

REPUBLIC OF TURKEY
4th CIVIL COURT OF INTELLECTUAL AND INDUSTRIAL
PROPERTY RIGHTS OF ANKARA

DECISION

FILE Nr. : 2010/37
DECISION Nr. : 2011/257
JUDGE : VERDA ÇİÇEKLİ 30139
SCRIBE : NEŞE TOSUN 64703
PLAINTIFF : NESİM FARACI MAHDUMU RAFAEL FARACI – Çarşıkapı Cad.
No: 19 Beyazıt/İSTANBUL
ATTORNEY : Adv. AYKUT KESKİNTÜRK- Levent Cad. Lale Sok. No: 15
1. Levent-Beşiktaş/İSTANBUL
DEFENDANT : DECKERS OUTDOOR CORPORATION - 495-A Fairview, Goleta
California 93 117 999/ U.S.A.
ATTORNEY : Adv.MEHMET GÜN-Kore Şehitleri Cad. No: 17
Zincirlikuyu/İSTANBUL
ACTION : Determination of Trademark Invalidity
DATE OF ACTION : 01.02.2010
DATE OF DECISION : 06.07.2011

ACTION:

The attorney of the plaintiff, with the petition, dated February 1, 2010, has stated that the client was involved in the purchase and sale of footwear and footwear accessories, the client had made a contract with Australian Leather Pty. Ltd., to market the footwear, named as “UGG BOOT”, which has originated from Australia, in order to market the footwear, named “UGG BOOT” in a professional manner, it had filed an application before TPI for the registry of “UGGBOOTS AUSTRALIA” with number 2009/18680, due to the presence of a similar trademark, registered in the name of the defendant, the application was refused in accordance with Article 7/1-b of the Decree Law, numbered 556, however, the trademark of the defendant, which constituted grounds for refusal, denoted type and nature in accordance with Article 7/1-c of the Decree Law, numbered 556, when an end user in Turkey would be asked, it would be said that “UGG” word denoted “a type of boots, made of sheep wool,” the boots in question were specific to Australia and traditional for this country, it was a regional boot type, such as “çarık” in Turkey, therefore, it could not be registered as a trademark, the application, filed by the defendant in Australia was refused, the trademark of the defendant denoted a geographical origin in the sense of Article 7/1-f and in addition, could not be registered in accordance with Article 7/1-h since it was a historical and cultural asset, and in addition, since the trademark was not used as registered it had to be invalidated in accordance with Article 42/c of the Decree Law, numbered 556, and has requested the determination of invalidity of the trademark, numbered 2007/04033, registered in the name of the defendant and the publication of the decision.

RESPONSE:

In the replication, the attorney of the defendant has stated that the plaintiff had both claimed that “UGG” trademark was a descriptive and generic phrase and also tried to register the same phrase in its own name and this proved that the defendant had acted in bad faith, “UGG” trademark of the client was not a generic or descriptive phrase, within this framework, it could not be assessed under Article 7/1-c of Decree Law, numbered 556, the history of the “UGG” trademark of the client dated back to 1978, it was registered in more than 145 countries, before WIPO and OHIM and our country, other than the trademark, subject to this case, it was the owner of the trademarks, numbered 2006/61030, 2007/03446 and the application, numbered 2010/35501, before TPI,

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“UGG” phrase was registered in almost all over the world in the name of the client as a trademark and did not have any meaning other than being a trademark, the client had adopted all kinds of measures to prevent it from becoming a generic phrase, in the judicial decisions, adopted in the United States and in the Netherlands, it was stated that “UGG” phrase was not generic, in various decisions of TPI, the well-known status of “UGG” was underlined, due to the well-known status of “UGG” trademark, even if, for one moment, it was deemed as generic, in accordance with Article 7/final of the Decree Law, it would be impossible to invalidate the same, as established with the decision of 11th Civil Chamber of High Court of Appeals, dated May 26, 2002 and 2000/2762-4717, the well-known trademarks in the sense of Article 6bis of Paris Convention would enjoy the provision of Article 7/final of the Decree Law, while “UGG” phrase was not a geographical sign, it could be produced anywhere in the world, and therefore a breach of Article 7/1-f of the Decree Law was out of question, the trademark of the client was not incompliant with Article 7/1-h of the Decree Law and an unfair competition was also out of question, and in addition, the date of registry was March 17, 2008 and invalidation due to non-use could not be claimed, on the other hand, orders could be placed directly through the website, the plaintiff had acted in bad faith, in the press, it tried to present itself as the company, which introduced “UGG” phrase to Turkey and as the representative of the company in Turkey and therefore, owned the trademark, claimed to be generic and has requested the dismissal of the case.

ASSESSMENT OF EVIDENCE:

The case relates to the determination of invalidity of trademark in accordance with Article 42 of Decree Law, numbered 556.

From the claims, defenses, presented evidences and subpoenaed trademark registry certificates, it was understood that the plaintiff had filed a registry application for “UGG BOOTS Australia logo” phrase with date April 15, 2009 and number 2009/18680, for class 25, due to the presence of a registry of “UGG” phrase in the name of the defendant, numbered 2007/04033, the application was refused within the framework of Article 7/1-b of the Decree Law, numbered 556, the defendant had filed a trademark application before TPI on October 26, 2006 with number 2007/04033, the trademark in question was registered on March 17, 2008 and this case was filed on February 1, 2010 and there are no disputes on these issues.

The dispute has focused on the issue of whether the conditions of invalidation of the trademark, numbered 2007/04033 of the defendant, in accordance with paragraphs 7/1-c-d-f and h of the Decree Law, as referred by Article 42a of the Decree Law, numbered 556 and Article 14 of Decree Law, numbered 556, as referred by Article 42(c) of the Decree Law.

In Article 7/1.c of the Decree Law, it is stated that “*the trademarks containing marks and names indicating type, make, specifications, qualities, quantities, purposes, values and geographical sources in the commercial field, showing the time when goods are produced or services are rendered or indicating other characteristic properties of goods and services as sole or fundamental elements may not be registered.*” From this provision of the Decree Law, it can be clearly understood that the words, which are available for all to use, may not be monopolized for the use of a single person.

In case a phrase or a word contains a mark, which may be used by everyone as the essential element, it may not be registered as a trademark. However, the identification here stands for the notes and features of the goods, on which the trademark will be used. Simple reminders or allusions, which are vaguely related to the goods, will not add a descriptive character to the trademark.

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In case the product contains the name or form of something, it must have such proximity to the goods (for the acceptance that it may be used by all), so that the descriptive character of the trademark must be understood without any intellectual effort (See. Ünal Tekinalp, Fikri Mülkiyet Hukuku. Ed. p. 382).

Article 7/1-d of the Decree Law, numbered 556, specifying absolute refusal grounds, the registry of "The trademarks, which exclusively contain the signs and names, used by everybody in the field of commerce or used to distinguish the members of a profession, art or commerce group, or containing the same as main element," has been prohibited.

Article 7/1-f of the Decree Law, numbered 556, stipulates that "*The trademarks, which will mislead the public with respect to the nature, quality or place of production or geographical origin of the goods or service,*" could not be registered. According to this provision of the Decree Law, a phrase, which will mislead the public concerning the nature, quality and geographical origin of the goods, on which the trademark will be used, could not be registered as a trademark.

In Article 7/1-h of the Decree Law, numbered 556, it has been stated that the trademarks, containing other coats of arms, emblems or hall marks, which are excluded from Article 6ter of Paris Convention, yet which concern the public and which have been in the public domain with respect to historical, cultural values and which are not allowed to be registered by relevant authorities could not be registered.

Accordingly, in order to refuse the request of registry of a mark as a trademark, it must show the characteristic features of the goods or services, on which the trademark will be used and it must be a word, denoting type, make, nature, quality, quantity, purpose, value and geographical origin in the commercial arena. The reason for introduction of such refusal in Article 7 of the Decree Law, numbered 556 is that the trademark in question would be associated with such goods or service and the feature of distinctiveness, which is the basic feature, sought in a trademark, will be out of question. At the same time, monopolization of such phrases, which may be used by everyone when mentioning the related goods or services, by a single person, is out of question.

In order to determine that a mark is a free mark and therefore could not constitute the principal element in a trademark, there must be a direct and close relationship between the mark and goods/services. The mark in question must clearly state the related goods/services or a feature or component of goods/services. In case the mark does not make a direct and clear statements concerning the characteristic features of the goods/services and the abovementioned features, and in case possibility of association between the mark and goods/service through certain interpretations, this may not be deemed sufficient to accept the mark as a free mark.

The acceptance of a word, which has a descriptive meaning in a foreign language, as a trademark, depends on whether this word is commonly known in Turkey or not. The meanings of the words, denoting type, make or characteristic features in the commercial life in the sense of Article 7/1-c, in foreign languages, provided that it is known by the consumers or related circles. The High Court of Appeals has resolved in its "FLORIST" decision, that the use of the word "FLORIST," which was known and used in Turkey in related circles, and which meant "flower shop," as a service mark in the field of floriculture or horticulture, was found incompliant with Article 7/1-c of the Decree Law, since it denoted the type of service and the profession.

Within the framework of the information, given above, when "UGG" phrase, forming the trademark of the defendant is considered.

UGG phrase has no meaning as a word in Turkish or in foreign languages.

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However, it is stated that it was derived from the word “UGGLY” in English. From the scope of the file, it was understood that "UGG" phrase was the name of a boot type, used in Australia produced from sheep wool. That is “UGG” phrase does not mean a special type of boots in all English-speaking countries, it has been conceived and used only in Australia and a phrase, used only in this country.

The spread of the use of UGG phrase and provision of recognition, have been achieved as a result of the efforts of the defendant firm. The defendant firm has provided a worldwide recognition for the phrase in question as a result of intensive promotion and advertising activities, in particular in 2000s. In this sense, the defendant firm, has used “UGG” phrase on its products as a trademark, that is by adding a distinctive feature to this phrase. That is to say, the defendant has used only the “UGG” phrase on its products and has not used any other phrases, other than the phrases, such as “boot” which has no distinctive feature and which may not be perceived as a trademark. Also “UGG” phrase has been registered in around 140 countries across the world and in international organizations and by initiating legal procedures against the use of the abovementioned phrase by other firms, and the defendant has tried to stop it from becoming generic. Therefore, starting from 1978, the “UGG” phrase has been used as a trademark and as a result of such use, it has gained recognition also in countries other than Australia. From the evidences within the file, it was understood that the worldwide recognition of “UGG” phrase was based on the activities of the defendant firm. Also there are no evidences, suggesting that this phrase was known and used prior to the activities of the defendant firm outside of Australia. The defendant firm has made great efforts for promotion and acceptance of “UGG” phrase and has conducted intensive promotion and advertising studies. As a result of these efforts, a regional product, perceived as “ugly” and “coarse,” in which this perception has been reflected on the name, has become the trademark of a product, which is known across the world, used by celebrities, addressing high-end consumers.

As a result of the examination, conducted on internet, it was seen that the “UGG” phrase, with respect to the origin, denoted a boot type, used in Australia, yet its worldwide recognition and popularity were results of the activities of the American firm.

Consequently, it was understood that the “UGG” phrase was the name of a regional product, used in Australia and produced from sheep wool, yet since the defendant firm chose this phrase as a trademark and made great efforts for its promotion, it gained recognition across the world.

As explained above, the acceptance of a word, which has a descriptive meaning in a foreign language, as a trademark, depends on whether this word is commonly known in Turkey or not. In our country, there are no evidences pointing that the “UGG” phrase, subject to the case was known and commonly used as the name of a product, prior to the activities of the defendant firm. In our country, average consumer does not perceive “UGG” phrase as a type of boots. To the contrary, this phrase has been mentioned in various media channels and various articles have been written on it due to the activities of the defendant firm and the reputation of its products.

There are no legal obstacles in front of choosing and using a phrase, which is not known as a product name in our country by the average consumers and which is not commonly used. In accordance with the “principle of regionality” in protection of trademarks, the generic nature of a word in Australia, does not hinder registry in our country.

Within this framework, the decisions, adopted by administrative or judicial bodies of Australia, stating that “UGG” phrase was a generic name, will not be valid for our country.

Consequently, it was concluded that the “UGG” phrase subject to the case, was not a generic name for our country and did not have any descriptive nature, therefore, the invalidation conditions under the provisions of Article 7/1(c) and (d) had not matured.

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In Article 7/1-h of the Decree Law, numbered 556, it has been stated that the trademarks, containing other coats of arms, emblems or hall marks, which concern the public and which have been in the public domain with respect to historical, cultural values and which are not allowed to be registered by relevant authorities could not be registered. In front of the principle of regionality, the "UGG" phrase, subject to the case, is not a historical and cultural value in Turkey in the sense of Article 7/1(h) of Decree law, and therefore, acquisition of permission from any authority was not necessary for its use.

According to the provision of Article 7/final of the Decree Law, numbered 556 (as amended with the Law dated June 22, 2004 and numbered 5194), in case a trademark has been used prior to the date of registry and in case it has gained distinctiveness as a result of this use with respect to the goods and services, subject to the registry its registry may not be denied in accordance with paragraphs (a), (c) and (d) of Article 7, mentioned above.

In case a mark has been used as a trademark prior to the registry application and has gained distinctiveness as a result of such use, its registry may not be refused. For this, a right must be provided for this mark prior to the date of registry. In addition, the unregistered mark must be used as a trademark (in order to distinguish the goods or services from other goods or services). Here, what is meant with the term "use" is the trademark use (TEKİNALP Ünal, Fikri Mülkiyet Hukuku, 4th Ed., §.25. p 391; YASAMAN, Marka Hukuku, Vol. I, p. 406). In order to apply the provision of Article 7/final of Decree Law, the trademark must be provided a certain distinctiveness, in other words, recognition.

Gaining distinctiveness in the sense of Article 7/final means that a phrase, which essentially has no distinctive characteristic, gains acceptance in the commercial life as a result of trademark use and the owner of the mark has associated such mark with itself and has promoted the same by itself. In order to provide it, a mark must be used in connection with a product or a service for a long time together with an intensive advertising campaign and as a result, such mark must be perceived as the trademark of a certain establishment in the circles, related to such product. In the determination of distinctiveness, the intensity of use of the mark, requested to be registered, the geographical extent of the area of use, the term of use and the investments, made by the enterprise for perception of the mark as a trademark.

In case a distinctiveness is gained, a mark, which is available for use by all in the society, and which may be freely used by the public, is left to the monopoly of a single person. That in, in a sense, the power of the public is restricted and such powers are taken from the public and assigned to a private entity.

In the statements made above, it was stated that there were no evidences, stating that the "UGG" phrase in question was used as a type name in Turkey prior to the date of application (2006) or as a word, denoting nature, and within this framework, it was not incompliant with the provisions of paragraphs 7/1-c, d, f and h of Decree Law. However, when the issue is considered within the framework of Article 7/final of the Decree Law, numbered 556, it was seen from the evidences concerning the use of the trademark of the defendant that prior to the date of application, the trademark of the defendant was used in many countries in particular the United States and therefore had gained recognition and distinctiveness across the world.

The recognition of the abovementioned firm outside of Australia, is based on the trademark use of the defendant firm and its promotional activities. Also from the evidences, presented by the defendant party, it was understood that the trademark of the defendant was registered in around 150 countries and international organizations, large-scale and intensive promotion and advertising activities were made,

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large sales amounts were achieved across the world, many publications in press, concerning the trademark were made, the trademark, also had a good reputation and the trademark was granted awards. This well-known status of the trademark of the defendant outside of Turkey, has also been reflected in Turkey and certain celebrities have started to use the products, bearing the trademark of the defendant and publications, related to the trademark, have been made in Turkey. These publications have provided recognition to UGG trademark in Turkey. In an independent research report, presented to the file, it was also stated that the trademark had a high level of recognition. Therefore, it was concluded that UGG trademark was a well-known trademark in the sense of the provision of Article 7/1(i) of Decree Law, numbered 556.

With the decision of 11th Civil Chamber of High Court of Appeals, dated May 26, 2002 and numbered 2000/2762-4717, it was stated that well-known trademarks in the sense of Article 7/1-I of the Decree Law, would enjoy the provision of Article 7/final of the Decree Law. Therefore, the invalidation of the trademark of the defendant may not be claimed on the basis of paragraphs 7/1-a, c and d.

On the other hand, the invalidation of the trademark of the defendant in accordance with Article 42/1-d of Decree Law, numbered 556 may not be claimed as well. That is to say, in accordance with the provision in question, "In case the trademark has become a common name for goods and services as a result of the uses of trademark owners," its invalidation may be claimed. However, since it was not claimed that the trademark of the defendant had become a common name after registry, it was not also claimed that the phrase in question had become a common name due to the actions of the defendant and to the contrary, it was claimed that the phrase in question was a generic name prior to the use of the defendant, that is as of the date of emergence of "UGG" phrase.

According to Article 14/I of the Decree Law, numbered 556, the trademark is invalidated in case it is not used for a term of 5 years following the date of registry without a rightful cause or in case such use is suspended for a term of five years without interruption. Suspension of use has been given among the invalidation reasons, regulated in Article 42 of the Decree Law.

In the current dispute, the date of registry of the trademark, subject to invalidation request on the grounds of Article 14 of the Decree Law, is March 17, 2008. The date of filing of this case with invalidation request, is February 1, 2010. Here, it is seen that the 5-year term has not lapsed after the date of registry of the defendant's trademark, subject to invalidation request. In this case, even if it is determined that the trademark of the defendant, numbered 2007/04033 is determined to have been used different than as registered, it was concluded that the conditions for invalidation in the sense of Article 14 did not mature and the invalidation could not be claimed on the grounds of the abovementioned article.

In addition, it was also considered whether the trademark use of the defendant party was as registered or not.

As a result of the examination of the information and documents, included in the file, it was concluded that the defendant party had used the trademark by preserving "UGG" phrase, which is the main and sole element of the trademark and considering the provision of Decree Law, stating that the trademark could be enhanced with certain ancillary elements, along with the principal element "provided that a confusion with the trademark of other persons, is avoided," and such use would be accepted as the use of the registered trademark and the case laws of the High Court of Appeals, the trademark use of the defendant firm had to be accepted as the use of the trademark, registered before TPI with number 2007/04033.

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The plaintiff party has relied on the public survey as an evidence and according to this public survey, it was concluded that the “UGG” phrase was perceived as a boot type, made of sheep wool, yet it was understood that the trademark application, subject to the case was filed on October 26, 2006 and was registered on March 17, 2008 and the study was conducted on March 17, 2011. Then, as of the date of registry of the trademark in question, such perception among the consumers was out of question and in addition, in the public survey in question, the target audience was also unknown and in addition even if the study in question is accepted as accurate, 35 % of the consumers had perceived “UGG” word as a trademark. In this case it was concluded that it could not be said that the trademark of the defendant, subject to invalidation request, had become a common name for the goods and services in accordance with Article 42(d) of the Decree Law, numbered 556, due to the actions of the trademark owner.

In addition, from the evidences, presented by the defendant party, it was determined that the “UGG” trademark was registered in particular in the United States in 1996 for class 25, including footwear, in Canada in 2003, at OHIM in 2001, at WIPO in 2006, in People’s Republic of China in 2006, in Japan in 1998 for class 25, including footwear and in addition it was registered in more than 100 countries for class 25, including footwear such as shoes and boots.

Within the framework of the claim, defense, the determinations, given above, the adopted expert report and its annex, it has become necessary to resolve for the dismissal of the case, which has not been proven.

DECISION: In view of the foregoing reasons,
The DISMISSAL of the case

With the deduction of the advance fee, amounting to TL 17.15, from the fixed fee of TL 18.40, the collection of balance, amounting to TL 1.25 from the plaintiff and the registry of the same as revenue for Treasury,

The collection of TL 1,650.00, determined in accordance with Minimum Attorney’s Fee Tariff, from the plaintiff and the delivery of the same to the defendant,

The collection of the court fees, amounting to TL 16.50, spent by the defendant, from the plaintiff and the delivery of the same to the defendant,

The imposition of the legal expenses, made by the plaintiff, on the plaintiff,

Has been resolved, subject to appeal at High Court of Appeals within 15 days after the date of service in accordance with Article 427 et seq. of Code of Civil Procedures and read and explained in front of the attorneys of the parties. 22.07.2009