



# A COMPARISON OF TRADEMARK LAWS IN EUROPEAN UNION AND TURKEY ON PROTECTION AGAINST DILUTION OF TRADEMARKS

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## ABSTRACT

*The aim of this thesis is to compare the laws in the EU and Turkey on trademark dilution in the light of case law. In the first part, EU law is explained under the headings of Trademark Directive, Trademark Regulation and Benelux trademark law. In the second part, Turkish trademark on dilution examined. The comparison part focused on the similarities and differences between the sides mainly which mainly focus on reputation, likelihood of confusion, detrimentally to distinctive character or reputation, due cause and the proof requisites to anti-dilution protection. It was concluded that, although European Union and Turkey has different structures, policies and aims in trademark law; political relations between parties makes the trademark laws against dilution develop in similar way.*

**Keywords:** *European Union, Turkey, trademark law, dilution, Decree Law 556, Trademark Directive, Trademark Regulation.*



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## PART I. INTRODUCTION

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**T**raditionally, the aim of a trademark is showing the commercial origin of the product. However with the expansion of the transportation, communication and high amount of investments in trademark images in global dimension; this aim becomes inadequate for the new coming functions.

Anti-dilution protection aims to protect the marketing power of the trademark which derives from its brand image. It protects trademarks against the activities which may have the effect of lessening the exclusivity and brand image shielded by trademarks.

There are two types of dilution; dilution by blurring and dilution by tarnishment.

Dilution by blurring occurs if an identical or similar sign to a registered trademark with reputation with a strong message to public is used on similar or non-similar goods. Then the earlier trademark with reputation loses its power to arise immediate association with the goods it is registered and used to<sup>[1]</sup>. That risk also called “gradual whittling away” or “dispersion of identity”. Confusion on the origin of goods and services is not required.

Dilution by tarnishment means the impairment of a mark’s reputation through inappropriate or negative associations. Public will not be confused; but through the link made between the later mark and earlier trade mark the reputation of the latter will be harmed. Tarnishment generally occurs if a trade mark with reputation or similar mark is used in relation to inferior products or in an unwholesome context, where such use without the trade mark owner’s consent will evoke negative associations with the famous mark in the minds of the public<sup>[2]</sup>.

### **1. Functions of trademark**

#### ***1.1 Indicator of origin***

Main function of trademark is to show the commercial origin of product or service and to differentiate them from the goods and services of other entities. Trademarks conceptualize the abstract notion of a product and consequently enable the individualization of the product by creating the tie between a product and its mark<sup>[3]</sup>.

This traditional function of trademark is not as crucial as it was before. Nowadays it is more important for consumers that trademarks meet their expectations from types and the characteristics of the goods and services.

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[1] Guy Tritton. *Intellectual Property in Europe*. 3rd ed. Sweet & Maxwell, London. 2008. p.342.

[2] Sabine Casparie-Kerdel. Dilution disguised: has the concept of trade mark dilution made its way into the laws of Europe?, *E.I.P.R.* 2001, 23(4), 185-195.

[3] Spyros M. Maniatis, Anselm Kamperman Sanders. A consumer trade mark: protection based on origin and quality, *E.I.P.R.* 1993, 15(11), 406-415.

### **1.2 Distinguish goods and services**

Trademark enables the relevant group of public to distinguish the goods and services of one enterprise from others and to recognize the concerned goods and services when he/she sees the mark<sup>[4]</sup>. Thus, trademark prevents the goods and services from being anonymous in market and individualizes them.

There exist a close relation between trademarks functions of indicating the origin and distinguishing goods and services. It is claimed that the function of indicating origin also includes the aptness to distinguish and identify goods and services<sup>[5]</sup>, or, these two functions are the substantive functions of trademark and should be protected together<sup>[6]</sup>.

### **1.3 Guarantee of consistent quality**

The importance of the first two functions lost their importance by time. Now, consumers consider the trademark as a sign guaranteeing a level of the quality of the goods or services which the consumer experienced before and does not disappoint consumer in this regard.

This function enables consumers to save time and effort, then they assume that the quality of the good or service is same as before; thus they do not have to receive information each time. Also, this increases transparency in market and enables competition; consequently protects public welfare<sup>[7]</sup>.

It should be noted that this function does not protected separately but within the scope of first two essential functions.

### **1.4 Advertisement**

Advertisement ensures communication between consumer and the producer. It aims to economically impress the targeted consumer group and to direct them in accordance with the objectives of the advertisers for purchasing of goods and services. Advertisement made by enterprise itself is more important, then consumer regards the enterprise as his counterpart. Trademark represents the brand image of the good or service and advertises it directly to consumer. Thus, alongside with the previous functions, trademark has a function of advertising too.

[4] Hanife Dirikkan. Tanınmış Markanın Korunması, Seçkin Yayıncılık 2003, Ankara. p. 11.

[5] Spyros M. Maniatis, Anselm Kamperman Sanders. A consumer trade mark: protection based on origin and quality, E.I.P.R. 1993, 15(11), 406-415.

[6] Hanife Dirikkan. Tanınmış Markanın Korunması, Seçkin Yayıncılık 2003, Ankara. p. 12.

[7] Hanife Dirikkan. Tanınmış Markanın Korunması, Seçkin Yayıncılık 2003, Ankara. p. 16.

## 2. History

### 2.1 Odol

Although dilution is first discussed and codified in the US, earliest case related to dilution was seen in German Courts in 1925. In Odol case, owner of the trademark “Odol” for mouthwash sued the defendant for using same the trademark for various steel products. The court held that although they are unrelated goods using the same trademark; it is an immoral act-gegen die gutten sitten. Since when public hears the word “odol”, they will immediately associate this name with plaintiff’s products and the good quality thereof. The court concluded that the owner of the mark has an interest in “seeing that its mark is not diluted –verwassert-: it would lose its selling power if everyone used its “odol” as the designation of their goods.

### 2.2 Schecter

Trademark protection against dilution is first stated in Schecter’s article of The Rational Basis of Trademark Protection (Harvard Law Review, 1927) without naming it openly as “dilution”. In this article, Schecter proposed a quasi-property protection for famous trademarks wider than the traditional trademark protection which protects the confusion regarding the origin of the product or service. Schecter claimed that since trademarks are more than indicator of origin, they shall be protected against dilutive acts of the defendants which cause decrease in the distinctive effect of trademark in the market. Thus, protection related to only function of showing origin is not enough for trademarks with reputation.

According to Schecter, trademark is not only the indicator of goodwill but also the most effective agent for the creation of good will, indicator of an anonymous and impersonal guaranty of satisfaction in public mind; it creates a desire for further satisfactions. He claimed that the more distinctive the trademark is, the more it sells. Thus, Schechter criticized the approach which takes the goodwill as main property and substance of protection, proposed the approach which regards the trademarks as a symbol of this protected matter.

The main reason to protect a trademark against dilution for Schecter is that, once the trademark become known to public as a constant and uniform source of satisfaction its owner should have a right to expand his rights to prevent the use of its trademark in other fields which destructs the uniqueness of the trademark<sup>[8]</sup>. Schechter calls this widening as “the natural expansion of his trade”.

In short, Schecter argued that apart from showing the origin, trademark also has selling power, which is independent from its classical function. This selling power is independent from the goods or services the trademark used for and comes from its own uniqueness and singularity in public’s eyes. This uniqueness

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[8] Frank I. Schecter, The Rational Basis of Trademark Protection, 40 Harv. L. Rev. 813. April, 1927.

of trademark impaired or vitiated by the use of on related or unrelated goods. Thus owner needs a protection against this gradual whittling away.

### **2.3 The U.S.**

Despite the fact that dilution theory was first generated in Europe, it has been developed and codified in the U.S. As it stated above, Schecter introduced the dilution theory in his article *The Rational Basis of Trademark Protection* in 1927. In 1947, first dilution statute was enacted in Massachusetts. Federal Dilution Act was enacted in 1995 and it created section 43(c) of the Lanham Act. Before this Act, approximately 25 states had laws which are prohibiting trademark dilution<sup>[9]</sup>. The definition of dilution in U.S. law is; lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition between the owner of famous mark and other parties, or likelihood of confusion, mistake or deception<sup>[10]</sup>. Different from Europe, the U.S. Law uses the word “famous” mark and in addition to that; “likelihood of confusion” or “competition between the parties” is not required for protection against dilution<sup>[11]</sup>.

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## PART II. EUROPEAN UNION

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### **3. TRADEMARK DIRECTIVE**

Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Trademark Directive) is the first step taken by the European Community towards to a trademark policy in compliance with the establishment of the internal market. With this Directive, European Union aimed to harmonize the trademark laws of the member states. Directive mostly influenced from the Benelux trademark law which had a harmonized trademark system at the time Directive was drafting. Anti-dilution law under Benelux trademark law will be discussed in detail in the later chapters.

Directive does not explicitly use the term dilution; however articles 4/3, 4/4(a) and 5/2 may be regarded as the dilution related part of Directive. Then these articles stipulate protection for a mark with a reputation against its use on dissimilar goods or services. Competition or confusion requirement is not clear here as it is in Lanham Act of the U.S. They also differ from Article 4/2(d) which provides protection for well-known marks<sup>[12]</sup>.

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[9] Soyoung Yook. *Trademark Dilution in European Union*, 11 *Int'l Legal Persp.* 223, 2001.

[10] §45 of the Lanham Act (1995).

[11] 15 U. S. C. § 1127, § 45 of the Lanham Act (1995).

[12] Soyoung Yook. *Trademark Dilution in European Union*, 11 *Int'l Legal Persp.* 223, 2001. p. 12.

Art. 4/3 of the Directive is a mandatory provision for Member States. According to this article a trademark shall not be registered, or, if registered should be declared invalid, if it is an identical or similar sign to an earlier Community trademark with reputation, and is or has been registered for non-similar goods and services without due cause, thereby taking unfair advantage of, or being detrimental to, the distinctive character or the repute of the earlier Community trade mark. Two possible outcomes of this use are; being detrimental to distinctive character or repute of Community trademark with reputation. This article provides protection for only Community trademarks with earlier registration and reputation.

Article 4/4(a) is similar to Art. 4/3; but it provides optional protection for national trademarks under the same situations. So, Member States may provide further protection for national trademarks with reputation against later marks with identical or similar sign on dissimilar good and services which would be detrimental to distinctive character or repute of the earlier national trademark with reputation.

Art. 5/2 also provides optional protection to trademarks with reputation in Member States. Different from Art. 4/3 and 4/4(a); Art. 5/2 does not distinguish the national and Community trademarks, mentions the consent of proprietor of the earlier trademark with reputation and using the term of “use in the course of trade”. Art. 5/2 of Directive only mentions later use on non-similar goods and service; however as for Adidas Benelux BW v. Fitnessworld Trading decision<sup>[13]</sup>, Member States, where it exercises the option provided in art. 5/2 of Directive, should grant protection to proprietor of earlier mark against signs similar or identical in relation to both identical and similar or goods or services not similar.

Common requirement for protection against dilution under Trademark Directive can be divided as such;

### **3.1 Reputation**

For Art. 4/3, 4/4(a) and 5/2 to apply, earlier trademark should be registered and have reputation. “Reputation” stated here is not equal to well-known trademarks in the context of Art. 6bis of Paris Convention or Art.16 of TRIPS. These well-known trademarks are already protected with a separate article of Directive; Art. 4/2(d). Then the aim of Art. 4/2(d) Directive is different from the three article of Directive which aims to protect marks with reputation against use on different goods or services which they are registered. Special aim of Paris Convention and TRIPS is to protect well-known marks in countries where they are unregistered. This protection granted to well-known marks in an exception and it is relatively rigid compared to protection granted to marks with reputation.

[13] Case C-408/01 Adidas Benelux BW v. Fitnessworld Trading, para. 22.

Reputation requested in Trademark Directive is clarified in General Motors Corp. v. Yplon SA decision of ECJ<sup>[14]</sup>. According to this case, earlier trademark should be known to significant part of the relevant sector of the public. It is sufficient that mark has reputation in a substantial part of a Member State. As for ECJ, percentage of the public required for mark to be known cannot be inferred from Directive. “Sufficient degree” required by the Directive is that degree of the knowledge that public has, in order to make association between earlier mark with reputation and later mark for non-similar goods and services and earlier mark to be damaged. In examining this degree reputation, national courts must take into consideration all the relevant facts of the case; in particular the market share held by the trademark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it. Threshold for assuming that a trademark has the necessary reputation is remarkably low in the EU<sup>[15]</sup>.

### **3.2 Likelihood of confusion**

Requirement of likelihood of confusion does not stated in articles 4/3, 4/4(a) and 5/2. It is claimed that it may seem paradoxical that confusion is required for similar good but not for non-similar goods<sup>[16]</sup>. However the articles are not conflicting, because they protect the different functions of the trademark. The protection against similar goods and services requires confusion, since it is related to the trademark’s function of indicating to origin and distinguishing goods and services. Whereas protection against dilution is not purely related to trademark’s function of indicating origin; but mostly the distinctive power of trademark as a result of the investment done by the proprietor in it, separating from goods and services.

ECJ in Sabel case interpreted the likelihood of confusion within Art. 4/1(b) of Directive and stated that interpretation of likelihood of confusion in that article is not inconsistent with articles 4/, 4/4(a) and 5/2 where likelihood of confusion is not required<sup>[17]</sup>.

In L’oreal v. Bellure case, ECJ is referred with the question of the likelihood of confusion or association under Art. 5/2 and stated that likelihood of confusion is not required for Art. 5/2 to apply, it is enough for a link to be established by the relevant sector of the public without confusion as a result of similarity between trademarks<sup>[18]</sup>.

[14] Case C-375/97, General Motors Corp. v. Yplon SA (1999).

[15] Martin Senftleben. Bringing EU Trademark Protection Back Into Shape – Lessons to Learn From Keyword Advertising, <http://www.epip.eu/conferences/epip06/papers/Parallel%20Session%20Papers/SENFLEBEN%20Martin.pdf> (Accessed 20 July 2012).

[16] Soyoung Yook. Trademark Dilution in European Union, 11 Int’l Legal Persp. 223, 2001. p. 15.

[17] Case C-251/95, Sabel BV v. Puma AG (1997) para. 23.

[18] Case C-487/07. L’Oréal SA and Others. v. Bellure NV and Others (2009). para. 50.

According to Intel judgment of ECJ, “link” in this context means that any kind of mental association between marks, so a mere bringing to mind of earlier mark is enough.

The existence of such “link” assessed globally, by taking into account all factors relevant to the circumstances of the case. These factors include<sup>[19]</sup>;

- Degree of similarity between the conflicting marks;
- The nature of the goods or services for which the conflicting trademarks are registered, including the degree of closeness or dissimilarity between those goods or services and the relevant section of the public;
- The strength of the earlier mark’s reputation;
- The degree of the earlier marks’ distinctive character, whether inherent or acquired through use;
- The existence of the likelihood of confusion on the part of the public.

There are three types of injuries in Art. 4/4(a) of Directive, including detriment to distinctive character of earlier mark (dilution by blurring), detriment to repute of the mark (dilution by tarnishment) and unfair advantage taken of the distinctive character of trademark or the repute of the mark. The public to be taken into consideration in order to determine whether the registration of the later mark may be invalidated under Art. 4/4(a) of Directive varies depending on the type of injury alleged by the proprietor of the earlier trademark. As for the formula described in Intel case, firstly both trademark’s distinctiveness and its reputation were assessed. Relevant public consists of average consumers of the goods or services for which that mark is registered, who are reasonably well informed and reasonably observant and circumspect.

There has to be similarity between signs which are used in relation to not similar goods and services. The condition of similarity between the mark and the sign, referred to in Art. 5/2 of the Directive requires the existence, in particular, of elements of visual, aural or conceptual similarity<sup>[20]</sup>.

### ***3.3 Detrimental to distinctive character or reputation***

When the detrimentality of later use to the earlier mark concerned, several elements such as similarity of respective marks, inherent distinctiveness of the earlier trademark, the extent of the reputation that the earlier mark enjoys; the range of goods or services for which the earlier trademark enjoys a reputation, uniqueness of the mark in the marketplace, whether the respective goods/services, although dissimilar, are in some way related or likely to be sold through the same outlets, and whether the earlier mark will be any less distinctive for the goods/services for which it has a reputation than it was before should be

[19] Case C-252/07, Intel v. CPM- Intelmark (2008).

[20] Case C-251/95, Sabel BV v. Puma AG (1997).

considered<sup>[21]</sup>. “Detriment” becomes more obvious when the earlier mark is unique and has reputation in relation to the range of goods and services<sup>[22]</sup>.

Directive gives freedom of interpretation to Member States but at the end, it leads to an inconsistent protection from dilution or denying offering trademark protection from dilution under the Trademark Directive which changes from one Member State to another. This result is against the main objective of the Trademark Directive in harmonizing the laws among Member States<sup>[23]</sup>.

### ***3.4 Without due cause***

The other prerequisite for proprietor of the earlier mark to exercise his rights under Art. 5/2 is the use of trademark “without due cause”. The meaning of without due cause is defined in Bayerische Motorenwerke AG and BMW Nederland BV v. Deenik<sup>[24]</sup> decision of ECJ. In this case defendant used the registered trademark BMW for advertising his legitimate activities repair and maintenance of the goods covered by the trademark. Defendant used the trademark in order to identify the source of the goods which are subject to his service and as ECJ stated defendant cannot effectively communicate his services to public without using the name of the trademark. The problem here is, to what extent trader is free to use the trademark in description of his service? As for ECJ in the concerned decision; third party can use the trademark for the purpose of informing the public that he carries out the repair and maintenance of goods, unless the marks is used in a way that may create the impression that there is a commercial connection between the other undertaking and the trademark proprietor’s business is affiliated to the trademark proprietor’s distribution network or that there is a special relationship between the two undertakings.

### ***3.5 Proof***

In order to benefit from the protection introduced by Art. 4/4(a), the proprietor of the earlier mark must prove that the use of earlier mark “would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trademark”. The proprietor of the earlier mark does not have to demonstrate the actual and present damage, but foreseeable injury which will ensue from the later use. In this case proprietor of earlier mark cannot require waiting the actual damage to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, prove that there is a serious risk that such injury will occur in future<sup>[25]</sup>.

[21] Audi-Med Trademark, 1998 R.P.C. 863, 1998 E.T.M.R. 1010, 1017 (1998).

[22] Soyong Yook, Trademark Dilution in European Union, 11 Int’l Legal Persp. 223, 2001. p. 16.

[23] William T. Vuk, Protecting Baywatch and Wagamama; Why the European Union Should Revise the 1989 Directive to Mandate Dilution Protection for Trademarks, 21 FORDHAM INT’L L. J. 861,906 (1998).

[24] Case C-63/97, Bayerische Motorenwerke AG and BMW Nederland BV v. Deenik (1998).

[25] Case C-252/07, Intel v. CPM- Intelmark (2008).

Proprietor of the earlier mark should prove that the use of later mark is or would be detrimental to the distinctive character of the earlier mark. This requires evidence of a change in the economic behavior of the average consumer of the goods and services for which the earlier mark registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.

#### 4. TRADEMARK REGULATION

Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (Trademark Regulation) is the second project of European Union on trademarks which introduced “Community trademark” system. Trademark Regulation is essentially same with Trademark Directive. As it is in Directive, Regulation also does not have clear provisions on dilution.

Art. 8/5 of Regulation corresponds to articles 4/3 and 4/4(a) of Directive. Different from the language used in Directive, Art. 8/5 of Regulation openly states the requirement of proprietor’s opposition which is an implicit requirement in Directive.

Art. 8/5 defines the threshold of reputation as; if the earlier mark is a Community trademark it must have reputation within the Community and in case earlier mark is a national trademark it should have reputation in the member state concerned. However it is unclear that whether it means that a Community trademark must have reputation which extends beyond more than one member state for art. 8/5 to be applied<sup>[26]</sup>.

Another difference from Directive is that under Art. 108 of Trademark Regulation, if a Community trademark application dilutes another community trademark with reputation in Community, it can be converted into national trademark.

Art. 9/1c of Regulation is the corresponding provision of Art. 5/2 of Directive which regulates the rights conferred with trademarks. Only difference between them is the scope of reputation; which is member state in Art. 5/2, where it is Community in Art. 9/1c.

Secondly, because of the legal nature of Directive and Regulation under EU law the main difference is that, Art. 5/2 of Directive is an optional provision for Member States on deciding the scope of protection whereas Art. 9/1 of Regulation is a mandatory provision.

Also, according to Art. 14/1 of Regulation, effects of Community trademarks are governed by the Regulation and infringement of Community trademarks shall be governed by national laws related to the infringement of national trademark. Thus, dilution of Community trademarks will be determined according

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[26] Guy Tritton. *Intellectual Property in Europe*. 3rd ed. Sweet & Maxwell, London. 2008. p.333.

to regulation; but the remedies are constructed from the law of the Member state where the action is sought.

Regulation creates a Community trademark system which is valid in the whole Community with one registration. Community trademarks system coexists with national trademark systems. Although in essence Directive and Regulation are similar, optional provisions in Directive may lead to differences in practice<sup>[27]</sup>.

## 5. BENELUX TRADEMARK LAW

Since both Directive and Regulation's provisions on dilution are influenced by Benelux trademark law, Benelux's approach on anti-dilution protection will be briefly discussed in order to understand the European approach better.

Benelux countries; including Belgium, the Netherlands and Luxembourg, established Benelux Economic Union in 1958. Benelux Trademark Act entered into force in 1978 which repeals the trademark laws of the Benelux countries.

Section 13 of Trademark Act defines the scope of protection conferred on trademarks as below: "The owners of a trademark can prohibit another person from using an identical sign if he can prove such use may cause him to sustain loss or damage." It was considered that this protection covers the loss or damage resulted from the confusion on the commercial origin of goods and services. However, Benelux Court of Justice broadened this scope in Union<sup>[28]</sup> case (Julien/ Verschuer judgment) in 1983. This decision is considered to change the traditional likelihood of confusion criterion to broader likelihood of association. As a result, owner of the earlier trademark can ban the later use of trademark if it can be shown that public would consider the earlier mark when they see the later mark. Likelihood of confusion is not necessary here. Furthermore, if the later use loosen earlier marks capacity to induce buying or loosen its exclusivity to preserve the unique association that the trademark brings about in the consumer's mind; that would be a sufficient ground for a ban.

Benelux's approach for conflict of trademarks can be exemplified with cases like;

- Later trademark leads to a link with earlier trademark in some way,
- Later trademark has common owner or source,
- Goods of two marks are same,
- Possible conscious or subconscious association made by the public between the third party's sign or mark and the earlier trademark.

In short trademark infringement in Benelux on conflict of two trademarks is not limited to confusion as to commercial origin of goods and services or relationship between owners of two marks<sup>[29]</sup>.

[27] Soyoung Yook. Trademark Dilution in European Union, 11 Int'l Legal Persp. 223, 2001. p.21.

[28] Union/Union Soleure, 20 May 1983, NJ 72.

[29] Remco E. P. de Ranitz and Peter P. J. M. Verhaag, Landmark Case Holds that Ordinary

Directive obliged the Member States to approximate their trademark laws within the Community; subsequently the new Benelux Trademark Act promulgated in 1992 and came into force in 1996. However Directive did not make essential changes in the Benelux Trademark Act. The most significant change is addition of reputation and description of damage requirements to infringement cases. Accordingly in dilution cases trademark owner should prove the reputation of their trademark and damage to distinctive character of reputation. Under Benelux law reputation among relevant sector is sufficient. It is not necessary to be established among the public at large; the mark owner only need to show that the mark is engaged in normal commercial use, and on that basis has become known within interested circles. According to Art. 13/3 of Benelux Trademark Act, the mark owner may claim any damages that he may suffer by the diluting use. By showing bad faith, the mark owner can request an accounting and transfer of the defendant's profits and seize movable property used in fringing the mark<sup>[30]</sup>.

The new Benelux Trademark Act addresses dilution under art. 13(a)/1c. According to this article mark owner can contest any use in the course of trade, without due cause, made of a mark that has a reputation in the Benelux territory, or of a similar sign, for goods that are not similar to those for which the mark is registered, where use of such sign takes unfair advantage of or is detrimental to the distinctive character or the repute of the mark. Benelux Court of Justice held that use of KLAREIN for a detergent was detrimental to the reputation of a registered mark CLAERYN for gin as it impaired the capacity of the latter mark to stimulate the desire to buy<sup>[31]</sup>.

Dilution can only be a matter of cancellation under Benelux trademark law, and there has been no provision for opposition. Also, as it is stated in Art. 12/a<sup>[32]</sup> only registered trademarks are afforded any protection regardless of the nature of action instituted<sup>[33]</sup>.

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Marks Are Protected Only If There's a Risk of Confusion, *INTELL. PROP. WORLDWIDE*, May/June 1998, at 3, 4.

[30] Arthur Schwartz & David Morfesi, *Dilution Comes of Age: The United States, Europe and South Africa*, 87 *TRADEMARK REP.* 436, 455 (1997).

[31] *Lucas Bols v. Colgate- Palmolive* (1979) E.C.C. 419, Benelux Court of Justice.

[32] Art. 12/a of Benelux Trademark Act; "Regardless of the nature of the action instituted, no one may judicially claim protection for a symbol which is considered a mark within the meaning of Article 1 unless he has filed it in due form and, where applicable, has had the registration renewed."

[33] Schwartz, p. 451-452.

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## PART III. TURKEY

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### 6. Turkey–EU

Turkey was one of the first countries trying to seek for a closer relationship with European integration. Turkey-EU relations is managed under two heading; associate membership which started with Turkey's application to European Economic Community (EEC) in September 1959, full membership process started with Turkey's application to European Economic Community (EEC) in April 1987.

Under association part, negotiations on the establishment of association between Turkey and EEC resulted with the signature of the Agreement Creating an Association between the Republic of Turkey and the European Economic Community (known as "Ankara Agreement") which forms the legal basis of relations. This agreement entered into force on 1 December 1964 and has the aim of Turkey's full membership to EEC through a process comprises of three steps<sup>[34]</sup>. Final step is the completion of custom union between parties<sup>[35]</sup> and it was accomplished on March 6, 1995. Since then Turkey is the first country to conclude a Custom Union with the EC without being a member<sup>[36]</sup>. Custom Union did not cover agriculture, free movement of labor, services and capital. However, it is regarded as the biggest step for integration of Turkey to EC<sup>[37]</sup>.

Alongside with the associate membership, Turkey applied for full membership in April 1987 and in December 1999, Turkey was recognized as an EU candidate country by EU Helsinki Council. In October 2005, negotiations were formally opened between parties. Completion of negotiations depends on successful adaptation of EU body of law (*acquis communautaire*) on each 35 sections and unanimous agreement of member states on the membership of Turkey.

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[34] Article 2 of Ankara Agreement states this aim as following;

1. The aim of this Agreement is to promote the continuous and balanced strengthening of trade and economic relations between the Parties, while taking full account of the need to ensure an accelerated development of the Turkish economy and to improve the level of employment and the living conditions of the Turkish people.
2. In order to attain the objectives set out in paragraph 1, a customs union shall be progressively established in accordance with Article 3, 4 and 5.
3. Association shall comprise:
  - (a) a preparatory stage;
  - (b) a transitional stage;
  - (c) a final stage.

[35] Article 5 of Ankara Agreement as follows;

"The final stage shall be based on the customs union and shall entail closer coordination of the economic policies of the Contracting Parties."

[36] Aybey, Ali. Turkey and the European Union Relations: A Historical Assessment. Ankara Avrupa Çalışmaları Dergisi, Cilt:4, No:1 (Güz: 2004), p. 19-38.

[37] Cited in Ibid. Heinz Kramer, A Changing Turkey: The Challenge to Europe and the United States Washington D.C., Brookings Institution Press, 2000, p. 190.

Negotiations on intellectual property law (chapter 7 of the *acquis*) were opened and the screening was completed in 2006. EC's assessment at the start was Turkey has reached considerable level of legislative alignment with the *acquis* in the area of IP law; but administrative capability was insufficient for effective enforcement. Therefore, EC came to the conclusion that further efforts are needed in intellectual property law section<sup>[38]</sup>. Current situation within this section is that alignment of the legislation with the *acquis* is relatively high, although implementation and enforcement are still problematic<sup>[39]</sup>.

## 7. Turkish Law

### 7.1 Introduction

Turkish legal system falls under civil law. It is the product of strong movements of law across frontiers from Switzerland, Germany, France and Italy, the entire legal system having been imported from these sources<sup>[40]</sup>. These laws are known as “source law” and frequently referred by courts and academics<sup>[41]</sup>.

### 7.2 Turkish IP Law

Under Turkish law copyrights are protected according to Law 5846 on intellectual and artistic works. Turkey is contracting state for both the Bern Convention for the protection of literary and artistic works, and the Rome Convention on the protection of performers, producers and phonogram and broadcasting organizations.

Turkish intellectual property rights divided under two main headings; i) copyright and neighboring rights and ii) industrial property rights. Law and application in Turkey on intellectual property shaped by two external influences; EU laws and TRIPS. 1995 is turning point for Turkish intellectual property law. The existing laws were modernized and many international conventions were signed as from that year<sup>[42]</sup>.

Copyrights and related rights regulated by Law 5846 on intellectual and artistic works. Computer programs and preparatory works which subsequently

[38] Screening Report: Turkey. Chapter 7 Intellectual Property Law. 19 October 2006. [http://ec.europa.eu/enlargement/pdf/turkey/screening\\_reports/screening\\_report\\_07\\_tr\\_internet\\_en.pdf](http://ec.europa.eu/enlargement/pdf/turkey/screening_reports/screening_report_07_tr_internet_en.pdf) (accessed on 12 August 2012).

[39] [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/package/tr\\_rapport\\_2010\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/tr_rapport_2010_en.pdf) and [http://ec.europa.eu/enlargement/pdf/key\\_documents/2011/package/tr\\_rapport\\_2011\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/tr_rapport_2011_en.pdf) (accessed on 12 August 2012).

[40] Esin Örüçü. Turkey: Change Under Pressure, in E. Örüçü, E. Attwooll & S. Coyle, (eds.) *Studies in Legal Systems: Mixed and Mixing*, The Hague, London, Kluwer Law International, 1996, 89-111

[41] For example, Turkey adopted Swiss Civil Code in 1926. According to common interpretation of Turkish Civil Code Art. 1, Swiss Civil law is “source law” and used in the application of Turkish Civil Code.

[42] S. Karahan, C. Suluk, T. Saraç, T. Nal. *Fikri Mülkiyet Hukukunun Esasları*, Seçkin Yayıncılık (Second Ed.) Ankara 2009.

lead to a program are protected by Law 5846 as scientific or literary works. Law 5846 aligned with the provisions covered by Information Society Directive. The duration of protection is 70 years from the death of the author<sup>[43]</sup>. Exhaustion is implemented at national level<sup>[44]</sup>. Only for semiconductors topographies international exhaustion is accepted<sup>[45]</sup>.

In the field of industrial property rights, Turkey is party to the Paris Convention of 1925, WIPO, GATTs and TRIPS agreements, as well as to the Madrid protocol, though not to the Madrid Agreement, the Nice and Vienna agreements and the Trademark Law Treaty.

Patents are protected according to Decree Law No 551 as amended by Decree Law 566, in force since 1995. Turkey is party to the Paris Convention, the Patent Cooperation Treaty (PCT), the Strasbourg agreement and the Budapest Treaty on the Deposit of Micro-organisms, as well as the European Patent Convention. Turkey has also signed the Patent Law Treaty. Patents are granted for 20 years.

Industrial design rights are protected under Decree Law 554. Turkey is party to the Geneva Act of the Hague agreement concerning the international registration of designs, and the Locarno Agreement on classification for industrial designs. Designs may be registered or not. Unregistered designs are protected by the provisions of the Commercial Code concerning unfair competition. Duration of protection is for 5 years, renewable up to 25 years.

On the enforcement of the IPRs; the Enforcement Directive is not implemented in a single act, but its provisions are contained in the Code of Civil Procedure, Law 5846 on intellectual and artistic work and in legislation specific to each type of right protected<sup>[46]</sup>. The Turkish Patent Institute is the main administrative body. It is responsible for granting patents, utility models, registered designs, trademarks, circuits' topographies, and geographical indications. In the judicial area, 21 specialized courts have been established in Istanbul, Ankara and Izmir.

## 8. Turkish Trademark Law

The main trademarks legislation is the Decree 556 of 1995, amended in 2004 and implementing provisions. While registered trademarks are protected under Decree 556, unregistered trademarks are protected under Turkish Commercial Code concerning unfair competition. Trademarks may be individual, collective

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[43] Law 5846 Art. 27.

[44] Law 5846 Art. 23, Decree Law 556 (Trademarks) Art. 13, Decree Law 551 (Patents) Art. 76, Decree Law 554 (Industrial Designs) Art.24.

[45] Law 5147 Art. 12/c.

[46] Screening Report: Turkey. Chapter 7 Intellectual Property Law. 19 October 2006. [http://ec.europa.eu/enlargement/pdf/turkey/screening\\_reports/screening\\_report\\_07\\_tr\\_internet\\_en.pdf](http://ec.europa.eu/enlargement/pdf/turkey/screening_reports/screening_report_07_tr_internet_en.pdf) (accessed on 12 July 2012).

or guaranteed marks. The signs can be trademarks if they consist of words, designs, letters, numerals or particular shapes or packages, if they are distinctive, and can be represented graphically.

The trademark must be used within 5 years or can be revoked. Trademarks may be transferred, licensed totally or partially, may be used as a security, and is subject to inheritance. The right of priority and the exhibition priority extend to marks for which a previous application was filed in a State party to the Paris Convention or a national application within 6 months. The protection is granted for 10 years from the date of filing, and can be renewed.

Absolute grounds for refusal of registry of trademark under stated under Art. 7, and relative grounds for refusal are counted under Art.8 of Decree Law 556. Substantive law provisions on trademark, which are stated above, are essentially identical with provisions of Trademark Directive and Regulation.

The evaluation of the similarity of the classes for which goods or services the trademark registered is done according to Communiqué 2012/2 of TPE on classification of good and services to be used in trademark registration applications. Since Turkey is a contracting party to Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of Registration of Marks, the classifications are the same; 45 classes specified in the Communiqué 2012/2; 34 for goods, 11 for services. However this is not an absolute classification and TPI has discretionary power to make narrow interpretation for same class of good and services or broad interpretation for different class of good and services<sup>[47]</sup>.

## 9. Dilution

As it is stated above, basic principles of Turkish trademark law is same with European Trademark Directive and Regulation. For protection against dilution, related articles of Decree 556 are; Art. 8/4 and 9/1(c).

Art. 8/4 corresponds to Art. 8/5 of Trademark Regulation and 4/3 and 4/4(a) of Trademark Directive. The text of article is as following;

A trademark applied for which is identical or similar to a registered trademark or to 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.

[47] Art. 5 of Communiqué 2012/2 of TPI.

Art. 9/1(c) states the protection against dilution under the rights conferred to a registered trademark at corresponds to art. 5/2 of Directive;

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

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...

First of all, this is not a good example of legislation. Then Art. 8/4 starts with stating a fact; that identical or similar trademark can be used for different goods and services. Decree Law does not have to state this mere fact of trademark law; trademarks give rights within the class they are registered/used.

Secondly, registration is a requirement for protection against dilution under Turkish law. Decree law specifies the trademarks which can demand protection; trademarks with registration or trademarks with an earlier date of application.

### **9.1 Reputation**

For protection against dilution, earlier trademark should have reputation. Turkish version of Art. 8/4 of Decree law states this condition as “earlier trademark which has reached a level of reputation in public”. TPI has published guideline on determining the reputational level of trademarks and their application. In this guideline, TPI counts 17 criteria used in the determination of the repute of trademark. 18th criterion is any evidence that might be used to prove the reputation of trademark. So this is not a closed number count.

As it is in Directive and Regulation, trademarks with reputation are different than well known trademarks under Paris Convention art. 6bis and TRIPS art.16. Then well-known trademarks according to Paris Convention 6bis are separately stated under Art. 7/1(i) of the Decree Law. Also TPE has listed the well-known marks according to Art. 6bis of Paris Convention and Art. 7/1(i) of Decree in Official Trademark Gazette Special Edition. This list published only once and is not updated. It includes trademarks like; BMW, ARÇELİK, BEKO, CAMEL, COCA COLA, GRUNDIG<sup>[48]</sup>.

Definition of marks with reputation has discussed in doctrine and jurisprudence. Since both Art. 7/1(i) and 8/4 used the same word “tanınmış”(well-known) for the trademarks concerned. However the difference between them can be seen in the English version of the Decree Law, Art. 7/1(i) defines the trademarks as trademarks which have not been authorised by their owners, well known marks according to 6bis of the Paris Convention when Art. 8/4 uses the term trademark has a reputation. Turkish version of Art. 8/4 uses the term; trademarks which reached a level of reputation in public.

[48] İbrahim Ekdial. Tanınmış Markalar ve Uygulamaya Genel Bakış, İstanbul Patent Marka Danışmanlık Ltd. Şti, 15.12.2003. [http://www.istanbulpatent.com/tr/mak\\_marka\\_taninmis.htm](http://www.istanbulpatent.com/tr/mak_marka_taninmis.htm) (Accessed on 12 July 2012).

The difference of the protection of well-known trademark under Art.7/1(i) from trademarks with reputation under Art. 8/4 is that<sup>[49]</sup>;

- Well-known marks only protected against similar goods and services,
- Well-known marks do not have to be known in the country where the protection sought,
- Well-known trademarks do not have to be registered.

Limits of the protection conferred to these two terms for trademarks are controversial in Turkey. According to Tekinalp, these terms are representing different concepts; trademarks reaching a level of reputation is wider than well-known trademarks, however level of recognition of them is lower than well-known trademarks<sup>[50]</sup>. Tekinalp explains this difference with the example of Coca Cola and Ferah Cola. For him, Coca Cola is a well-known mark, whereas Ferah Cola is known in certain part of Turkey but mark with reputation under Art. 8/5 of Decree Law. Reputation of both marks assessed according to the target group of the goods or the services of the mark concerned.

As for Arkan, trademarks under Art. 7/1(i) and 8/4 of Decree Law are different. Then well-known trademarks under Paris Convention Art. 6bis cannot be registered for similar goods or services; yet trademarks with reputation under art. 8/4 of Decree Law cannot be registered for both similar and different goods and services<sup>[51]</sup>. Also in order to be a well-known mark under Art. 6bis of Paris Convention, mark should be known to public wider than the specific group of the trademark.

According to Yasaman Art. 8/4 covers trademarks reaching a level of reputation, Art. 9/1(c) is about reputation of the trademark. Yasaman claims that trademarks mentioned in Art. 9 are well-known marks. He further stated that since Art. 9/1 uses the wording of “signs identical or similar to the registered mark”, when both Art. 9/1 and 8/4 are interpreted together, protection conferred under art. 8/4 covers “similar marks” too<sup>[52]</sup>.

Since Art. 8/4 of Decree Law uses the word *even/ bile* (Turkish), it seems more appropriate to the language of Decree Law that protection conferred on trademarks with reputation under Art. 8/4 of Decree covers later use in both similar and dissimilar goods and services. Because the recognition of these marks among specific part of public is high and they are registered, they may obtain wider protection against identical or similar signs. Also since the protection provided for well-known marks of Paris Convention Art. 6bis is an

[49] Alper Çağrı Yılmaz. *Türk Marka Hukuku ve Avrupa Birliği Hukukunda Mutlak Tescil Engelleri*, Devlet Planlama Teşkilatı, DPT Yayın No 2769, 2008. p. 72.

[50] Ünal Tekinalp. *Fikri Mülkiyet Hukuku*, İstanbul 2002, §25, no.64

[51] Sabih Arkan. *Marka Hukuku C. 1*, Ankara 1997, p. 105.

[52] Hamdi Yasaman, *Marka Hukuku 556 Sayılı Kanun Şerhi, C.1*, Vedat Kitapçılık, İstanbul, 2004. p. 410.

exception to principle of registration, it cannot be widened to dissimilar goods and services/ against dilution.

Proprietor of earlier trademark shall oppose to registration (Art. 8/4 of Decree Law) or infringement (Art. 9/1(c) of Decree Law). TPI is not obliged to consider the refusal of registry or infringement without any demand, by itself.

For Art. 8/4 on protection to apply, one of the three possible outcomes of the later use should exist in the case. Two of them are related to protection against dilution.

### **9.2 Likelihood of Confusion**

Decree Law does not mention likelihood of confusion or association. Confusion is not a requirement for both outcomes.

MERIDIEN decision<sup>[53]</sup> of Court of Appeal may represent the point of view of Court on dilution. In this case, owner of the trademark Le Meridien for hotels opposed to the registration of trademark “Meridien Bilişim + sign” for computer services. Court held that, Le Meridien is both well-known trademark under Art. 7/1(i) and trademark with reputation under Art. 8/4 of Decree. Since the trademarks are used for dissimilar goods, Court stated that Art. 8/4 is the provision to be applied in this case. According to the Court, for this article to apply there should be a link established between trademarks and this link should result in taking unfair advantage of or being detrimental to the distinctive character or repute of the registered trademark. Court did not use confusion in that case.

### **9.3 Detriment to distinctive character**

First one is that the later use should be detrimental to distinctive character of the earlier trademark with reputation, which can be defined as dilution by blurring. Distinctive character mentioned in Art.8/4 is different from the distinctive character mentioned in Art. 5 of the Decree Law under definitions of signs can be used as trademark. “Distinctive” in the context of Art. 5 is used for the capability of sign to be used as an indicator of commercial origin and its capability to personalize a group of goods or services. On the other hand, distinctive character under Art. 8/4 is related to the personalization of good or service in the present case. It requires a research on potential consumers whether the trademark with reputation has a distinctive character which affects the behavior of consumer in the favor of mark<sup>[54]</sup>.

Detriment to distinctive character means the decrease in the power of attraction of trademark as a result of usage of same or similar signs by different entities. Then when the consumer sees the later mark he/she makes a conscious

[53] 11th Chamber of Court of Appeal, E. 2007/5927, K. 2007/9302, 18.06.2007.

[54] Hanife Dirikkan. Tanınmış Markanın Korunması, Seçkin Yayıncılık 2003, Ankara. p. 199.

or unconscious mental link with the mark with reputation. According to Dirikkan, this protection is related to trademarks functions of showing the origin and advertising. However not every use of mark with reputation on different goods or services is detrimental to distinctive character of trademark, but the later use which is capable to decrease the level of distinctiveness of trademark requires protection. Under Turkish law, TPI and the courts makes the assessment of this possible damage.

In Max v. Maxden decision<sup>[55]</sup>, Ankara 2nd Civil Court of Intellectual and Industrial Property Rights decided on the registrability of defendant's trademark Maxden against the opposition of Unilever N.V.'s trademark of Max. At first instance at TPE, the opposition is rejected for the classes except for ice creams. Court held that trademarks of the parties are similar, then the "Max" is the dominant component of the trademark. "Max" is a trademark with reputation for ice creams and eligible for protection under Art. 8/4 of Decree Law. Parties appealed to this decision. According to the Court, average consumer will think that producers of the goods are same or economically linked. In this case, defendant will not provide goods and services with same quality with the plaintiff; therefore, the consumer will attribute his/her dissatisfaction to plaintiff, and plaintiff's trademark will become ordinary and lose its distinctive power and area of influence.

With this decision, Court decided to protect the mark Max against similar and non-similar goods, since it has reputation and the later use may damage the brand image and lead to a loss of exclusivity.

#### ***9.4 Detrimental to repute of trademark***

Second outcome could be that the later use is detrimental to reputation of trademark, which can be shortened as dilution by tarnishment. This requirement is stated in Art. 8/4 as an relative ground for refusal but it is not counted under Art. 9/1(c), within the scope of protection conferred on trademark. Since both articles aim to protect the trademark with the same context, trademark owner should have the right to depend on Art. 9/1(c) in the cases where exist a detriment to his marks reputation after the registration of the later mark<sup>[56]</sup>.

Use of later trademark may be detrimental to reputation of earlier mark in different ways.

First, trademark with reputation may be used on goods or services with inferior quality. Consumer imagines that mark with reputation and the good of that mark has certain level of quality and create a link with earlier and later

[55] Ankara 2nd Civil Court of Intellectual and Industrial Property Rights. E. 2010 / 191, K. 2011 / 143, <http://www.deris.com.tr/Upload/CourtDecision/42afa496-e558-4ffb-ba7e-c078dd1a5a23/MAX-MAXDEN%20KARAR%20OZETI.pdf> (accessed on 12 July 2012).

[56] Hanife Dirikkan. Tanınmış Markanın Korunması, Seçkin Yayıncılık 2003, Ankara. p.215.

trademark on quality of their goods. In the case the later mark used on low quality goods, consumer will attribute his dissatisfaction to mark with reputation.

This kind of use was discussed in Ford case<sup>[57]</sup> where the word Fort was used on the spare parts of the defendants and it was sued by Ford Motor Company for trademark infringement. The Court decided there is a risk for the spare parts with inferior quality to damage or may damage the reputation of plaintiff's trademark. Thus, the court came to the conclusion that such use infringes the trademark of proprietor.

Second situation may be the cases where trademark's use on the goods against brand image. The use of brand image on different goods and services requires due diligence. In cases where the trademark with reputation used on different goods and services without the permission of proprietor, brand image and the later goods and services may not overlap and there can be a negative change in the behavior of consumer against the mark with reputation.

The mark may be used in a way that leads to establishment of unwanted links. Type of goods of services of later mark may lead to inappropriate associations and links with mark with reputation which may damage the repute of first mark. For instance, use of a well-known perfume mark for rats bane<sup>[58]</sup>.

Mark with reputation may be used in a way that defamatory to brand's image. Here, trademark is used on goods which trademark does not want to be associated with and damages the reputation of the trademark. Like the use of "Adihasch" which is similar to "Adidas" on T-shirts<sup>[59]</sup>. There exists no risk of confusion here. Trademark is used in a way that it is obvious that goods are originate from different enterprises, however later mark uses the distinctive power of the mark with reputation<sup>[60]</sup>.

### **9.5 Without due cause**

As it is in Directive and Regulation, in order to anti-dilution protection to apply there should not be any due cause. Defenses against refusal for registration of mark and infringement in Decree Law are similar to Directive. They may be used against dilution claims.

### **9.6 Proof**

For provisions on protection against dilution to apply later use should take unfair advantage of or be detrimental to the distinctive character or repute of the earlier registered trademark with reputation. Actual damage is not required. The risk of possible or foreseeable damage is sufficient under the condition that TPI or Court is convinced on it. As the distinctive character of the trademark

[57] 11th Chamber of Court of Appeal, E. 1982/3859, K. 1982/4025, 21.10.1982.

[58] Dirikkan., p. 221.

[59] Dirikkan, p. 223.

[60] Dirikkan, p. 223.

increases, so does the chance to damage to reputation increase too.

To exercise his rights, trademark proprietor should first get a decision from TPI for proving the fact that his mark has reached to a certain level of reputation within the public concerned. TPI and the Courts are competent on deciding on the reputation of the trademark<sup>[61]</sup>. But the priority on time belongs to TPI. Accordingly, Court of Appeal decided that the condition of legal interest for filing a suit is not met if the proprietor did not exhaust the legal remedies at TPI first<sup>[62]</sup>.

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#### PART IV. COMPARISON

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The basic idea of dilution is the same in EU and Turkish law. They both try to provide an equitable protection to trademarks with reputation which exceeds the traditional scope of right conferred on trademark. Both sides do not use the name “dilution” openly in their legislations but have the comparable definition in the codes.

The structure and the needs of the sides are different. EU aims to develop a trademark system which follows the integration policy. Turkey on the other side, tries to harmonize the Codes with EU body of law and the universal standards.

Language of the Decree Law is closer to Trademark Regulation. Then Art. 8/4 of Decree Law explicitly states the opposition of proprietor as Art. 8/5 of Trademark Regulation.

Two types of dilution and taking unfair advantage stated in the Codes of both side. Detriment by blurring stated as “detrimental to distinctive character” and interpreted as diminishment in the power of attraction of the trademark<sup>[63]</sup>.

EU has a dual trademark system coexisting together; national trademarks and Community trademarks; while Turkey has national trademarks only. This may create difference with the requirement of reputation, especially in the geographical extent. In this context, rights granted to Community trademarks can be unjustifiably broad when the dilution is discussed<sup>[64]</sup>. Since dilution is accepted on community level, one Community trademark with reputation may block the use of same or similar trademark on dissimilar goods and services for the whole Community.

For the same difference, Turkey has only one administrative body, TPI, and legal system for trademarks, where EU has both OHIM for Community trademarks and national IP offices for national trademarks. Although the essence

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[61] 11th Chamber of Court of Appeal, E.2004/49, K 2004/9168, 04.10.2004.

[62] Ibid.

[63] Case T-215/03, Sigla SA v. OHIM para.39.

[64] Soyong Yook. Trademark Dilution in European Union, 11 Int'l Legal Persp. 223, 2001. p.18.

of them is same, differences may be seen because of the optional provisions in the Directive. As for Turkey, it does not mean that it is out of the scope of Community regulations, consequent to close relations with EU and process of adoption of *acquis*, Turkish trademark law is in accordance with the EU body of law in IP field.

In Turkey cases of dilution are mostly seen under Turkish Commercial Code's provisions on unfair competition, since there is no confusion to the origin of the goods and services. Therefore; number of the cases where Art. 8/4 is discussed is relatively low and the term dilution is not used in those cases. It is mostly referred as detrimental to the distinctive character or repute of the mark with reputation.

Trademarks entitled to dilution protection are relatively more clear under EU Law. Decree Law's language makes it difficult to separate well-known trademarks and trademarks with reputation. There is a tendency to add the well-known trademarks to dilution protection under Art. 8/4 of Decree Law and expand the protection of Art.8/4 of Decree Law to similar goods because of the language of Art. 9/1(c) of Decree Law.

Different from European Union, Turkey has an administrative decision for proving the reputation of the trademark. Then in order to obtain protection against dilution, it is better for proprietors to get a decision from TPI first.

Language of Turkish Decree Law is suitable for interpreting the anti-dilution protection in a way that it includes both similar and non-similar goods and services. Then unlike Directive and Regulation it uses the word even before the later non-similar trademarks which the protection sought against. However in EU, Member States extend dilution protection against non-similar goods under Art. 5/2 of Directive, which is optional.

Confusion is not a requirement for protection against dilution in both sides. It is not clear in the legislation of both sides; however EU has more certainty on the type of association or link need to be established for dilution. This requirement clarified in decisions; *Adidas-Salomon v. Fitnessworld* and *Intel v. CPM*.

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## PART V. CONCLUSION

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**T**rademarks are essentially indicators of origin which informs the consumer on the producers of goods and services. They traditionally provide protection within this scope against to confusion caused by identical and similar signs on identical and similar goods and services. However with the increase in the investments done in trademarks, their definition become broaden with time. Apart from showing the origin and distinguishing the goods and services, they guarantee certain quality and do advertising.

Due to this expansion, need for further protection apart from cases of confusion emerged. This widening in the scope of protection for trademarks first discussed in German case of Odol and developed in the U.S. and come into existence under the name dilution. Dilution means the possible of damage to the trademark with reputation by later use of signs identical or similar to it on goods and services not similar, where there is no likelihood of confusion. It may happen with decrease in the distinctive character of mark (blurring), or enabling negative associations to brand image (tarnishment).

When it compared to the U.S., dilution is relatively a new concept in Europe and although the name is not explicitly stated, it can be found in Trademark Directive, Trademark Regulation and ECJ decisions. Requirements of reputation, type of association between marks and due causes, effects of later use needed for dilution are defined in the cases mentioned previously. Harmonization process of trademark laws of Member States still continues. However duality of trademark systems, ambiguity in the legislations and ECJ decisions make it difficult for EU to agree on one dilution definition and application.

Definition of dilution can be found in the Turkish Decree Law on trademarks. As a result of close relations with EU and process of adoption of EU body law, provisions on dilution are similar. Turkish Decree law is not clear on the distinction between well-known marks under Paris Convention Art. 6bis and trademarks with reputation according to Art. 8/4 of Decree Law. This ambiguity creates difficulties in determination of prerequisites for protections granted in articles 7/1(i), 8/4 and 9/1(c). Also according to common interpretation of Art. 8/4 of Decree Law, anti-dilution protection covers both similar and non-similar goods and services in Turkey. Jurisprudence on dilution is developing; but most of the cases are seen under unfair competition and the term dilution is not used.

In this thesis I have looked into the laws of EU and Turkey on protection of trademarks against dilution. The major differences are in the determination of reputation of the earlier mark, further protection against similar goods and services and role of the administrative decisions in the protection against dilution. My conclusion is that; European Union and Turkey has different structures, policies and aims in trademark law; but close relations stemming from the associate membership and accession negotiations bring them closer in this field and particularly in protection against dilution.

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