred in subparagraphs (a), (b) and (c),

f) to abstain from explaining where and how the product carrying the registered or confusingly similar trademark was obtained when found in possession.

Penalties and Fines

Article 61/A

(a) Those making false declaration with respect to true identity of the trademark right holder, or those removing without authority the sign indicating a trademark right rightfully placed on a product or on its packaging, or those falsely presenting themselves as the proprietor of a trademark application right or a trademark right shall be sentenced to an imprisonment term of between one and two years and to pay a fine of between three hundred million liras and six hundred million liras,

(b) Having committed the acts without authority, those transferring or placing as security or undertaking any other such action for utilising any one of the rights of transfer, placing of security, execution of levy and other such rights provisioned in the related articles and the licenses thereof, and those affixing signs on a product produced or put to sale by own self or by others, or on its packaging thereof or on commercial documents or on advertising material in such a way that would convey the impression as if a relationship exists with a legally protected trademark right, or of using to the same effect writings, signs or expressions in the advertisements and commercials at the published and visual media without being the rightful proprietor of the trademark or after the expiry of the protection term or after the invalidation of the trademark right or after the termination of the trademark right shall be sentenced to an imprisonment term of between two and three years and to pay a fine of between six hundred million and one billion liras,

(c) Those who have committed any one of the felonies specified in Article 61 shall be sentenced to an imprisonment term of between two and four years and to pay a fine of between six hundred million and one billion liras, furthermore judgement shall be ruled to close down the premises of their undertaking for a period not to be less than one year and they shall be prevented from practising any commercial activity during the same period.

Where the felonies stated above are committed by those working in the undertaking whether on their own or under instructions while carrying out their duties, the employees and the owner or the manager or their representative and the person holding whatever title whatsoever who is de facto managing the undertaking who have not prevented the misdemeanour shall be punished in the same manner. Where the felonies stated in Article 61 have been

committed during the execution of tasks related with a legal entity, the legal entity shall also be liable for the fines, expenses and damages in succession of the real persons who have committed the misdemeanour. For those assisting the acts, depending on the nature of the action the provisions of the Articles 64, 65, 66 and 67 of the Turkish Penal Code shall apply. Prosecution with respect to the felonies stated above shall be subject to complaint.

Subparagraph 8 of paragraph 1 of article 344 of the Criminal Procedures Code No 1412 shall not apply for the implementation of the provisions of this article. The right of complaint belongs to the person whose trademark right has been infringed, and additionally belongs also to the Institute for all felonies except those provisioned in article 61, and to the Consumer Associations and to the establishments under the jurisdiction of laws no 5590 or no 507 for acts of false declaration with respect to true identity of the trademark right holder, and for acts of affixing signs on a product produced and put to sale by own self or by others, or on its packaging or on commercial documents or on advertising material in such a way that would give the impression as if a relationship exists with a protected trademark right, or of using to the same effect writings, signs or expressions in the advertisements and commercials at the published and visual media without being the rightful proprietor of the trademark or after the expiry of the protection term or after the invalidation of the trademark right or after the termination of the trademark right.

The proceedings with respect to the felonious acts should be initiated within two years of the date of being informed of the act and the actor. The complaints with respect to acts falling within this scope shall be treated as of urgent matters. The provisions of Article 36 of the Turkish Penal Code and the related articles of the Criminal Procedures Code shall apply for the seizure, the confiscation or the destruction of the goods and the equipment and machinery used to produce these goods which are subjects of acts of felony having infringed the rights arising from a trademark application or a protected trademark within the provisions of this Decree Having the Power of Law.

Appeals of the Proprietor of the Trademark

Article 62 - A proprietor of a trademark whose rights have been infringed may in particular appeal for the following at the Court:

- a) for the cessation of the acts of infringement,
- b) appeal for remedies of infringement and request compensation for damages incurred,
- c) *request the confiscation of the products and the equipment and machinery used to produce these products, those having infringed the trademark right, the production and the use which is a felony*
- d) appeal for the proprietorship over the products confiscated in accordance with subparagraph (c); in this case the value of the products shall be deducted from the compensation awarded. If the value of the products turn out to be above the compensation value awarded, the proprietor of the trademark shall repay the balance to the infringing party.

e) *appeal for enforcement measures for the prevention of continued infringement of rights, request the erasing of the trademark from the products and vehicles or if it is essential for the preclusion of the acts of infringement request the destruction of the products and vehicles confiscated particularly in accordance with subparagraph (c).*

f) request the disclosure to the public and to those related of the courts judgement by means of publication, costs of which to be met by the offending party.

Competent Courts

Article 63 - The competent court, for the institution of civil proceedings by the proprietor of a trademark against the third parties, is the court of the domicile of the plaintiff or of the place where the acts was committed or of the place where the act had effect.

Where the plaintiff is not a citizen of the Republic of Turkey, the competent court is the court of the domicile of the authorised agent registered in the registry and if the agent's registry has been cancelled the court of the domicile of the Institute.

The Competent Court, for the institution of proceedings by the third parties against the proprietor of a trademark, is the court of domicile of the defendant. If the applicant or trademark right holder is not domiciled in Turkey, the provisions of the second paragraph shall prevail.

Where there several competent courts, the court at which the proceedings are instituted first shall be the competent court.

Compensation

Article 64 - The person who, without the consent of the proprietor of the trademark, procedures, sells, distributes or puts to commercial use or imports for these purposes or keeps in possession for these purposes the product produced by plagiarising the trademark shall be liable to remedy the illegality and to compensate the damages he has caused.

The person using in any form the plagiarised trademark, having been informed of the infringement by the proprietor of the trademark and having been requested to stop the infringement or where there exists any other misuse, shall be liable to compensate the damages he has caused.

Documents Evidencing Infringement

Article 65 - The proprietor of a trademark can request from the infringing party the documents related with the use without his consent of the trademark, for valuation of the injury suffered resulting from the infringement of the trademark.

Surrender of Profits

Article 66 - The injury suffered by the proprietor of the trademark include not only the value of the actual loss but also the income loss incurred because of the infringement of the trademark rights.

The loss of income shall be calculated in accordance with one of the following evaluation methods, on the options of the proprietor of the trademark who has suffered the injury:

- a) According to the possible income that the proprietor of the trademark would have generated if the competition of the infringing party did not exist;
- b) According to the income generated by the infringing party from the use of the trademark;
- c) According to a license fee that would have been paid if the party infringing the trademark right would have utilised the trademark under a legal licensing contract.

In calculation of the profits surrendered, in particular the economic value of the trademark, the term of protection remaining at the time of infringement, the type and member of the licences outstanding and similar effects shall be taken into consideration.

Increasing the Profits Surrendered

Article 67 - Where the proprietor of the trademark has selected one of the evaluation options specified in the subparagraph (a) or (b) or (c) of Article 66; the Court may be add on a reasonable extra amount if in court's opinion the trademark contributes substantially to the economic value of the product.

The assessment of the trademark's contribution to the economic value of the product shall be grounded on the verification that the demand for the product results substantially from the trademark.

Reputation of the Trademark

Article 68 - The proprietor of a trademark may request extra damages for the harm incurred from the improper use of trademark by the infringing party which were detrimental to the reputation of the trademark.

Those Against Whom Action Cannot Be Brought

Article 69 - Proprietor of a trademark cannot institute proceedings, under the provisions of this Section of this Decree Having the Power of Law, against

those who have used the products put on the market by the person who has paid compensation to the proprietor of the trademark. This provision shall not have effect if there is bad faith.

Time Limit

Article 70 - Time limit provisions of the Code of Obligations shall have effect concerning the time limits for appeals relating to infringements on trademark rights.

Competent Courts

Article 71 - Special courts to be established by the Ministry of Justice shall have jurisdiction for all of the actions and claims provisioned by this Decree Having the Power of Law.

High Council of Judges and Prosecutors shall determine which of the Commercial Courts of the First Instance and the Criminal Courts of the First Instance shall be appointed as special courts and indicate their respective jurisdictions based on the request of the Ministry of Justice.

For actions brought in respect of the Institute's decisions within this Decree Having the Power of Law and for actions brought against the Institute by the third parties who have suffered from the decision of the Institute, the special court referred in the first paragraph shall have jurisdiction.

Publication of the Court's Decision

Article 72 - Where a court judgement has become final, the successful party may request the publication in full or in summary of the final judgement in a daily paper, radio, television or by other means of the media, the costs of which are to be met by the other party.

The nature and extent of the publication shall be determined in the judgement. Right of publication shall be void if not exercised within three months of the judgement becoming final.

Claims by the Licensee

Article 73 - Unless provided otherwise by the contract, the holder of an exclusive license may, in the case of an infringement of the trademark rights, institute in his own name all legal proceedings which have been made available to the proprietor of the trademark by this Decree Having the Power of Law. Holders of non-exclusive licenses do not have the right to institute legal proceedings.

In the case of an infringement, the holder of a non-exclusive license may give notice, through a notary public, requesting the proprietor of the trademark to institute such proceedings as required.

In the event that the proprietor of the trademark right refuses to initiate or within three months of the reception of the notice fails to institute proceedings, the non-exclusive license holder shall have the right to institute proceedings.

The licensee may, in the face of serious damage where elapsing of time cannot be remedied, request the court to issue an injunction for precautionary measures.

The licensee who has instituted proceedings in respect of paragraph three, shall notify the proprietor of the trademark that the proceedings have been instituted.

Claims of Non-infringement

Article 74 - Any related person may institute proceedings against the proprietor of a trademark to obtain a judgement of non-infringement.

Prior to the institution of proceedings referred in the first paragraph, a notice shall be forwarded through the notary public to the attention of the proprietor of the trademark to enable the trademark right holder to express his observations on whether the trademark to be used on the products produced or to be produced by the requesting party in Turkey constitute infringement of the trademark rights.

Where the proprietor of the trademark upon receiving such a notice does not respond within one month of receiving the notice, or the content of the response is not found acceptable by the requesting party, the appealing party shall have the right to institute proceedings according to the first paragraph.

Persons, against whom action of infringement has been brought in respect of the trademark right, cannot institute proceedings with respect to first paragraph.

Institution of proceedings shall be communicated to all right holders entered in the Trademark Register.

The actions referred to in this Article may also be instituted jointly with a claim for invalidity.

Action for Securing of Evidences

Article 75 - Any person entitled legally to bring action as prescribed by this Decree Having the Power of Law, may appeal the court to determine and secure the acts of infringement of the trademark.

Precautionary Measures

Article 76 - Any person entitled legally to bring action as prescribed by this Decree Having the Power of Law, may appeal the court to order precautionary measures provided that they can prove the existence of acts of actual use of the trademark or serious preparations to use the trademark which would constitute an infringement.

The request for precautionary measures may be filed before or with the institution of proceedings or filed later. The request for precautionary measures shall be examined separately.

Nature of the Precautionary Measures

Article 77 - Precautionary measures shall be in nature to enable securing of the judgement and particularly provide the following:

- a) cessation of the acts of infringement of the trademark rights of the plaintiff,
- b) injunction to arrest within the borders of Turkey, including the customs, free ports or free trade areas and keep in custody the produced or imported goods which have infringed the trademark rights,
- c) ordering the placement of security for damages to be compensated.

Civil Procedures Code

Article 78 - With respect to other actions for securing and precautionary measures provisions of the Civil Procedures Code shall have effect.

Seizure at Customs

Article 79 - Customs authorities, while being exported or imported, shall withhold as a precautionary measure the products which have infringed the rights of a trademark.

Withholding procedures shall be determined by statute to be enacted for this purpose.

The withholding measure employed by the customs authorities shall cease to have effect if proceedings are not instituted at the special court or preventive injunction is not obtained from the court within ten days of the withholding.

PART NINE

Representation and Agents

Representation before the Institute

Article 80 - Representation before the Turkish Patent Institute for matters of trademarks may only be undertaken by the following:

a) natural or legal persons who have filed an application. Legal persons may only be represented by those duly powered by their respectively authorised bodies.

b) trademark agents.

Those who are domiciled outside the country can only be represented by trademark agents.

Where an agent has been appointed, all procedures are executed through the agent. All notices made to the agent shall be considered to have been made to the assignee.

PART TEN

Payment of Fees and Legal Effects

Term of Payment of Fees and Effects

Article 81 - The fees relating to filing an application and to a registered trademark as prescribed by the Implementing Regulations shall be paid by the applicant or by the proprietor of the trademark or by the trademark agent.

Where the prescribed fees for the registration of a trademark have not been paid within the period provisioned by this Decree Having the Power of Law, the application for the registration of the trademark shall be deemed to have been withdrawn.

PART ELEVEN

Last Provisions

Provisions Repealed

Article 82 - *The Trademark Law No.551* dated 3.3.1995 have hereby been repealed.

Transitional Provisions

Transitional Article 1 - For applications for the registration of a trademark filed prior to the entry into force of this Decree Having the Power of Law, the provisions of the law valid on the date of the application shall have effect.

Without prejudice to all acts of transfer, inheritance and licensing contracts concluded and registered prior to the entering into force of this Decree Having the Power of Law, for any further actions and for all changes on these matters the provisions of this Decree Having the Power of Law shall prevail.

Transitional Article 2 - Those who have put to actual use of their service marks, may request the registration of their service marks filing the evidence of use within 12 months of the entering into force of this Decree Having the Power of Law.

The Institute shall examine the requests by the service mark users after the expiry of 12 months by taking into consideration the date of first use.

Transitional Article 3 - For the purposes of this Decree Having the Power of Law, until the Special Courts are established, based on the request of the Ministry of Justice, High Council of Judges and Prosecutors shall select from the Commercial Courts of the First Instance and the Criminal Courts of the First Instance those to be appointed as special courts and indicate their respective jurisdictions.

Entry into Force

Article 83 - This Decree Having the Power of Law shall enter into force on the day of publication.

Execution

Article 84 - This Decree Having the Power of Law shall be executed by the Council of Ministers.