

REPUBLIC OF TURKEY
MARMARA UNIVERSITY
INSTITUTE OF EUROPEAN STUDIES
EUROPEAN LAW DEPARTMENT

**INFRINGEMENT OF TRADEMARK RIGHTS ON THE INTERNET
IN THE EUROPEAN UNION AND TURKISH LAW**

Doctorate Thesis

F. Zeynep YASAMAN

Istanbul, 2019

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Adviser: Ass. Prof. Dr. Murat Yusuf AKIN

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Marmara Üniversitesi

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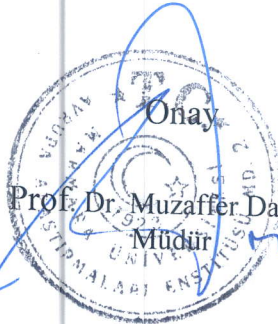
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ABBREVIATIONS

ADR	: Alternative Dispute Resolution
AG	: Advocate General
Art.	: Article
AYM	: Anayasa Mahkemesi (Turkish Constitutional Court)
BAM	: Bölge Adliye Mahkemesi (Turkish Appeal Court)
BATIDER	: Banka ve Ticaret Hukuku Dergisi (Banking and Commercial Law Journal)
CA	: Cour d'Appel (French Court of Appeal)
C.Cass	: Cour de Cassation (French Supreme Court)
ccTLD	: Country-Code Top Level Domain
CJEU	: Court of Justice of the European Union
CTM	: Community Trademark
DMCA	: Digital Millennium Copyright Act
DNS	: Domain Name System
ECHR	: European Court of Human Rights
EEA	: European Economic Area
EU	: European Union
EU TM	: European Union Trademark
EUIPO	: European Union Intellectual Property Office
EWCA	: England and Wales Court of Appeal
EWHC	: England and Wales High Court of Justice
EWPPC	: England and Wales Patents County Court
FMR	: Ankara Barosu Fikri Mülkiyet ve Rekabet Hukuku Dergisi (Journal of Intellectual Property and Competition Law)
FSHHM	: (Turkish) Intellectual and Industrial Property Rights Civil Court
gTLD	: Generic Top-Level Domain
HD.	: Hukuk Dairesi (Civil Chamber)
HTML	: Hypertext Markup Language
IANA	: Internet Assigned Numbers Authority
ibid	: ibidem (in the same place)
ICANN	: Internet Corporation for Assigned Names and Numbers
ICTA	: Information and Communication Technology Authority
IDNC	: Internet Domain Name Communication
IDNDRMC	: Internet Domain Name Dispute Resolution Mechanism Communication
IDNR	: Internet Domain Name Regulation
INTA	: International Trademark Association
IP (address)	: Internet Protocol (address)
IP	: Intellectual Property
IPL	: Intellectual Property Law
ISP	: Internet Service Provider
ISSP	: Internet Society Service Provider
LCEN	: La Loi pour la Confiance dans l'Economie Numérique (The Law for Confidence in the Digital Economy)
METU	: Middle East Technical University
NTD	: Notice and Take Down

OHIM	: Office for Harmonization in the Internal Market
O.J.	: Official Journal
p.	: Page
Par.	: Paragraph
PPC	: Pay per click
sTLD	: Second-Level Domain
TBB	: Türkiye Barolar Birliđi
TC	: Tribunal de Commerce (Commercial Court)
TGI	: Tribunal de Grande Instance (First Instance Court)
TM	: Trademark
TMD	: Trademark Directive
TMR	: Trademark Regulation
TPTI	: Turkish Patent and Trademark Institute
UDRP	: Uniform Dispute Resolution Policy
UGC	: User Generated Content
UK	: United Kingdom
UKSC	: United Kingdom Supreme Court
URL	: Uniform Resource Locators
Vol.	: Volume
WIPO	: World Intellectual Property Organization
Yarg.	: Yargıtay (Turkish Supreme Court)

INTRODUCTION

Trademarks, being signs which serves to distinguish the goods or services of an undertaking from those of other undertakings, are the determinant element in the purchase decision of the consumer. On the other hand, the Internet allows the trademark proprietors to reach consumers beyond the borders of their origin country. However, in parallel with the developments in the technology, new methods have emerged to allow third parties to use the trademarks through various methods on the internet and thus the online environment has become a new and important venue for the violation of trademark rights. Moreover, in some cases where the trademark is used by third parties without the consent of the trademark proprietor, the application of the classical trademark law principles may not fit to the uses made on the online environment. In this respect, the current trademark law and the case-law for the protection of trademark rights have been rearranged and adopted according to these developments.

Internet is defined by the World Intellectual Property Organization (WIPO) as “*an interactive medium for communication which contains information that is simultaneously and immediately accessible irrespective of territorial location to members of the public from a place and at a time individually chosen by them*”¹. In this regard, the Internet is a platform where multiple communication networks consisting of computers are formed together. In other words, the Internet is a communication network established between computers. In fact, the word “Internet” is defined as the abbreviation of the words “International Network”².

The Internet started, in the 1970’s, for interconnecting computer systems of the United States Department of Defense. While it was used primarily for academic purposes through the 1980’s, the increasing commercialization in the 1990’s accelerated the development of the World Wide Web³. In today’s worlds, the Internet is used in every

¹ WIPO, “Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights in Signs on the Internet (adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO at the thirty-sixth series of meetings of the Assemblies of the Member States of WIPO, September 24 to October 3, 2001)”, art.1/vi (“*Joint Recommendation on Internet Uses*”)

² Tamer SOYSAL, “İnternet Alan Adları Sistemi ve Tahkim Kuruluşlarının UDRP Kurallarına Göre Verdikleri Kararlara Eleştirel Bir Yaklaşım – 1”, Sosyal Bilimler Enstitüsü Dergisi, No. 21, Year 2006/2, p.484

³ Steven WRIGHT, “Cybersquatting at the intersection of the Internet Domain Names and Trademark Law”, IEEE Communications Surveys & Tutorials, Vol. 14, No.1, First Quarter, 2012, p.193

area of life. In parallel to this, the use of the internet is increasing day by day in the world. For example, in 2017, 87 % of households in the European Union (EU) had access to the internet, compared with 70 % in 2010⁴. While this ratio in Turkey was 41,6% in 2010, it increased to 80,7% in 2017 and to 83,8% in 2018⁵. As of March 2019, the number of internet users in the world is 4.383.810.342. This numbers shows that more than half (56,8%) of the world population is using the internet⁶. Within the European Union, in the countries such as Denmark, Finland, France, Germany, Ireland, Italy, Norway and the United Kingdom, the ratio of internet users to the population is over 90-95%. This ratio in Turkey is 68,4%⁷.

Looking more closely at what European internet users are doing when they are online, the most common activities in 2017 were sending and receiving e-mails (86 %), looking for information (78 %), reading news online (72 %) and participating in social networks (65 %). On the businesses side, in 2017, 8 out of 10 internet users in the European Union searched online for information about goods or services. In response, companies are strengthening their presence in the online environment, for instance by setting up a website, a social media account or by making targeted advertising⁸. In that context, according to a Eurobarometer survey carried out in 10 EU Member States⁹ in 2016, almost four in ten companies sell their products and/or services on the internet. Among those who use Internet to sell products or services, 88% of them use their commercial website, 82% of them rely on search engines and 42% of them use online marketplace to sell their products and/or services¹⁰.

In order to sell a product or provide a service on their own commercial websites, companies need a domain name for this website. This domain name chosen by the

⁴ EUROSTAT, Digital Economy & Society in the EU, 2018 edition, (available at <http://ec.europa.eu/eurostat/cache/infographs/ict/2018/bloc-1a.html>) (last accessed on 04.07.2018)

⁵ TÜİK – Hanehalkı Bilişim Teknolojileri Kullanım Araştırması, Bilgi Toplumu İstatistikleri (Information Society Statistics) 2004-2018, accessible at http://www.tuik.gov.tr/VeriBilgi.do?alt_id=1028 (last accessed on 03.12.2018)

⁶ <https://www.internetworldstats.com/stats.htm> (last accessed on 13.06.2019)

⁷ <https://www.internetworldstats.com/stats4.htm#europe> (last accessed on 20.06.2018)

⁸ EUROSTAT, Digital Economy & Society in the EU

⁹ Denmark, Germany, the Netherland, Estonia, Poland, Spain, France, Ireland, Sweden and the United Kingdom

¹⁰ European Commission Flash Eurobarometer 439 Report, “The Use of Online Marketplaces and Search Engines by SMEs”, April-June 2016, p.2-4 (available at http://ec.europa.eu/information_society/newsroom/image/document/2016-24/fl_439_en_16137.pdf) (last accessed on 26.02.2019)

companies correspond generally to their trademarks. In that regard, the most common medium where the trademark is used on the internet is the domain names. Domain names are easily remembered internet addresses of the IP addresses numbers assigned to each computer connected to the internet¹¹. That being the case, as a result of the developments to date, domain names are no longer considered as a mere address, but an identification sign and a property right.

On the other hand, in parallel with the growth of the population reached through the Internet, advertising on the internet has come into prominence. In fact, companies invest more in digital than the conventional advertising such as TV. For example, according to Media and Advertising Investment Report of 2018 prepared by the Association of Advertising Agencies in Turkey¹², globally, the investment ratio in the digital is higher than the TV investments, %41 versus %33. Regarding Turkey, while 47% of media investments was made for television investments in 2018, investments made in the digital environment ranked in second place with a market share of 28.9%¹³ growing 14.8% over the previous year. Digital includes various types of internet advertising. One of them is the search engine advertisements. When a searcher enters a search term on a search engine, results are displayed according to some criteria. However, there are a number of methods in order to bypass these criteria and to make appear the link of the website at the top of the search results. One of them is keyword advertising which is made by using a trademark or other sign as a keyword. On the other hand, besides the keyword advertising, another way to make the website to be ranked higher in search engine results is using the trademark in the source codes of the website, namely in metatags. The common point of these types of advertisements is that the advertiser's website link and/or advertisement appears on the screen of the internet users in

¹¹ Tamer SOYSAL, İnternet Alan Adları Sistemi – 1, p. 490

¹² Deloitte Reklamcılar Derneği Raporu, “Türkiye’de Tahmini Medya ve Reklam Yatırımları 2018 Yılı Sonu Raporu”, March 2019, available at <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/technology-media-telecommunications/2018-turkiyede-medya-ve-reklam-yatirimlari.pdf> (last accessed on 29.06.2019)

¹³ Investments made in digital media amounted to 2,385 million TL, of which 1,467 million TL is made in display and 918 million TL in search engine investments. The display includes all formats such as banner, text-link, rich media, in-text, etc, based on impression or click; video and audio ads; and all paid Native ads that present the trademark message without interrupting the consumer's reading/watching stream. Ads displayed on search engines' broadcast network or video platforms fall within the display category. The search engine category includes investments in search engines in order to prioritize advertisement.

consequence of the search, on the search engine, of a trademark which is used by the advertiser as a keyword and which belongs to a third party.

Besides using their own websites and promoting it through online advertisement in order to reach more consumer, another way that companies may use to sell their products or services is the online market places. In fact, with the increase in e-commerce, virtual retailing has become widespread along with normal physical stores. 7000 online platforms or market places operate solely in the European Union¹⁴. Moreover, online social media has become another important channel for companies to promote their goods or services.

As a result of these developments, the internet has become an important medium in which the trademark can be used with or without the consent of the trademark proprietor. Against these kinds of uses, the rights of the trademark proprietors are protected under the Trademark Law. In Turkey, the Trademark Law is regulated within the scope of Industrial Property Law No. 6769 (*“the IPL”*)¹⁵. In the European Union, trademark law is regulated through two important legal instruments. Currently, the Directive No. 2015/2436¹⁶ (*“the Trademark Directive”*) which harmonizes the trademark laws of the Member States and the Regulation No. 2017/1001¹⁷ (*“the Trademark Regulation”*) which provides for a European Union Trademark¹⁸ and which valid throughout the entire European Union are in force. Moreover, the decisions of the Court

¹⁴ European Commission – Press Release, “Digital Single Market: EU negotiators agree to set up new European rules to improve fairness of online platforms’ trading practices”, 14.02.2019, available at http://europa.eu/rapid/press-release_IP-19-1168_en.htm (last accessed on 26.02.2019)

¹⁵ O.J. 29944, 10.01.2017; The Decree-Law on Protection of Trademarks No. 556 (*thereinafter “Decree-Law no.556”*), which was in force prior to aforementioned IPL, is regulated pursuant to art.4/3 of the Annex 8 of the Decision No.1/95 of the EC-Turkey Association Council (of 22 December 1995 on implementing the final phase of the Customs Union (96/142/EC); OJ of the European Communities No L 35/1, 13.02.1996) in line with the Council Directive 89/104/EC (of 21 December 1998 to approximate the laws of the Member States relating to trade marks (89/104/EEC), O.J. L 40, 11.2.89) which has also been repealed.

¹⁶ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks, O.J. L 336, 23.12.2015

¹⁷ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark, O.J. L 154, 16.06.2017

¹⁸ While applications for national trademark registrations are made before national IP Offices, Community Trademark applications are made before the European Union Intellectual Property Office (EUIPO) situated in Alicante, Spain

of Justice of the European Union (CJEU) constitute important instruments to interpret and apply the European Trademark Law¹⁹.

The use of trademarks on the internet is regulated under the article 7/3-d of the IPL, according to which “*a use, with commercial effect on the internet, of any identical or similar sign as domain name, metatag, keyword or in different forms by a person who has no rights or legitimate interest on it*”, may be prohibited by the trademark proprietor within the meaning of the provision of the second paragraph, provided that the sign is used in the course of trade. On the other hand, in the European Union Trademark legislation, there is no regulation specific to the use of the trademark on the Internet. Trademark infringement through internet use is resolved within the framework of the general principles of trademark law. At this point, the CJEU fills the gap by creating case-law with regard to that issue. In fact, even though there is a special provision within the scope of the IPL in Turkey regarding the use of the trademark on the internet and even though there is no such provision in the EU, it is seen that the CJEU interprets the trademark law according to the characteristics of the concrete case by taking into account the present technological features and reaches a conclusion accordingly. On the contrary, in the Turkish judiciary, although it is generally decided in parallel with the EU case-law, in some cases, Turkish courts reach a decision without assessing the particular characteristics of the issue.

The idea of writing this thesis has arisen in the face of different conclusions reached by the Turkish Courts as compared to the European ones for some kind of uses made on the internet, and because of the limited number of written works on this subject in Turkey. In this context, the thesis intends to fill the gap with regard to the infringing uses on the internet and how they are evaluated under the European and Turkish Trademark Law.

The thesis consists of three sections. In the first section, the general conditions of infringement of trademark rights within the scope of the Turkish and European Union Trademark Law are examined. In this regard, primarily, the characteristics of the

¹⁹ Pier Luigi RONCAGLIA, Giulio Enrico SIRONI, “Trademark Functions and Protected Interests in the Decisions of the European Court of Justice”, *The Trademark Reporter*, Vol.101, No.1, January-February 2011, p.147

allegedly infringing uses are presented. Accordingly, the requirements of “use without the consent of the trademark proprietor”, “use in the course of trade”, “use in relation to goods or services” and “use with commercial effect” are explained. Subsequently, infringing types of uses, such as identical, similar and reputed marks uses are examined.

In the second section of the thesis, how the trademark is infringed through uses on the internet and how they are assessed under the Turkish and European Union legislation and case-law is determined, and their differences are revealed. In this respect, uses of the trademark in domain names, in keywords and metatags in the context of online search-based advertisement, in online market places and in the social media are examined. The defenses that can be alleged against these uses made on the internet are explained thereafter.

The responsibility regime in consequence of the infringing uses is of importance. Indeed, due to provisions regulated especially for internet service providers within the scope of the E-Commerce Directive and the Turkish Law no. 5651, these providers may be exempted from liability even if the uses made by third parties by using the service of these providers constitute a trademark infringement. In that regard, the third section of the thesis is dedicated to the liability of the actors who operate on the internet. In the first place, the actors whose liability can be held are determined. After that, the liability regime that is applicable to them is explained. Lastly, the liability of specific entities in specific cases are examined. For instance, with regard to the uses in domain names, the liability of the domain name owner, domain name registries and other actors such as domain name buying and selling platforms and parking sites operators are determined. Within the scope of online advertising, the liabilities of the advertiser and the search engine displaying the ads are assessed separately. In addition, the liabilities of the online market places, online social media operators such as social networking sites and virtual world operators and of their users are determined. Lastly, in respect of uses on mobile apps constituting a trademark infringement, the responsibilities of the operators of these platforms and the developers of the applications are examined.

The subject of the thesis is the infringement of the trademark rights through certain uses made on the internet and it is limited to Turkish and European Trademark

Law. Even though the American law and case-law on this subject is much more developed, it is not included within the scope of the thesis in respect of limiting the subject. Nevertheless, in cases where both the Turkish and European Trademark Law and case-law fall short of finding a solution, it is referred to the American courts' decisions.



First Section

INFRINGEMENT OF TRADEMARK RIGHTS

I. GENERAL CONDITIONS FOR TRADEMARK INFRINGEMENT

In order for the companies to attract customers by the quality of their products or services, they need distinctive signs to identify them. In this perspective, the essential function of a trademark is “*to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin*”²⁰. In that regard, the core rationale of trademark protection is to prevent such confusion²¹. However, as it will be explained in detail below, it is well accepted nowadays that trademarks do not perform only the origin function anymore and their advertising, investment and communication functions worth protection as well. In this regard, today’s trademark protection not only prevents consumers from being misled, but also aims to protect the trademark goodwill, which in turn protect the investments made in the goods or services associated with the trademark by the right holder.

Another aspect of the trademark protection is that it is territorial. In other words, the trademark right is subject to the “principle of territoriality”. As a result, the trademark right produces effects for the benefit of the owner only in the territory for which it has been registered. Thus, a trademark registered in Turkey before the TPTI confers protection only for the national territory, likewise a European trademark registered before the EUIPO has its effects only on the European territory. This is especially an important criterion with regard to uses made on the internet. Indeed, since the internet has a global dimension and does not have any border, it is important to determine the scope of protection of a trademark in a given country or territory.

In that respect, while the scope of trademark protection has been widened by comprising other functions than the origin function, not every use amounts to a trademark

²⁰ C-206/01, Arsenal Football Club plc. v. Matthew Reed (“Arsenal”), 12.11.2002, par.48

²¹ Martin SENFTLEBEN, “Adapting EU Trademark Law to New Technologies: Back to Basics?”, in C. Geiger (ed.), *Constructing European Intellectual Property: Achievements and New Perspectives*, Edward Elgar Publishing, 2013, p.140

infringement. In order to constitute a trademark infringement, a use, in the first place, must fulfill some conditions. These conditions determine especially whether a use is a use within the meaning of the trademark law. While these “use” conditions are generally the same in the Turkish and the EU legislation, there are some interpretative differences in some points. In that regard, it will be analyzed in the first place, the condition that an alleged infringing use should meet in order to be qualified as a use within the meaning of the European and Turkish Trademark Law (1). After being qualified as a use which falls within the ambit of trademark law, such use can be prevented by the trademark proprietor in different situations. These are, namely, identical, similar and reputed marks’ uses. In that regard, it will be analyzed infringing types of uses in the second place (2).

1. EUROPEAN UNION AND TURKISH TRADEMARK LAW ON INFRINGEMENT

The right of a trademark proprietor to prevent third parties’ infringing use is regulated in art. 10 of the Trademark Directive. Pursuant to art.10/2 of the said Directive, “(...) *the proprietor of that registered trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:*

(a) the sign is identical with the trade mark and is used in relation to goods or services which are identical with those for which the trade mark is registered;

(b) the sign is identical with, or similar to, the trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) the sign is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark”.

In the Turkish Trademark Law, the acts considered as infringing trademark rights are regulated in art. 29 of the IPL. Accordingly, using a trademark as set out in article 7 without the consent of the trademark proprietor is considered as infringement of trademark rights (art.29/1-a). Pursuant to the article 7/2, the trademark proprietor can prevent third parties without its consent,

“a) Use of any sign identical with the trademark for goods or services that are in the scope of registration.

b) Use of any sign identical with or similar to a registered trademark and covering identical or similar goods or services with the registered trademark, and is therefore liable to create a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark.

c) Use of any sign identical with or similar to the registered trademark, irrespective of being for identical, similar or different goods or services, where the use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark due to its reputation in Turkey”.

In this manner, both the European and the Turkish Trademark Law establishes three different situations in which trademark proprietor may prevent third parties' uses without its consent. These are, namely, identical, similar and reputed marks use.

The circumstances giving rise to infringement in these situations are categorized in detail by English Judges in the light of the EU Trademark Law (art.10/2-a of the Trademark Directive, art. 9/2-a of the Trademark Regulation) and the CJEU case-law. Accordingly, regarding *the identical use*, six conditions should be satisfied. In the first place, the use of a sign by the third party should be made “*within the relevant territory*”, “*in the course of trade*” and “*without the consent of the trademark proprietor*”. Then, the sign in question should be “*identical*” to the trademark and used “*in relation to identical*

goods or services” to those for which the trademark is registered. Finally, such use should “*affect, or is liable to affect, one of the functions of the trade mark*”²².

Regarding *the similar use*, equally six conditions has to be met in order to establish an infringement under the European Trademark Law (art.10/2-b of the Trademark Directive, art. 9/2-b of the Trademark Regulation). Accordingly, the use of a sign by the third party should be made “*within the relevant territory*”, “*in the course of trade*” and “*without the consent of the trademark proprietor*”. Then, the sign in question should be “*similar*” to the trademark and used “*in relation to similar goods or services*” to those for which the trademark is registered. Finally, such use should create “*a likelihood of confusion*” in the mind of the public²³.

Concerning *the use of a reputed mark*, in order to establish infringement under the European Trademark Law (art.10/2-b of the Trademark Directive, art. 9/2-b of the Trademark Regulation), nine conditions should be satisfied. Accordingly, in the first place, the trademark in question has to have “*a reputation*” in the relevant territory. Then, the use of a sign by the third party should be made “*within the relevant territory*”, “*in the course of trade*” and “*without the consent of the trademark proprietor*”. The sign used should be “*at least similar*” to the trademark and used “*in relation to goods or services*”. Moreover, such use should create in the mind of the consumer “*a link*” between the sign and the trade mark and give rise to one of three types of injury, namely “*detriment to the distinctive character of the trade mark, detriment to the repute of the trade mark or unfair advantage being taken of the distinctive character or repute of the trade mark*”. However, in order to amount to an infringement, such use should be made without “*due cause*”²⁴.

Before proceeding with a separate review of these situations, it is useful to specify the common characteristics for each of the three situations. Accordingly, in the first place, the alleged infringing use must be made “*without the consent of the trademark proprietor*”. Furthermore, a sign does not exercise the function of a mark and can

²² EWHC 256 (Ch), Supreme Petfoods Limited v. Henry Bell & Co (Grantham) Limited (“Supreme Petfoods”), 12.02.2015, par.83

²³ EWHC 17 (Ch), Enterprise Holdings Inc. v. Europcar Group UK Limited and Europcar International SASU, 13.01.2015, par.112

²⁴ Ibid., par.119

therefore only justify a qualification of infringement if it is used in the life of the business to indicate goods or services²⁵. Therefore, the use must be “*in the course of trade*” and “*in relation to goods or services*” in order to be prevented by the right holder. Moreover, as indicated above, according to the the principle of territoriality, only an act performed in the territory over which the right has effect is likely to fall within the scope of this right. Especially concerning the use on the Internet, this use can only affect a national trademark if the web site in question targets the people of this nation²⁶, hence the necessity of the use made having an economic impact on the given territory. This last condition is clearly defined in the context of the use of the Internet in the IPL and there is no such regulation in EU legislation.

In this respect, it will be examined below the necessary conditions for there being a use which may be qualified as an infringing use, such as, use without the permission of the trademark proprietor (A), use in the course of trade (B), use in relation to goods and services (C) and use with commercial effect (D).

A. Use without the Consent of the Trademark Proprietor

In order to establish a trademark infringement, in the first place, the use of the third party should be made “*without the consent of the trademark proprietor*”. This matter is clearly stated in the IPL, in points (a) and (b) of the first subparagraph of Article 29 entitled “the acts constituting an infringement of trademark rights”, which states that using a trademark as set out in article 7 and imitating the trademark by using a sign identical to or confusingly similar with the trademark “*without the consent of the trademark proprietor*” shall constitute an infringement of trademark rights. Equally, art. 10/2 of the Trademark Directive provides that the trademark proprietor is entitled to prevent all third parties “*not having his consent from using...*”

The use of the trademark by third parties is subject to the written or verifiable actual (implied) consent of the trademark proprietor. The burden of proof that this consent had been given fall upon on the party who uses the trademark²⁷.

²⁵ Jérôme PASSA, Droit de la Propriété Industrielle, Tome I, L.G.D.J., Paris, 2006, p.220

²⁶ Ibid., p.220

²⁷ Sevilay UZUNALLI, Markanın Korunmasının Kapsamı ve Tazminat Talebi, Ankara 2012, p.28

For instance, while agents or sole authorized dealers (dealers, distributors or authorized services, etc.) may be consented to use the trademark, however, if they continue to use the mark at issue after the termination of contract, such use will constitute an unauthorized use. Likewise, if the consent to use the trademark has been granted under a franchise or similar agreement and if this contract has been terminated, the use of the trademark will be a use without the permission of the trademark owner.

Even if there is any written agreement between the trademark proprietor and third party regarding the use of the trademark, this consent may be given orally. In such a situation, an agreement giving the authorization of using the trademark is deemed to be concluded between the parties. The use by the third party based on such consent is considered lawful until the termination of the agreement by the trademark proprietor. This latter may end its consent and stop the use either by sending a notice of termination or by filing a lawsuit. If a legal action is brought, the petition will be a notice of termination. In this respect, if the third party continues to use the trademark after the motion date, this use will be against the consent of the trademark proprietor, thus unlawful²⁸.

However, in order to hold responsible third party who allegedly used the trademark without the consent of the trademark proprietor, this use should be done by a third party who has control, direct or indirect, of the act constituting the use. Indeed, only this person is effectively able to cease this use and thus to comply with the said prohibition²⁹. For instance, in a case before the CJEU, the person who used the trademark in the advertisements on the internet with the consent of the trademark proprietor, requested from the advertising agency to remove the trademark from the advertisements when its agreement with the trademark owner has ended. However, the advertising agency did not respond to these requests, and these advertisements containing the trademark continued to appear in the online environment. The trademark proprietor brought an action against the advertiser. However, the CJEU held that the advertiser cannot be held liable for the acts or omissions of online advertising service provider who,

²⁸ Yarg. 11. HD. 2016/2284 E. 2017/4546 K. 20.09.2017 T. (www.kazanci.com)

²⁹ C-179/15, Daimler AG v. EGYÜD Garage (“Daimler”), 03.03.2016, par. 41

intentionally or negligently, disregards the express instructions given by that advertiser who is seeking to prevent the use of the mark³⁰.

B. Use in the Course of Trade

One of the common conditions required for the violation of the trademark rights in the European and Turkish Trademark Law, is the requirement of the trademark being “*used in the course of trade*”. This condition which was not stated in the Decree-Law no.556, has entered into Turkish Trademark Law by the IPL in the third subparagraph of Article 7 of the IPL. In this regard, provided the conditions set forth in paragraph 2 of art.7 are satisfied, the trademark proprietor may only prevent uses which occurs “in the course of trade”. This kind of regulation is in accordance with the European trademark legislation, as art.10/2 of the Trademark Directive and art.9/2 of the Trademark Regulation provides that the trademark proprietor can prevent third party uses which are made “in the course of trade”. The only difference between the EU legislation and the IPL is that the “use in the course of trade” requirement is mentioned in the paragraph where infringing use patterns such as identical, similar or reputed mark uses are regulated (art.10/2 of Trademark Directive), whereas this requirement is located in the IPL in the paragraph where infringing use forms are cited such as putting the sign on the goods or its packaging; importing or exporting the goods under the sign etc. (art.7/3 of the IPL). In my opinion, this kind of difference between two legislations does not cause any theoretical and practical difference. Indeed, the forms of use set out in subparagraph 3 are listed as an example of use patterns provided in subparagraph 2³¹.

According to the case-law of the CJEU, for the use to be considered to be in the course of trade, “*it must take place in the context of commercial activity with a view to economic advantage and not as a private matter*”³². The reason of this condition is that a sign that is not used in the commercial life does not play the role of a trademark, so it is

³⁰ Ibid., par. 34

³¹ In the same way, see Pelin KARAASLAN, “Tescil Hakkının Kazanılması, Muhafaza Edilmesi ve İhlal Edilmesinin Bir Koşulu Olarak ‘Markanın Kullanılması’”, FSHD Vol.12, Issue:48, Year 2016, p.1186

³² C-206/01, Arsenal, 12.11.2002, par.40; C-17/06, Céline SARL v. Céline SA (“Céline”), 11.09.2007, par.17; C-62/08, UDV North America v. Brandtraders (“UDV North America”), 19.02.2009, par.44; C-245/02 Anheuser-Busch v. Budejovický Budvar (“Anheuser-Busch”), 16.11.2004, par. 62; C-487/07 L’Oréal and Others v. Bellure and others (“L’Oréal”), 18.06.2009, par. 57

inapt to compromise the trademarks functions³³. Therefore, including operations that are inscribed in the economic area and intended to obtain a direct or indirect advantage of an economic nature, this notion of use in course of trade has the effect of exclusion of acts from scope of application, that are not aimed the promotion of goods or services, but pursue a completely different objective which is irrelevant to the commercial life³⁴. For instance, in a case where the website under the domain name www.yurticikargomagdurlari.com contained news, photographs, videos about the protests and manifestations of the employees who were fired by the company Yurtiçi Kargo, the court did not found an infringement of the plaintiff's trademark "Yurtiçi Kargo", as the website content and domain name does not have a commercial objective and nor a commercial function, does not cause any commercial effect, and therefore does not constitute a trademark use³⁵.

The example of legitimate private use given by the Advocate General in Arsenal case before the CJEU is that a person's use of keychain on which BMW trademark affixed³⁶. Moreover, the acts of private persons selling or buying trademarked goods fall also outside of the scope of application of trademark law³⁷. For instance, when a person *sells* a trademarked product through on an online marketplace without the transaction being in the context of a commercial activity, the trademark proprietor cannot invoke his exclusive right³⁸. Equally, in a case where an individual who *bought* a counterfeit Rolex watch from a Chinese on-line shop had been found as not breaching Danish law on

³³ Jérôme PASSA, p.221

³⁴ Jacques AZEMA, Jean-Christophe GALLOUX, *Droit de la Propriété Industrielle*, 7e édition, 2012 Paris, p.869

³⁵ İstanbul 4. FSHM 2012/137 E. 2013/117 K. 02.07.2013 T.; Approval Yarg. 11. HD. 2013/15738 E. 2014/5119 K. 17.03.2014 T. (www.kazanci.com); in this case, although the Court held that there is no infringement in respect of trademark law, nevertheless, it concluded that the use at issue constitutes unfair competition within the meaning of art.55/1-a-1 of the Turkish Commercial Code due to the fact that the expression "yurticikargomagdurlari" that compose the domain name at issue creates a negative connotation in the public regarding the plaintiff, and that such a domain name is humiliating and damaging the commercial reputation of the plaintiff and constitutes unfair competition.

³⁶ C-206/01, Arsenal, Opinion of AG Ruiz-Jarabo Colomer, 13.06.2002, par.63

³⁷ C-324/09, L'Oréal v. eBay ("eBay"), Opinion of AG Jaaskinen, 09.12.2010, par.79. However, in a case where a private individual *buys* counterfeit goods, the trademark holder can prevent such use as the activity of the seller is made for commercial purposes. Moreover, even in the case where the private individual buys the counterfeited goods via an online website in a third country where the mark is not protected, the trademark holder can prevent such use when these goods are sold or offered for sale or advertised to a customer in the territory where the mark is protected. Where there is a sale, the trademark owner enjoys the protection at the time when those goods enter the territory merely by virtue of the acquisition of those goods (C-98/13, Martin Blomqvist v. Rolex ("Rolex"), 06.02.2014). Regarding offer for sale and advertisement through a website located in a third country, see the section "Use with commercial effect" below

³⁸ C-324/09, eBay, 12.07.2011, par.55

trademarks as it was for its personal use³⁹. Likewise, in Turkey, pursuant to article 153/1 of the IPL, “*the trademark right holder may not institute civil proceedings indicated in the IPL or file a complaint for a criminal proceeding against persons who retain or use for their personal need the products put on the market by the infringer*”.

In this context, the trademark proprietor may only prevent uses that occurs in the business life, in trade, involving the production and supply of goods and services on the market. On the other hand, it cannot prevent uses which provide a material advantage for the user even if it can be expressed in economical terms⁴⁰. However, the seller would be acting "in the course of trade", thus may be prevented by the trademark proprietor if the sales made in such a market place go beyond the scope of a private activity because of their volume, frequency or other characteristics⁴¹. In the *eBay* case, for example, the Advocate General considered the sale in an online marketplace of cosmetic products more than one or two as occurring with the purpose to obtain an economic advantage and in the commercial context, even if it is on a small scale⁴². Therefore, any use of a sign in the context of a commercial activity for the purpose of obtaining an economic benefit and not as a private matter, however modest, will be sufficient to satisfy the "use in the course of trade" requirement⁴³.

It is not necessary that the activity in question be commercial in the strict sense of term because an operator may offer goods or services as a usual activity without possessing a quality of a trader. Therefore, a use in the course of trade is not necessarily a commercial use, but more widely a use in the exercise of a professional activity or in the economic universe⁴⁴. In this regard, the term of “use in the course of trade” should be interpreted broadly. Any economic activity carried out by the trademark user with the aim of the realization or development of commercial interests should be considered in this context. It is not required that this activity is made with the intent of make profit or for a

³⁹ The infringement issue had been assessed from the angle of the seller and questions are referred to the CJEU, See C-98/13, *Rolex*, 06.02.2014

⁴⁰ C-206/01, *Arsenal*, Opinion of AG Ruiz-Jarabo Colomer, 13.06.2002, par.59, 62

⁴¹ C-324/09, *eBay*, 12.07.2011, par.55

⁴² C-324/09, *eBay*, Opinion of AG Jaaskinen, 09.12.2010, par.82

⁴³ EWHC 19 (IPEC), *APT Training & Consultancy Limited, Mr. William Davies v. Birmingham & Solihull Mental Health NHS Trust (“APT Training”)*, 09.01.2019, par.26

⁴⁴ *Jérôme PASSA*, p.223

fee⁴⁵. For example, distributing free products for promotion purposes is an economic activity, and it constitutes a use in the course of trade. Moreover, while use of a medicine trademark in the prescription does not embody an economic purpose, on the other hand, use of the trademark in the price lists, prospectuses, catalogs have an economic purpose, and thus constitutes a use in the course of trade⁴⁶.

However, it is not always easy to determine whether there is any use in the course of trade in each situation. Use of non-profit organizations can be given as an example in this respect. The question is whether the trademark use of associations and foundations which are non-profit organization falls within the ambit of the use in the course of trade. Concerning this kind of use made by an association, Turkish Court of First Instance considered lawful and thus not a violation of trademark rights the use of the plaintiff's mark by the defendant association in its domain name and in its website where the association's activities were presented. However, this decision had been reversed by the Supreme Court which stated that pursuant to article 9/e of Decree-law No 556 (IPL art.7/3-d), if a registered trademark is used on the internet in such a manner that produces a commercial effect, this use will constitute infringement of trademark rights provided that all the conditions are satisfied. Therefore, it held that without disputing whether use of the trademark in a domain name by the defendant constitutes infringement of trademark right under article 9/e of the Decree-Law no 556, the court erred in rejecting the claim⁴⁷. This high court's decision shows that even if there is a non-profit association in question, due to the facts that associations are able to operate commercial enterprises⁴⁸ and produce products in order to achieve their purposes, these associations may use trademarks in the course of trade. This situation is also tackled in the CJEU rulings. Accordingly, the fact that a charitable foundation does not pursue a profit-making purpose does not exclude that it may be intended to create and subsequently maintain an outlet for its goods or services⁴⁹. In that context for example, the use of a National Health Service

⁴⁵ Pelin KARAASLAN, p.1186

⁴⁶ Sevilay UZUNALLI, Markanın Korunması, p. 265

⁴⁷ Yarg. 11. HD. 2015/2275 E. 2015/7934 K. 08.06.2015 T. (www.kazanci.com)

⁴⁸ In these cases, the association or foundation has the qualification of trader. See Reha POROY/ Hamdi YASAMAN, Ticari İşletme Hukuku, İstanbul 2018, p.137

⁴⁹ C-442/07, Verein Radetzky-Orden v. Bundesvereinigung Kameradschaft 'Fedmarschall Radetzky', 09.12.2008, par.17

(NHS) foundation trust had been found as use in the course of trade by British Courts. In that case, the claimant, who operated in the business of providing mental health training courses, was the owner of the UK and EU mark “RAID”. On the other hand, the defendant NHS foundation trust which is semi-autonomous organizational unit within the National Health Service, provided mental health care under the sign “RAID”, as an acronym for “Rapid Assessment Interface and Discharge”. The claimant brought an infringement action against the defendant for such use. In its defense, the defendant argued that it did not use the sign “in the course of trade” as its activities are not commercial and its primary aim is not profit but rather the provision of goods and services for the purposes of the health service in England pursuant to section 43 of the National Health Service Act. However, as the provision by the defendant of “RAID” service to the Birmingham Hospitals is provided for payment, pursuant to a contract, following a commissioning process, subject to service objectives and requirements, and susceptible to termination, the Judge found that the defendant’s use is “use” for the purposes of trademark infringement, and that such use is “in the course of trade”⁵⁰.

As well as associations and foundations, the use of the names of the political parties may also constitute infringement of the trademark, as such uses are considered as use in the course of trade. For instance, in a decision of the District Court of Amsterdam, an infringement action brought against a political party which used a similar name of the claimant mark “Artikel 1”. Even though the defendant argued in its defense that it was not using its name in the course of trade as it is a political party with a purely idealistic goal, this defense was not admitted by the Court. Considering the notion of “course of trade” in broad sense, the Court held that a political party acts in the course of trade and carries out business activities as it has income and expenses such as membership dues of its members, expenses for administration, giving speeches etc. Therefore infringement had been found⁵¹.

⁵⁰ EWHC 19 (IPEC), APT Training, 09.01.2019, par.115-122

⁵¹ District Court of Amsterdam, SED v. Artikel, IER 2017/54, 06.07.2017, ECLI:NL:RBAMS:2017:3912; The Trademark Reporter, “Annual Review of EU Trademark Law, 2017 in Review”, March-April 2018, Vol.108, No.2, p.580-581

Likewise, the fan clubs which are non-profit organizations may use trademarks. In this regard, the question of whether the use of these fan clubs constitutes a use in the course of trade, comes to mind as well. For instance, in a case before the Italian Supreme Court, the well-known automobile company Ferrari brought an infringement action against an unauthorized fan club Ferrari Club Milano for its use of Ferrari's marks without authorization. Against the infringement claims, the defendant argued, *inter alia*, that it is not liable for trademark infringement as it did not carry out an "entrepreneurial activity". However, this defense had not been accepted by the Supreme Court, which by making reference to the CJEU's case law on "use in the course of trade", held that "the payment of membership fees and the continuing offer of events and services of an economic value" were sufficient in order to qualify the defendant as an entrepreneur liable for trademark infringement⁵².

However, even if a use constitutes a use in the course of trade, such use may not be always a use which can be prevented by trademark proprietor under the trademark law. This may be especially the case for those who provide technical services to person who carry out infringing use of the trademark. For instance, in a case before the CJEU, an infringement action is brought against a company that fills cans that already bear a sign that is alleged to constitute likelihood of confusion with the well-known beverage trademark "Red Bull", and thus cause an infringement of that trademark. However, the company in question who provided technical services to other persons' use had not been considered by the CJEU as using the contentious trademark within the meaning of trademark law. According to the Court, while it is obvious that this service operator is engaged in commercial activity and is seeking an economic advantage from it, it does not follow that he himself "uses" those signs within the meaning of the trademark law. Indeed, this service provider only executes, under the instruction of another person, a technical function in the production process of the product in question and the creation of the

⁵² Italian Supreme Court, *Ferrari v. Ferrari Club Milano*, case no.26498, 27.11.2013; *The Trademark Reporter*, "Annual Review of EU Trademark Law, 2013 in Review", March-April 2014, Vol.104, No.2, p.626

technical conditions necessary for the use of a sign and being remunerated for this service does not mean that the person rendering this service itself makes use of the sign⁵³.

Provision of technical conditions for infringing uses is equally source of problem for the service providers in online environment. For instance, search engines provide third parties, through keyword advertising services, with the opportunity to use signs identical to or similar with another's trademark. Likewise, online market places enable people to offer for sale products which infringe another's trademark. Therefore, these aforementioned internet actors provide technical conditions for infringing uses of third parties. As in offline environment, these providers have not been considered as using the sign at issue in the sense of trademark law⁵⁴.

C. Use in Relation to Goods and Services

A use which can be prevented by the trademark owner is the one that is made "in relation to goods or services". This use requirement stipulated explicitly in the EU trademark legislation⁵⁵, and not in the IPL.

The first question to ask is what does mean "use in relation to goods or services". According to the earlier case-law of the CJEU, the use of a sign in relation to goods or services within the meaning of art.10/2 of the Trademark Directive (art. 5/1 and 5/2 of Trademark Directive 2008/95) is use "*for the purpose of distinguishing the goods or services in question*", as originating from a particular undertaking, thus, *as a trademark*⁵⁶. Accordingly, the expression of "use in relation to goods or services" indicates use of the trademark in order to distinguish the goods or services in question from those of other undertakings, thus use of the sign as a trademark identifying the commercial origin.

Since a trademark is "a sign that is capable of distinguishing the goods or services of one undertaking from those of other undertakings", the use of a sign as a trade mark requires it to be used in accordance with its function, as representing the connection

⁵³ C-119/10, Frisdranken Industrie Winters BV v. Red Bull GmbH ("Red Bull"), 15.12.2011, par.26-30 and 35; see also C-379/14, Top Logistics and others, 16.06.2015, par.40-44

⁵⁴ For more information, see "Liabilities" under the third section

⁵⁵ Art. 10/2 of the Trademark Directive

⁵⁶ C-17/06, Celine, 11.09.2007, par. 20; C-63/97, Bayerische Motorenwerke AG and BMW Nederland BV v. Ronald Karel Deenik ("BMW"), 23.01.1999, par.38

with the goods or services concerned. Putting a trademark on the goods marketed or its packaging or using a service mark for the offering of services can be cited as an example of that use⁵⁷. In that regard, use as a trademark means using it in a manner that enables consumers to identify the goods and services as originating from a particular undertaking⁵⁸. Therefore, trademark use is “*a convenient shorthand expression for use of a registered trademark for its proper purpose, that is, identifying and guaranteeing the trade origin of the goods to which it is applied*”⁵⁹.

According to *HELVACI*, in art. 7 of the IPL, after having established the trademark owner’s exclusive rights conferred by the registration, the acts which can be prevented by the trademark right holder are stated and acts constituting “trademark use” in the meaning of second paragraph are cited (by way of example) in third subparagraph of said article⁶⁰. Therefore, according to the author, the types of use cited in art.7/3 constitutes use as a trademark. However, in my opinion, it is not possible to accept that the types of use cited in art. 7/3 of the IPL constitute automatically use as a trademark in each situation. For instance, even if, according to art. 7/3-e of the IPL, using a sign as trade name or company name can be prevented by the trademark proprietor, this prevention is only possible when the trade name and company name in question are used as a trade mark. In other words, the mere use of a sign as a trade or company name cannot be prevented by the trademark owner; to be prevented, such use should be used as a trademark and also satisfy all the conditions required for identical, similar and reputed mark uses. The Turkish Supreme Court states in its case-law that the mere fact that a trade name is registered does not amount to a trademark infringement, in order to constitute a trademark infringement, such trademark should be used beyond its purpose as a “trademark”⁶¹.

⁵⁷ Yarg. 11. HD. 2013/16785 E. 2014/6143 K. 28.03.2014 T. (www.legalbank.net)

⁵⁸ Sabih ARKAN, “Marka Hakkına Tecavüz – İşaretin Markasal Olarak Kullanılması Zorunluluğu”, BATİDER 2000 Issue XX, Vol.3, p.5, footnote.1; Ünal TEKİNALP, Fikri Mülkiyet Hukuku, 2012, p.433; Uğur ÇOLAK, Türk Marka Hukuku, İstanbul 2018, p.433

⁵⁹ UKHL 28, Regina v. Johnstone, 2003; 2003 1 W.L.R. 1736 AT 76

⁶⁰ Hüseyin ÜLGEN, Mehmet HELVACI, Abuzer KENDİGELEN, Arslan KAYA, N. Füsün NOMER ERTAN, Ticari İşletme Hukuku, İstanbul 2015, p.389

⁶¹ Yarg. 11. HD. 2016/10347 E. 2018/2860 K. 18.04.2018 T. (www.legalbank.net)

Indeed, in parallel with the Turkish regulation, pursuant to art.10/3 of the Trademark Directive, one of the types of use that can be prevented by the trademark proprietor is the “use of the sign as a trade or company name”. In this regard, it is stated in the recital 19 of the said Directive that “*the concept of infringement of a trade mark should also comprise the use of the sign as a trade name or similar designation, as long as such use is made for the purposes of distinguishing goods or services*”. In fact, the CJEU, in *Céline* case, stated that when the use of a corporate name, trade name or shop name is limited to identifying a company or to signal a business, it cannot be considered as being made “in relation to goods or services”, thus as a trademark⁶². Therefore, the types of use cited in art. 7/3 of the IPL do not automatically constitute trademark use, and each case should be assessed on a case-by-case basis in order that the trademark proprietor may prevent such uses.

A use as a trademark clearly occurs in cases where the sign in question is put on the goods. However, even though the sign is not affixed on any goods or services, there may still be a trademark use, when the third party uses the sign in such a way as to establish “*a link*” between the sign and the products marketed or the services provided by the third party⁶³. In that regard, it must be established whether the intended consumers are likely to perceive the use of the sign as designating or tending to indicate the source of the goods or services⁶⁴.

After defining the use in relation to goods or services, the next question to be solved is whether the alleged infringing sign should be used as a trademark in order to be prevented by the trademark proprietor. On this point, the recital 18 of the Trademark Directive states that “*an infringement of a trade mark can only be established if there is a finding that the infringing mark or sign is used in the course of trade for the purposes of distinguishing goods or services*”. This issue had been discussed in the CJEU decisions. In the earlier case-law of the Court, it was required that third party use should be in such a manner that damages the origin function of the trademark, in other words, that enables to distinguish the the goods or services of third party from those of other

⁶² C-17/06, *Céline*, 11.09.2007, par.21

⁶³ *Ibid.*, par.22, 23

⁶⁴ C-17/06, *Céline*, Opinion of AG Sharpstan,18.01.2007, par.61

undertakings, thus used as a trademark⁶⁵. Therefore, the concept of use was first limited to uses to identify the commercial source of products bearing the mark⁶⁶ and it served to filter uses that do not concern the identification and distinction of goods and services⁶⁷.

For instance, in *BMW* case, the trademark BMW proprietor claimed that the defendant who sells and repairs second-hand BMW cars, had infringed its BMW marks by using them in advertisements such as “Repairs and maintenance of BMW’s”, “BMW specialist”, or “Specialized in BMW’s”. Regarding the question of whether the uses such as “BMW specialist” or “Specialized in BMW’s” constitute a use “in relation to goods or services”, thus as a trademark, the Court considered that as the defendant used the BMW mark to identify the origin of the goods that are the object of the service rendered, and thus to distinguish these goods from other goods that could have been the object of the same services⁶⁸.

Equally, in *Céline* case, the defendant company Céline SARL had used the sign “Céline” as a company and shop name. On the other hand, the plaintiff Céline SA was the proprietor of registered “Céline” trademark. According to the Court, a corporate, trade or shop name does not, in itself, have the purpose of distinguishing goods or services. In that regard, use of an identical or similar sign as a company name, trade name or a shop name is not considered as being made “in relation to goods or services” within the meaning of art. 10/2-a-b of Trademark Directive, unless this use is limited to identify a company or a business. On the other hand, there would be use “in relation to goods” where a third party affixes the sign constituting his corporate, trade or shop name to the goods he markets⁶⁹.

Therefore, according to the earlier case-law of the CJEU, even if it used in the course of trade, a sign could only infringe a trademark if it designates the goods or services and link them to a determined origin, thus used as a trademark. The reason for this was the fact that, in the absence of use as a trademark, the contested use would not

⁶⁵ C-17/06, *Céline*, 11.09.2007, par. 20; C-63/97, *BMW*, 23.02.1999, par.38

⁶⁶ Özgür ARIKAN, *Trademark Rights and Parallel Importation in the European Union*, İstanbul 2016, p.130

⁶⁷ Martin SENFTLEBEN, *Back to Basics*, p.146

⁶⁸ C-63/97, *BMW*, 23.02.1999, par.38-42

⁶⁹ C-17/06, *Céline*, 11.09.2007, par.21-22

infringe the trademark proprietor' exclusive rights, determined by reference to the functions of the trademark; such use could not compromise the functions of the trademark⁷⁰. Therefore, the CJEU's early reasoning was based on the traditional view that the main purpose of a trademark was to be a source indicator. Accordingly, since this is the only function that needs to be protected, a source indication use requirement is sought for the determination of an infringement. However, following the early days' trademark protection mechanism based on the protection of origin function of the trademark, other functions of the trademark have been considered as worth protecting. In this respect, not only the uses which indicate origin, but also the uses which effect the other functions of the trademark have been included in the scope of protection. In that context, it was indicated in *Arsenal* case, that a third party use constitutes a trademark use which the owner of the trademark is entitled to prevent if that use affects or is liable to affect *the functions* of the trademark⁷¹.

For instance, in *Adidas AG v. Marca Mode CV* case, even though there were a decorative use at issue and not a use as a trademark, the CJEU indicated that there can be an infringement of trademark rights if the relevant public establishes a link between the signs. According to the Court, the perception of the public of a sign as constituting an ornament cannot preclude the protection conferred by Article 10/2-b (Article 5/1-b of Trademark Directive 2008/95) of the Trademark Directive. Despite its decorative character, the sign at issue was similar to the registered trademark such that the relevant consumer was likely to think that the goods originate from the same company or, from companies economically linked. Therefore, it held that it is necessary to assess whether the average consumer may misunderstand the origin of this product, believing that it is marketed by the plaintiff or an undertaking economically linked to it⁷².

Therefore, the use within the meaning of trademark law need not necessarily be use as a trademark⁷³. It is only when the relevant public perceives the sign purely as “an

⁷⁰ Jérôme PASSA, p.227

⁷¹ C-206/01, *Arsenal*, 12.11.2002, par.37

⁷² C-102/07, *Adidas v. Marca Mode* (“*Marca Mode 2*”), 10.04.2008, par.34-35; See also C-408/01, *Adidas v. Fitnessworld Trading* (“*Fitnessworld*”), 23.10.2003, par.39

⁷³ Charles GIELEN, *Trademark Dilution*, p.709

ornament” or “embellishment”, it would not establish a link between the signs⁷⁴. Similarly, when a sign is used in a way that is purely descriptive for the public, this does not involve use of a sign against which legal action can be taken on the trademark right⁷⁵. For instance, in *Hölterhoff* case, the defendant who markets precious stones of all kinds that he has produced himself or acquired from third parties, offered for sale, in the course of commercial negotiations, some stones which he described by the names “Sprit Sun” and “Context Cut”. These were the trademarks of the plaintiff. The Court considered such use as purely descriptive, as it is used to indicate the characteristics of the product to the customer⁷⁶. However, by contrast, in *L’Oréal v. Bellure* case where, smell-alike and look-alike perfumes were listed in comparison lists to give information to retailers and customers about which imitation smells like L’Oréal’s equivalent luxury fragrance, the Court considered such use not being descriptive, but advertising⁷⁷. Therefore, the Court has found that use should be examined under the function theory.

The question of whether or not “use of a sign” which might infringe trademark rights always depends on the opinion of the relevant public and not on the purpose behind the use of the indication of representation involved. In this context, the public may believe that there is an economic connection between the goods in question and the mark of the trademark proprietor, regardless of the manner in which the product is sold. On the other hand, when a sign is perceived as an ornament and it has not been demonstrated that the relevant public started to perceive this ornament as a distinctive sign, there is no use as a sign or mark and thus there is no infringement⁷⁸. In other words, the test for infringement is assessed on the basis of the “effect” of the use in question and not on the “nature” of that use⁷⁹. In that regard, trademark use is not limited to distinguishing uses⁸⁰ and as long

⁷⁴ C-408/01, *Fitnessworld*, 23.10.2003, par.40

⁷⁵ Tobias Cohen JEHORAM, *Constant van NISPEN, Toon HUYDECOPER*, *European Trademark Law*, Kluwer Law International, 2010, 8.2.2.

⁷⁶ C-2/00, *Michael Hölterhoff v. Ulrich Freiesleben (“Hölterhoff”)*, 14.05.2002, par.16-17

⁷⁷ C-487/07, *L’Oréal*, 18.06.2009, par.62; for admissibility as comparative advertisement, see “Comparative Advertising” at the subsection III/7 under the Second Section

⁷⁸ Tobias Cohen JEHORAM, et al., 8.2.2.

⁷⁹ INTA Amicus Curiae brief in *SARL Céline v. SA Céline*, European Court of Justice, Case C-17/06 April 25,2006, par.2.5.5

⁸⁰ Özgür ARIKAN, p.145

as the consumer establishes a link between the signs and the products or services bearing these signs, such use is considered as being made “in relation to goods or services”⁸¹.

To summarize the case law of the CJEU, it can be said that there is acknowledgement that trademarks fulfill also other legally protected functions, in addition to a distinctive function and the determination of whether an infringement has occurred is independent of the manner in which the sign was used by the third party. Therefore, it is irrelevant to determine whether the sign in question is perceived by the public as having a non-distinctive function if, nevertheless, such use undermines the function of the mark⁸².

According to the dominant view in the Turkish doctrine, the trademark use is not required for a finding a trademark infringement⁸³. This is mostly due to the fact that as the origin function is not the only function of a trademark, and that in order to establish trademark infringement, not only the trademark should be used as a trademark, but also the limits of trademark use should be determined broadly in such a manner that includes the advertising, communication, investment, quality and guarantee functions in addition to the function of indicating of origin which constitutes the essential function of trademarks⁸⁴.

When the Turkish court decisions are examined, it is seen that the examination and assessment conducted by the CJEU as indicated above have not been done in Turkey. In general, the courts examine whether the alleged infringing use made by the third party is a use as a trademark, and accordingly make their decisions. In practice, the situations in which the trademark use have importance mainly stem from the use of an identical or similar trade name with the registered trademark. As indicated above, it is apparent from Supreme Court’s case-law that use of the trade name as a trademark in such a manner that goes beyond its purpose, give rise to trademark infringement. Besides, whether the use at

⁸¹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.72

⁸² Pier Luigi RONCAGLIA, Giulio Enrico SIRONI, p.165

⁸³ Sabih ARKAN, İşaretin Markasal Olarak Kullanılması Zorunluluğu, p.5 et al.; Ünal TEKİNALP, Fikri Mülkiyet Hukuku, p.433; on the opposite view see Eser RÜZGAR, Marka Hakkının İnternet Reklamcılığı Yoluyla İhlali ve Sorumluluk Rejimi, İstanbul 2013, p.67, 70 (The author states that he does not agree with the dominant view in the doctrine, and is of the opinion that the use of the trademark is within the scope of the Decree Law no.556/IPL only when that use affect the functions of the trademark.)

⁸⁴ Uğur ÇOLAK, Türk Marka Hukuku, p.667

issue is perceived as a trade mark, is of importance in cases where graphic element which constitutes the figurative mark is banal. Indeed, if a mark consisting of a figurative sign is used merely as an ornament and if the use at issue is perceived as such, since this use is not perceived as a trademark, infringement of trademark rights will not be established. Equally, in cases where descriptive signs having low distinctiveness are used, since it does not perform a function of the trademark, infringement of trademark rights will not be in question. However, the assessment must be carried out on a case-by-case basis in each case. For instance, even if the expression “Carla” is not descriptive in respect of goods for which it is used, and thus is distinctive, use of this expression by defendant as a model name on the inside of the jeans was not considered as a trademark use; consequently, it was held that the plaintiff’s trademark rights were not infringed⁸⁵.

D. Use with Commercial Effect

As indicated above, pursuant to art. 10/2 of the Trademark Directive and art.7 of the IPL, in order that trademark proprietor may prevent third parties’ uses which is made without its consent, the use at issue should be in the course of trade and in relation to goods and services. However, according to the principle of territoriality, only an act performed in the territory where the law takes effect is likely to be covered by that law⁸⁶. This situation is particularly of importance for trademark uses on the Internet. This is due to the fact that while it is easy to determine the physical borders for application of the principle of territoriality in traditional (offline) trademark uses, as the internet has no borders, things may be less predictable in cases where the alleged infringing sign has been put on the internet in a country other than that where the alleged infringed trademark is under protection⁸⁷. In that regard, it is important to determine whether the use on the internet by someone located anywhere in the world constitutes a “use” within the borders of the territory where the right is protected. In this regard, having taking into account the borderless of the internet, an additional condition has been provided in art.7/3-d of the IPL, which regulates trademark uses on the internet. Accordingly, in order to constitute a trademark infringement, the use on the Internet should produce a “*commercial effect*”. In

⁸⁵ Yarg. 11. HD. 2014/19022 E. 2015/4558 K. 01.04.2015 T.; BATIDER, Vol.XXXI, No.2, 2015, p.435-436

⁸⁶ Jérôme PASSA, p.220

⁸⁷ David BAINBRIDGE, “Internet Law – UK, Infringement of Trademarks on Web Pages”, Computer Law & Security Report, Vol.19, No.2, 2003, p.124

other words, in order that the uses on the internet may constitute an infringement within the borders where the right is protected, the abovementioned uses in the course of trade and in relation to goods and services must have a commercial effect within those borders. In the event where the use made on the internet does not produce commercial effect on the territory where the trademark is protected, the infringement claims are rejected due to the fact that the conditions provided in art. 7/3-d of the IPL are not satisfied⁸⁸. However, in my opinion, the concept of “commercial effect” interpreted by the Turkish courts and doctrine is inaccurate and does not correspond to the case-law of the EU.

While the “use with commercial effect” requirement for uses on the internet is not explicitly provided in the EU trademark legislation as use of a sign on the internet is not regulated under the Trademark Directive or Regulation, however, considering the principle of territoriality and the fact that internet has no borders and is accessible from all over the world, all uses on the internet have not been accepted as infringing the trademark rights in the EU’s case-law.

Before examining the criteria set forth in this respect in the EU, it is necessary to determine how the use “with commercial effect” requirement for the purposes of art. 7/3-d of the IPL is interpreted by the Turkish courts and doctrine. According to *ARKAN*, the expression of use “with commercial effect” refers to promoting, advertising or selling identical or similar goods or services for which the trademark is registered⁸⁹. *KORKUT* considers that uses of the trademark with commercial effect are those which damage the trademark proprietor and/or those from which the unauthorized user of the trademark derives a profit⁹⁰. According to *ŞENOCAK*, the use with commercial effect should be interpreted as use in commercial transactions. Commercial transaction indicates to the business activities that serve the purpose of protection or reinforcement his/her own or someone's commercial interests. It is not necessary that the activity is intended to derive

⁸⁸ Yarg. 11. HD. 2013/12715 E. 2014/2964 K. 19.02.2014 T. (www.kazanci.com) (The Court rejected the infringement claims as the domain name was not used actively, thus not produced a commercial effect)

⁸⁹ Sabih ARKAN, “5833 sayılı Kanun ile 556 sayılı KHK’da Yapılan Değişiklikler”, *BATİDER*, Vol.XXV, Issue 1, p.9

⁹⁰ Ömer KORKUT, “Bir Markanın Web Sitelerinde Yönlendirici Kod (Meta Tag) Olarak Kullanılması Sorunu”, *BATİDER*, Year:2007, Vol.XXIV, Issue.2, p.516

a profit or made for consideration, that there is a competitive relationship between the person claiming that his/her trademark right is infringed and the user⁹¹.

In parallel with the doctrine mentioned in the above paragraph, the Turkish Supreme Court considers, for example, that registering a domain name is made for commercial purposes, thus satisfies the condition of “the use with commercial effect” even if the website under the domain name at issue does not contain any content⁹². Again in another case, while the plaintiff was the proprietor of the trademark “Ekol Hoca” and the defendant was using the website under the domain name www.ekolhoca.com, the Court of first instance held that there has been no infringement of the trademark, considering that the services were freely offered on the website, the website membership was not required, there were no product sale on the website, this website aimed to students, and therefore this website has not been used with commercial effect. However, Supreme Court did not find it correct and reversed the decision by holding that, as well as education and training activities, the advertising of education magazines were exhibited on the website at issue and the defendant was deriving revenues from it, therefore the defendant’s activities were “commercial”⁹³.

On the other hand, in some decisions, the use with “commercial effect” is also interpreted as meaning use as trademark. For instance, in a case before the Turkish Supreme Court, while the Court of first instance dismisses the claims on the ground that the defendant’s use of its trade name corresponding at the same time to the plaintiff’s registered trademark in the domain name does not constitute a use as a trademark, this decision has been reversed by the Supreme Court which held that the defendant operates in the furniture sector, and thus the domain name used has a “commercial effect”⁹⁴.

In this regard, within the Turkish doctrine and judicial decisions, there is an incomprehensibility with regard to the "use with commercial effect" requirement. Moreover, as will be explained below, it is not in accordance to the EU case-law. In my

⁹¹ Kemal ŞENOCAK, “Tescilli Markanın Aynısının veya Benzerinin Alan Adı (Domain Name) Olarak Kullanılması Suretiyle Marka Hakkının İhlali”, BATİDER, Year:2009, Vol.XXV, Issue.3, p.110

⁹² Yarg. 11. HD. 2014/10178 E. 2014/18794 K. 02.12.2014 T. (www.legalbank.net)

⁹³ Yarg. 11. HD. 2018/3688 E. 2018/5727 K. 26.09.2018 T. (www.legalbank.net)

⁹⁴ Yarg. 11. HD. 2015/9915 E. 2016/4605 K. 25.04.2016 T. (www.kazanci.com)

opinion, this is due to the fact that as the expression of “use in the course of trade” was not mentioned in the legislation at the time of abrogated Decree-Law no 556 and there was only “use with commercial effect” requirement, the expression “use with commercial effect” is interpreted in the light of the expression “use in the course of trade” of the EU legislation. However, with the IPL which abrogated the Decree-Law, the expression “use in the course of trade” is entered into the Turkish legislation. Therefore, the meaning of “use in the course of trade” in the IPL should be interpreted in the same way as the EU legislation. In such a situation, what would mean use “with commercial effect”?

The provisions regulating the uses on the Internet has entered into the Turkish legislation in 2009, with the Law No. 5833 on the Amendment of the Decree-Law on the Protection of Marks⁹⁵, by amending art. 9 of the Decree-Law no. 556, entitled “the scope of the rights arising from trademark registration”. In the law’s preamble, it is indicated that art.9 of Decree-law No. 556 is revised by taking into consideration the Trademark Directive and German Trademark Law, that the point concerning internet uses is not included neither in the Trademark Directive nor German Trademark Law, and that there is, nevertheless, a clear consensus that, both in the national and international doctrine and both in the national and international jurisprudence, use of a sign on the internet falls within the scope of the trademark right. In this regard, it was worth to regulate expressly this issue. The said provision was regulated based on the rules of the centers that resolve the disputes between the internet domain names and trademarks, including the WIPO arbitration and mediation center.

In this respect, the provision regulating the use of a sign on the internet, especially the “use with commercial effect” requirement provided in art. 7/3-d of the IPL, should be interpreted in the light of the rules of these institutions, in particular those of WIPO. The use of a sign on the Internet that causes commercial effect is contained in the WIPO's “*Joint Recommendation Concerning Provisions on the Protection or Marks and Other Industrial Property Rights in Signs on the Internet*” dated 2001⁹⁶.

⁹⁵ O.J. 27124, 28.01.2009

⁹⁶ WIPO, Joint Recommendation on Internet Uses

According to this Recommendation, not every uses on the internet constitutes a use within a given country or territory even though it is accessible therefrom. Rather, *only use that has commercial repercussions, thus a “commercial effect” in a given country or territory*, can be considered as having taken place in that Member State⁹⁷. Therefore, in accordance with the principle of territoriality, in order for a finding of an infringement of a right protected in a country, the infringing use should be occurred within the borders of that country. However, due to the nature of the internet, the use on the internet is instantly accessible from anywhere in the world. Therefore, there is two conflicting issue at hand: the “global” nature of the internet and the “territorial” nature of the national laws. In this regard, some criterion is needed to to determinate whether the use has been occurred in the borders of this country. This is regulated in art.2 of the WIPO report, entitled “use of a sign on the internet in a Member State”. Accordingly, use of a mark on the Internet should be regarded as use in a particular country *only if the use had “commercial effect” there*. This criterion is identical with that of “use with commercial effect” provided in the IPL.

The elements that should be considered in determining whether the uses occurring on the Internet have commercial effect in the country where the alleged infringed right is under protection are listed as an example in art.3 of the abovementioned report. Accordingly, for such assessment, the fact that the person using the sign is doing or plans to do business in the given country may be taken into consideration⁹⁸. However, even the person using the sign on the internet has not yet a plan to do business in that particular country or territory, its level and character of commercial activity in relation to that country or territory may establish a commercial effect therein⁹⁹. For instance, if the person using the sign on the internet serve consumers in that country or territory or entered into other commercial relationship with them through for example direct mailing of advertisements or product information or it offers post-sale activities may establish that such use have a commercial effect on the given country/territory¹⁰⁰. Moreover, the fact that the goods or services can be delivered to the consumers located in the

⁹⁷ Ibid., Explanatory Notes, par.2.02

⁹⁸ Ibid., art.3/1-a

⁹⁹ Ibid., art.3/1-b; Explanatory notes on art.3, par.3.02

¹⁰⁰ Ibid., art.3/1-b (i), (iii); Explanatory notes on art.3, par.3.04

country/territory in question and the fact that the prices are indicated in the official currency of the member state demonstrate the commercial effect in that country¹⁰¹. On this point, it should be noted that even any good or service is delivered over the internet, an advertisement which targets the consumers at a particular country/territory can have a commercial effect in that country¹⁰². Furthermore, the degree of interactivity of the consumer with the person using the sign on the internet may be an important factor to determine commercial effect, such as when the person using the sign on the internet has indicated its contact details such as its address, telephone number in the country/territory in question¹⁰³. Moreover, the domain name or the language used on the website in question may show some commercial effects on the country/territory where the alleged infringed trademark is protected¹⁰⁴. However, such factors are not decisive in every cases, as some factors may be relevant in some cases, but not relevant in another case and some additional factors may be needed¹⁰⁵.

As indicated above, although the requirement of “use with commercial effect” is not expressly mentioned in the EU Trademark Directive or Regulation, the European Member States apply the criteria of the aforementioned WIPO’s Joint Recommendation and therefore apply the same criteria as the condition “with commercial effect” provided in the IPL. For instance, according to the German case-law, the use of a sign on a foreign website may amount to trademark infringement in cases where an “*economically relevant nexus*” to Germany is established. Such nexus is deemed to be present if the website *is intended* for customers in Germany, for example, because the website’s content is in German or because the contact information indicates that the operator of the website can communicate in German¹⁰⁶. Moreover, under the German case law, it is also taken into account “whether domestic payment methods are accepted, whether domestic addresses

¹⁰¹ Ibid., art.3/1-c (i), (ii)

¹⁰² Ibid., Explanatory notes on art.3, par.3.09

¹⁰³ Ibid., art.3/1-d (i), (ii)

¹⁰⁴ Ibid., art.3/1-d (iii), Explanatory notes on art.3, par.3.13; art.3/1-d (iv), Explanatory notes on art.3, par.3.14

¹⁰⁵ Ibid., art.3/2

¹⁰⁶ Benedikt F. FLÖTER, “Infringement of German National Trade Marks by Meta-tag Used on Foreign Websites. Federal Supreme Court – Resistograph”, 30.04.2018, accessible at <https://www.lexology.com/library/detail.aspx?g=f8edb162-ac29-4087-9320-d249b0172184> (last accessed on 30.12.2018)

and phone and fax numbers are mentioned, whether goods are actually delivered to the domestic market and whether the web site contains disclaimers”¹⁰⁷.

Equally, under French case-law, in order that the use of a trademark on the Internet constitutes an infringement of the trademark protected in France, the use in question must have an "commercial effect" on the French public. Therefore, as long as the facts or acts complained of have a technical support of Internet, for a territorial jurisdiction of the French courts, it is necessary to seek and characterize, in each particular case, a sufficient significant link between the facts and the alleged damage likely to *have an economic impact* on the French public. However, it is not necessary that the facts or acts in question specifically target the French public, it is sufficient that that is not excluded¹⁰⁸.

In that regard, in assessing whether the alleged infringing use made on the internet has a commercial effect in a given country where the trademark is protected, the EU member states and also the CJEU determine whether the alleged infringing use « *targets* » or « *directs* » to the customers in certain jurisdiction/territory. For instance, for the English Judges, the fundamental question is whether or not the British average consumer of the goods or services in question regard the advertisement or website as being aimed and directed at him. In this regard, whether the use of a sign on the internet constitutes use of a sign in a particular territory in the EU, thus whether it has a commercial effect on that territory, it has been determined having regard to the concept of “*targeting*”¹⁰⁹.

According to the definition given by the English Courts, targeting is “*the criterion which the law has adopted for determining whether a foreign website which is accessible from the state in which the trade mark is protected should be treated as using a sign in the course of trade in relation to goods or services in that state*”¹¹⁰. In fact,

¹⁰⁷ German Court of Justice [BGH], published in GRUR 2005, 431, 432 “HOTEL MARITIME”; INTA Online Trademark Use, Comparative Chart of Online Trademark Use, available at <http://www.inta.org/Advocacy/Documents/Online%20Trademark%20Use.pdf> (last accessed on 21.12.2018)

¹⁰⁸ CA Paris, 4eme ch, sect.B, eBay Inc. et eBay International AG c. Louis Vuitton Malletier, 22.05.2009, (www.legalis.net)

¹⁰⁹ EWHC 231 (ch), Argos Limited v. Argos Systems Inc. (“Argos”), 25.02.2017, par.144-145

¹¹⁰ EWCA Civ. 2211, Argos Limited v. Argos Systems Inc. (“Argos”), 09.10.2018, par.14

targeting is not an independent doctrine of trademark law, but is a jurisdictional requirement¹¹¹. As trademarks are territorial in effect, those who are doing business outside the country where the mark is protected should not have their dealings subjected to the trademark law of this country¹¹².

The “targeting” issue had, first, assessed by the CJEU in the context of the interpretation of the Regulation 44/2001¹¹³ in *Pammer* case¹¹⁴, where the Court was asked whether a trader established in one Member State and whose activities were presented on its own website could be considered to be directed its activity to a consumer domiciled in another Member State, and whether the fact that the site could be consulted on the internet was sufficient for the activity to be regarded as being so directed. For the purpose of trademark law, the CJEU dealt the “targeting” issue in the context of offers for sale on an online market place in *eBay* case¹¹⁵. Accordingly, the trademark proprietor can prevent third party uses “*as soon as it is clear that the offer for sale of a trade-marked products located in a third state is targeted at customers in the territory covered by that trademark*”¹¹⁶. Therefore, use of a sign on the internet can be considered as an infringement of a trademark proprietor’s rights if that use in question targets at customers domiciled in the territory in which the alleged infringed trademark is under protection, and thus produces a commercial effect therein. However, the mere accessibility of a website from the territory where the mark at issue is under protection is not sufficient to conclude that the offers for sale displayed therein are intended for or targeted at customers located in that territory. This is mainly due to the fact that, in case of otherwise situation, websites or advertisements on the internet which are intended exclusively for consumer located in third states, but technically accessible from a given state, would be unduly subject to the law of that country¹¹⁷.

¹¹¹ For that purpose, see the CJEU ruling in C-172/18, *AMS Neve v. Heritage Audio* delivered on 05.09.2019 for the determination of UK Court’s jurisdiction in relation to the infringement of EU trademark on the internet.

¹¹² EWCA Civ. 2211, *Argos*, 09.10.2018, par.48

¹¹³ Council Regulation (EC) No.44/2001 of 22 December 2000, repealed by Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgment in civil and commercial matters

¹¹⁴ Joined Cases C-585/08 and C-144/09, *Peter Pammer v. Reederei Karl Schlüter GmbH & Co KG and Hotel Alpenhof GesmbH v. Olivier Heller* (“*Pammer*”), 07.12.2010

¹¹⁵ C-324/09, *eBay*, 12.07.2011

¹¹⁶ *Ibid.*, par.61

¹¹⁷ *Ibid.*, par.64

The matter of whether any use on a website or on the Internet targets at customers located in the territory in which the rights have infringed is determined by taking into consideration a number of criteria on a case by case basis. It is an obvious fact that, if a sale was made in the territory in which the trademark is protected as a result of use on the Internet, a commercial effect has been produced in that territory. This is the case, for example, where a product constituting infringement of a registered Turkish trademark is sold to Turkish consumers by a person located outside Turkey, for example through ebay.uk by a British. In this case, even if the infringing user is located outside Turkey, and put the infringing products on the Internet in a location different than Turkey, thus it commits the infringing acts outside Turkey, due to the fact that the products in question are sold to a customer in the Turkish territory in which the trademark is protected, this kind of use is considered as producing commercial effect in Turkey, thereby can be prevented by a trademark proprietor in Turkey¹¹⁸.

On the other hand, the matter of whether there is a commercial effect in a given country/territory may not be determined so easily in each case, as there may not be an actual sale. This is especially the case for "offer for sales" and "advertisements", which have not yet resulted in sales. In such situations, for example, the availability of products and the language used are taken into consideration in the assessment. In that regard, when it is mentioned, in the offer of sale, details such as the geographical areas to which the seller intends to ship the product, this kind of information is important in determining whether such a use targets the consumer in a given territory¹¹⁹. However, this should not constitute a general indication which covers for instance the whole of the European Union, as such a general indication does not enable the audience specifically targeted to be identified¹²⁰. Moreover, the currency used may be relevant. However, for instance, the payment in Euro does not show that the site targets a specific European Union member state, as (almost) all member states use the currency Euro. However, for instance, it can be said that a website in which the payments are made with British pounds targets the United Kingdom and thus British consumer.

¹¹⁸ However, it may merely be prevented in respect of consequences in Turkey.

¹¹⁹ C-324/09, eBay, 12.07.2011, par.65; C-172/18, AMS Neve v. Heritage Audio, 05.09.2019, par.56

¹²⁰ C-172/18, AMS Neve v. Heritage Audio, Opinion of AG Szpunar, 28.03.2019, par.90

Furthermore, use of a top-level domain of the domain other than that of the country in which the seller is domiciled may be relevant for this assessment¹²¹. However, in this situation, for instance, as websites with an extension of ".com" do not direct to any country, taking this into account will not be very helpful. Nevertheless, it does not mean that a website with an extension of ".com" cannot target a specific country, for example England and the British public. This is possible according to particular circumstances of concrete case. For instance, the integrated nature and the architecture of the web sites with ".uk" and ".com" top level domains led to a finding of targeting conclusion of web sites with ".com" top-level domain names¹²².

According to the CJEU, the international nature of the activity may also constitute an evidence showing that the trader's activity targets consumers in a given country or territory. In that context, "mention of telephone numbers with an international code, mention of an international clientele composed of customers domiciled in various countries" may be taken into consideration¹²³. However, the global nature of the trader's activities or of its website does imply by itself that it targets a specific country¹²⁴.

Last but not least, the intention of the trader/advertiser is also of importance. However, at this point, not the subjective intention of the advertiser should be taken into consideration, but the effect of the trader's activities viewed objectively by the average consumer¹²⁵. In other words, the situation must be assessed from the perspective of the public in question in order to estimate whether the website targets at this public, and not from the perspective of the author of the website¹²⁶. In that regard, if, viewed objectively from the perspective of the average consumer, a foreign trader's internet activity is targeted at consumer in a given territory, the fact that, viewed subjectively, the trader did not intend this result, will not prevent the impugned use from occurring in that territory¹²⁷. But the actual intention of the website operator is also relevant as far as it may include

¹²¹ C-324/09, eBay, par.66; Joined Cases C-585/08 and C-144/09, Pammer, 07.12.2010, par.75

¹²² EWCA Civ. 1834, Merck KGaA v. Merck Sharp & Dohme Corp., Merck & Co., Inc., Merck Sharp & Dohme Ltd. ("Merck"), 24.11.2017, par.182-197

¹²³ Joined Cases C-585/08 and C-144/09, Pammer, 07.12.2010, par.75

¹²⁴ EWCA Civ. 1834, Merck, 24.11.2017, par.193

¹²⁵ EWHC 418 (ch), Stichting BDO, BDO IP Ltd, BDO LLP v. BDO Unibank Ltd., CBN London Ltd., Multinational Money Transfer Ltd., Sunrise Remittance (UK) Ltd., Direct Money Transfer UK Ltd., 04.03.2013, par.105

¹²⁶ Cédric MANARA, Droit du Commerce Electronique, 2013 Paris, p. 33

¹²⁷ EWHC 231 (ch), Argos, 25.02.2017, par.177

clear expression of an intention to solicit customs in a given territory by including for example the name of the country in a list or map of the geographical areas to which he is willing to send the products¹²⁸. However, in any way, this subjective intention cannot make a website or page which is plainly, when objectively considered, not intended for a given territory, into a page which is so intended¹²⁹.

Therefore in the determination of whether a use produces a commercial effect in a given country or territory, it should be taken into consideration all material circumstances, including, inter alia, “*the nature of the goods or services, the appearance of the website, whether it is possible to buy goods or services from the website, whether or not the advertiser has in fact sold goods or services in a given territory through the website or otherwise, and any other evidence of the advertiser’s intention*”¹³⁰. The mere fact that a website describes events or activities which took or will take place in a country or has visitors from that country does not necessarily mean that it is targeted at this given country. For instance, it has been found not amounting to the targeting of a Facebook page at the UK when the defendant added a few posting referring to events in the UK¹³¹.

The conditions applied in aforementioned national decisions is in parallel with WIPO’s criteria on “commercial effect”. Moreover, in the *eBay* case, Advocate General, in deciding whether an online marketplace is “targeting” consumers in a certain jurisdiction, he referred to the art.2 of WIPO Joint Recommendation of 2001¹³². In that regard, the requirement of use “with commercial effect” within the meaning of the IPL should be determined having regard to the concept of “targeting” arising from the EU case-law, which, in turn, is influenced of WIPO’s criteria on “use with commercial effect” in a given territory.

In the face of the global nature of the Internet and the territoriality of trademark protection, the regulation in question is of importance for the determination of the country/territory in which infringing use is occurred. In fact, in order to establish an

¹²⁸ EWCA Civ. 1834, *Merck*, 24.11.2017, par.165, 170

¹²⁹ EWCA Civ. 2211, *Argos*, 09.10.2018, par.51

¹³⁰ EWHC 375 (ch), *Richard Dearlove v. Sean Combs*, 28.02.2007, par.25

¹³¹ EWHC 2631 (civ), *Thomas Pink Limited v. Victoria’s Secret UK Limited* (“*Thomas Pink*”), 31.07.2014, par.136

¹³² C-324/09, *eBay*, Opinion of AG Jaaskinen, 09.12.2010, par.128-129

infringement of trademark proprietor's rights in the offline environment, the infringement act must be performed in the territory in which the trademark in question has been registered. Accordingly, the trademark proprietor can assert his/her rights against infringements in the territory where Turkey has sovereignty powers and exercises his sovereignty powers without any restrictions¹³³. Equally, concerning uses on the Internet, the use in question must be carried out within Turkey in order to allege infringement claims against it and its determination depends on producing a commercial effect within Turkey.

Therefore, even if there is no actual sale within the territory where the trademark is protected, the use on the internet is considered as a use having a commercial effect if such use targets consumers located in that territory in some way. In this regard, for example, in a case where a use infringes a Turkish trademark through ebay.uk, even if the goods or services in question have not been yet purchased by Turkish consumers, if the conditions are satisfied, for instance, if it is stated in the product description that there is shipping to Turkey, or Turkish Lira and Turkish language is used on the website, the use at issue may be prevented by Turkish trademark proprietor as it produces a commercial effect in respect of Turkish consumers, thus Turkish Trademark Law. However, this matter may not be determined so easily and precisely in each case. At this point, the important factor is how the consumers perceive the use in question, in other words, how the consumers interpret whether the use on the website or web page targets him, or whether there is a content directed at him. In each case, the factors to be taken into account to determine whether "targeting", namely "commercial effect" exists can vary.

As indicated above, before the IPL, at the time of abrogated Decree-Law no 556, while the condition of "use with a commercial effect" was required for the uses on the Internet, the condition of "use in the course of trade" was not expressly stipulated. In my opinion, due to this reason, the requirement of "use with commercial effect" in Turkish Law" had been interpreted in the light of the requirement of "use in the course of trade" which was stipulated expressly in EU Law. However, with the entry into force the IPL,

¹³³ Sevilay UZUNALLI, Markanın Korunması, p.267

the requirement of “*ticaret alanında kullanım*” which is the exact match of the expression “use in the course of trade” has been entered into our legislation. In this regard, it is obvious that “use with commercial effect” does not correspond to the “use in the course of trade”. Accordingly, while the "use in the course of trade" is a criterion which aims to make a distinction between private and commercial uses, on the other hand, the "use with commercial effect" aims to determine whether a use on the “internet” produces commercial effect within the territory of Turkey and consequently whether a right which is protected within the territory of Turkey is infringed. Although the EU regulation does not regulate the uses on the Internet as does the IPL, and thus does not explicitly stipulate the condition of “use with commercial effect”, nevertheless, such condition can be deduced from the general principles of trademark law.

2. INFRINGING TYPES OF USES

In the previous section, the common conditions to constitute a use within the meaning of Trademark Law have been examined, and at some points, the differences between Turkish and EU legislation and application have been revealed. In this respect, it will be examined below the conditions of different infringement situations, namely the identical (A), similar (B) and reputed marks uses (C), will be examined separately with regards again to the Turkish and EU Trademark Law.

A. IDENTICAL Use of the Trademark

Use of a sign within the meaning of art.7/2-a of the IPL and art. 10/2-a of the Trademark Directive comprises use of a sign “identical” with the trade mark and in relation to “identical” goods or services. Therefore, there must be a "double identity" in this type of infringement, regarding both the signs and the classes of goods or services in question.

Moreover, according to the CJEU case-law, in addition to double identity between the signs and the goods/services, the alleged infringing use should be such a way that “*affect (or liable to affect) one of the functions of the trademark*”. In cases where double identity is established, “use without the consent of trademark proprietor”, “use in the course of trade”, “use in relation to goods and services” and “use liable to affect one of the functions of the trademark” requirements for finding a trademark infringement are cumulative¹³⁴.

Having explained above the common use requirements for all types of infringing uses, it will be respectively examined below “identity” requirements for both the signs (1) and the goods/services (2), and requirement of “adverse effect on the functions of the trademark” (3) which is stipulated in the CJEU’s case-law.

1. Identity between the Signs

According to a doctrinal opinion, in terms of identity between the registered trademark and the sign used by a third party, that identity indicates that the trademark

¹³⁴ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par.68

registered and the sign used are not different at any points, in other words, are equally identical¹³⁵. According to an opinion acknowledged in German Law, it is accepted that identity is only established in case where there is a full identity in terms of all elements of the signs compared. It is argued that the difference in the textual and graphical form prevents the identity. The mere phonetic identity is not sufficient for the presence of identity¹³⁶.

According to another opinion, whether there is identity between signs is determined by the overall impression produced by each of them. The mere fact that the distinctive word element of the trademark is used in a different size or in a different color, or is written in a different font in the latter trademark does not prevent a finding of identity¹³⁷.

According to the Turkish Supreme Court Assembly of Civil Chamber's decision dated 2012, being "identical" implies that the compared signs are exactly same, not different from each other, imitation and so on. However, the modifications, such as using the sign in a different color or in a different size and differentiation of the type face or the type font, do not affect the identity between the signs¹³⁸.

Similarly, according to the CJEU's case-law, the criterion of identity between the signs must be interpreted restrictively, meaning that the signs at issue should be identical in all respects. Indeed, the absolute protection granted for identical uses regulated under the art.10/2-a of the Trademark Directive, cannot be extended to the situations envisaged under art.10/2-b of the Directive, namely similar use situations. In that regard, identity is held only in cases where the alleged infringing sign reproduces, "*without any modification or addition*", all the elements of the alleged infringed trademark¹³⁹.

¹³⁵ Ünal TEKİNALP, p.441, par.29

¹³⁶ Kemal ŞENOCAK, p.114

¹³⁷ Sabih ARKAN, Marka Hukuku, C.1, 1998 p.76; Hamdi YASAMAN, Marka Hukuku 556 sayılı KHK Şerhi, C.I, 2004, p.228

¹³⁸ Yarg. HGK 2012/11-154 E. 2012/659 K. 05.10.2012 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.136, footnote.528

¹³⁹ C-291/00, LTJ Diffusion v. Sadas Vertbaudet ("LTJ"), 20.03.2003, par.50-51

However, the average consumer rarely has the opportunity to make a direct comparison between the signs and must rely on the non-perfect image he has kept in memory. Therefore, since all the elements of the signs at issue cannot be compared directly, insignificant differences between the signs may not be perceived by the consumer. In those circumstances, a sign is considered to be identical to the trademark *“where it reproduces, without any modification or addition, all the elements constituting the trademark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer”*¹⁴⁰.

Therefore, there is identity within the meaning of art. 10/2-a of the Trademark Directive and art.7/2-a of the IPL in case where the sign and the trademark are identical in every detail. In principle, the identity cannot be established if there is any difference, for instance, by not using an element constituting the trademark, by adding a new element, or by modifying the elements of the trademark. However, in certain circumstances, there may be differences so insignificant and unnoticeable between the signs. In that case, such differences between the signs does not prevent the identity within the meaning of art. 10/2-a of the Trademark Directive and art.7/2-a of the IPL.

For instance, in word marks, using word elements with minuscule or majuscule does not preclude the identity¹⁴¹. On the other hand, a mere difference in one letter makes the signs similar, and not identical¹⁴². Likewise, concerning trademarks consisting of word and figurative element, if the graphic element is used differently, not the identity, but the similarity is accepted despite the identity between the word elements¹⁴³.

According to the practice of Turkish Patent and Trademark Institute (TPMI), in order to find an identity between trademarks, the elements constituting trademarks should be exactly identical. Trademarks is not considered identical where the graphic element included at least one of the trademark is different even if the word elements are identical, or when the secondary elements included at least one of the trademarks are different even if the word and/or graphic elements are identical. Besides, while all the elements of the

¹⁴⁰ Ibid., par.52-54

¹⁴¹ T-129/09, Bongrain SA v. OHIM – apetito AG, 04.05.2011

¹⁴² OHIM, B 29 290; OHIM B 13948

¹⁴³ OHIM, R 1157/2010-1; OHIM R 1140/2010-1

trademarks are identical, if the differentiation of the positioning of these elements in the trademark renders the trademarks different in respect of their overall impressions, those trademarks are not considered identical. However, the trademarks are accepted as identical where all of the elements are identical even though the fact that the size of those are different, or the font and the color of word marks are different¹⁴⁴.

Determining the identity between the alleged infringing sign and the trademark is of importance for domain name uses. Indeed, while a domain name contains prefix such as “www” and extension such as “.com”, “.com.tr”, a trademark, generally, consists of the second level domain which is situated before or after these prefixes or extensions. In that regard, it is important to determine that there is either identity or similarity between the “x” trademark and the “www.x.com” domain name.

If the opinion of requiring the “exact” identity is adopted, there will be never an exact identity between the domain name and registered trademark, unless the allegedly infringed trademark is not registered with the extensions such as “.com”, “.com.tr”. However, as it will be examined below¹⁴⁵, in disputes between a trademark and a domain name, it is considered that the main element of the domain name is the second-level domain name, and that it is therefore necessary to compare that part of the domain name with the trademark.

2. Identity between the Goods and Services

Beside the identity between the registered trademark and the sign, there should be also an identity between the goods or services for which the sign is used and the goods or services covered by the registration of the trademark. Art.7/2-a of the IPL and art.10/2-a of the Trademark Directive cannot be applied in case where there is no identity between the goods or services in question.

The identity of the goods or services means the sameness in goods or services itself or in their types. As the Nice Agreement concerning the International Classification of Goods and Services has essentially an administrative function, that classification

¹⁴⁴ TPTI Trademark Examination Manual, 2015, p.34

¹⁴⁵ See “Identity between Trademarks and Domain Names”, at the subsection II/1-B-4-a-aa under the Second Section

serves to the purpose of registration, so that it cannot be concluded that trademarks in the same class or categories is necessarily used in order to distinguish the goods or services of the same type. Therefore, while being in the same class indicates that the goods or services are identical, it is possible to disprove this presumption of fact¹⁴⁶.

At this point, it is necessary to mention an exceptional decision held by the CJEU in *BMW* case, concerning the identity between the goods or services compared. In this *BMW* case, despite the fact that a sign identical to the trademark is used for services which were not identical to those for which trademark was registered, the art. 10/2-a of the Trademark Directive (art.7/2-a of the IPL) had been applied. In this case, the plaintiff's *BMW* trademark was registered only for cars. On the other hand, the defendant who was selling and repairing second-hand *BMW* cars used the "BMW" trademark in his advertisements. The defendant argued that in the advertisement for "*repair and maintenance of BMWs*", the *BMW* mark is not used for "*goods*" but to describe "*a service*" for which the plaintiff's trademark has not been registered¹⁴⁷. However, this argument has not been accepted by the Court who considered this use within the scope of art.10/2-a, since the *BMW* mark had been used for genuine *BMW* goods¹⁴⁸. According to the Court, the cars marketed under the *BMW* trademark by the trademark proprietor constituted the subject-matter of the car repairing services provided by the third party, so that it is necessary to determine the origin of the *BMW* cars, the subject-matter of those services. Therefore, the court considered that the advertiser used the *BMW* mark to identify the origin of the goods that are the object of the service rendered and thus to distinguish these goods from other goods that could have been the object of the same services. So it did not threaten differently the advertisement for the service consisting of repair and maintenance of *BMW* cars from the service which consists of selling of second hand *BMW* cars. So it did not threaten differently the repair and maintenance service of *BMW* cars from the service of selling second hand *BMW* cars¹⁴⁹.

¹⁴⁶ Yarg. HGK 2015/11-3127 E. 2016/114 K. 29.01.2016 T.

¹⁴⁷ C-63/97, *BMW*, 23.01.1999, par.37

¹⁴⁸ *Ibid.*, par.34

¹⁴⁹ *Ibid.*, par.39

On the other hand, the question of “whose goods or services” should be distinguished by the sign should be resolved. In other words, does the use referred in art.10/2 of Trademark Directive and art.7/2 of the IPL concern only uses distinguishing the source of the goods or services marketed by the third party? The answer is negative. In principle, art. 10/2 of the Trademark Directive and art.7/2 of the IPL only applies when the relevant trademark is used to distinguish the goods of the third party who makes use of the sign identical to the mark and not those of the trademark holder himself¹⁵⁰. However, depending on the case, it may also cover the goods or services of another person on whose behalf the alleged infringing party is acting¹⁵¹. This is the case especially when such use creates a link between the sign and the goods or services provided by the person who uses the sign.

For instance, in *UDV* case, the use in the business paper made by a trade intermediary who acted on behalf of the seller is considered as use in relation to goods even though the use of the sign did not concern its own goods. In this case, the alleged infringer Brandtraders was operating a website on which sellers and buyers can negotiate their transactions and reach an agreement. Brandtraders, as soon as it is informed of an agreement, was concluding a contract for sale against commission with the buyers. So, he was acting as the seller’s broker in its name but on behalf of the seller. A seller made an offer on the website for goods described as “Smirnoff”. Following the offer, two company (seller and buyer) reached an agreement. Brandtraders, the alleged infringer, in its name but on behalf of the seller, entered into sale contract with the buyer. The trademark “Smirnoff” was mentioned in the letter of confirmation send to the vendor and on the invoice sent to the purchaser. Against the infringements allegations, Brandtraders claimed that in order to be prevented by the trademark proprietor, the third party’s use should relate to that third party’s own goods. However, this argument has not been accepted by the Court. According to the Court, even though the defendant had not affixed the sign at issue on its own goods, it used the sign “*in relation to goods or services in such a way that a link is established between the sign and the goods marketed or the services provided by him*”, for instance in the form of the use of the sign in business paper,

¹⁵⁰ C-48/05, *Adam Opel v. Autec* (“Opel”), 25.01.2007, par.28

¹⁵¹ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par.60

so that such use can be thought by the relevant public as designating the defendant as an entity from which the goods originate or an entity which has a relationship with the trademark proprietor. In that regard, as long as a link is established, it is not important that the third party uses the sign to market goods which are not its own in the sense that it does not acquire title to them during the transaction in which he intervenes¹⁵².

This kind of link is considered to exist especially in situations in which the service provider uses a sign identical to another's trademark for the promotion of goods which one of its customers sells using that service¹⁵³. This is namely for example, where an internet market place operator uses a trademark belonging to another undertaking in Google AdWords in order to promote the goods of its customer-sellers¹⁵⁴.

On the other hand, what would be the situation in a comparative advertisement in which the advertiser uses the mark in order to indicate the origin of the trademark proprietor's goods or services? An advertisement through which the advertiser compares its goods and services with the goods or services of a competitor is clearly intended to promote the advertiser's goods and services and therefore to distinguish them from those of the trademark proprietor. In these circumstances, such use in a comparative advertisement, with the aim of identification of the trademark proprietor's goods or services, is considered as use for the advertiser's own goods and services¹⁵⁵.

3. Adverse Effect on the Functions of the Mark

In cases where an identical sign is used for identical goods or services, it is not necessary to determine whether there is a likelihood of confusion, which should be satisfied in respect of "similar" uses regulated in point (b) of the second subparagraph of article 7 of the IPL and article 10 of the Trademark Directive. This type of protection under "identical use" is "absolute" as it is stated in the 16th recital of the Trademark Directive 2015/2436 that: *"The protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, should be absolute in the event of there being identity between the mark and the*

¹⁵² C-62/08, UDV North America, 19.02.2009, par.47-49

¹⁵³ C-324/09, eBay, 12.07.2011, par.92

¹⁵⁴ For more information, see "Use of Trademarks in Online Market Places" under the Second Section

¹⁵⁵ C-533/06, O2 v Hutchison ("O2"), 12.06.2008, par.33-36

corresponding sign and the goods or services.” In the same way, art.16 of TRIPS agreement states that *“the use of an identical sign for identical goods or services, a likelihood of confusion should be presumed”*.

However, while under the Turkish Trademark Law, infringement is held when both signs and goods are identical without the need for any further assessment, in the European practice, especially in the judgments of the Court of Justice, additional requirements are stipulated for infringement. Even though article 10/2-a of the Trademark Directive confers absolute trademark protection in cases of identity, in *Arsenal*¹⁵⁶ case, the Court of Justice stipulated an additional requirement which is not provided in art.10/2-a of the Trademark Directive. That additional requirement is that one of the functions of the trademark should be adversely affected by the third party use. Otherwise, it is accepted that the trademark proprietor may not prevent third party's use of an identical sign for identical goods or services in cases where that use does not "adversely" affect the functions of the trademark¹⁵⁷. According to the Court, the exclusive right conferred to the trademark proprietor by the art.10/2-a of the Trademark Directive aims to enable him to protect his specific interests as proprietor, that is *“to ensure that the trademark can fulfill its functions. The exercise of that right must therefore be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trademark, in particular its essential function of guaranteeing to consumers the origin of the goods”*¹⁵⁸.

Regarding which function of the trademark should be adversely affected in order to find an infringement, in the earlier case-law of Court of Justice, as in the aforementioned *Arsenal* and *Opel*¹⁵⁹ cases, initially, it had been solely examined whether the origin function was affected, and it had been alluded to the functions of the trademark by merely using plural suffix. Nevertheless, in *L'Oréal v. Bellure* case¹⁶⁰ dated 2009, the Court clearly stated that the trademark may also be infringed where other functions of the trademark are adversely affected. In other words, it held that the use affecting adversely the other functions of the trademark, namely, the advertising, communication and

¹⁵⁶ C-206/01, *Arsenal*, 12.11.2002

¹⁵⁷ *Ibid.*, par.54

¹⁵⁸ *Ibid.*, par.51; C-245/02, *Anheuser-Busch*, 16.11.2004, par.59; C-48/05, *Opel*, 25.01.2007, par.21

¹⁵⁹ C-48/05, *Opel*, 25.01.2007

¹⁶⁰ C-487/07, *L'Oréal*, 18.06.2009

investment functions, may constitute trademark infringement. In *L'Oréal v. Bellure*, “smell-alike” and “look-alike” perfumes were listed in comparison lists to inform retailers and customers which imitation smelt like L'Oréal's equivalent luxury fragrance. The Court, after restating its previous case-law such as *Arsenal* and *Opel*, it added that these functions include, in addition to the origin function which is the essential function of the trademark, other functions, such as guarantee, communication, investment or advertising functions¹⁶¹. In this way, the Court for the first time said aloud what is was arguably indicating earlier¹⁶². Consequently, even the alleged infringing use does not affect or is not liable to affect the essential function of the trademark, such use can amount to infringement if one of these functions is impaired¹⁶³. According to the Court, a mark is always intended to fulfill its “origin” function, whereas it performs its other functions only to the extent that its owner exploits it to that effect, in particular for the purpose of “advertising” or “investment”. However, that difference cannot in any way justify, when a mark performs one or more of those other functions, the exclusion of acts having adverse effect on those function from the scope of art.10/2-a of the Trademark Directive. Moreover, according to the Court, it cannot be considered that only reputed marks may have functions other than the origin function¹⁶⁴.

Regarding the *adverse effect on the origin indicating function*, it occurs when a third party uses the sign for its goods or services so that consumers are likely to perceive it as indicating the source of the goods or services in question¹⁶⁵. For instance, resale of goods where the trade mark of the manufacturer has been concealed and replaced by the name of the reseller has been considered as liable to affect the trademark's origin function as the relevant public is precluded from distinguishing the goods of the trademark proprietor and those of the reseller or other third parties¹⁶⁶. On the contrary, the use of the trade mark for instance for purely descriptive purposes, so that to indicate the characteristics of the product in question, the use of the trademark is not perceived by the

¹⁶¹ Ibid., par.58

¹⁶² Martin HUSOVEC, “Trademark Use Doctrine in the European Union and Japan”, *Marq. Intell. Prop. L. Rev.* Vol.21:1, 2017, p.22

¹⁶³ Darren MEALE, Joel SMITH, “Enforcing a Trademark When Nobody's Confused: Where the Law Stands After *L'Oréal* and *Intel*”, *Journal of Intellectual Property Law & Practice*, 2010, Vol.5, No.2, p.99

¹⁶⁴ C-323/09, *Interflora v. Marks & Spencer* (“*Interflora*”), 22.09.2011, par. 40

¹⁶⁵ C-17/06, *Céline*, 11.09.2007, par. 27

¹⁶⁶ C-558/08, *Portakabin Ltd and Portakabin BV/Primakabin* (“*Portakabin*”), 08.07.2010, par. 86

customer as indicating the origin of the product¹⁶⁷.

On the other hand, *the advertising function* represents the investments made by the trademark owner to develop the image of his mark¹⁶⁸. Beside using the trademark to indicate the origin of the goods or services, it may be used for advertising purposes aimed at informing and persuading consumers. In this regard, a trademark proprietor can prevent third parties from using its trademark or a similar sign to its trademark when such use affects its use of the trademark “*as a factor in sales promotion or as an instrument of commercial strategy*”¹⁶⁹. Therefore, for there being an adverse effect on the advertising function, it should be determined whether or not the trademark’s capability of informing and persuading consumers has been affected¹⁷⁰.

The investment function of the trademark, on the other hand, means that a trademark is used by its owner to acquire or maintain a reputation likely to attract and retain consumers. Even though this investment function may be thought to be overlapping with the advertising function as advertising is employed for acquiring or maintaining a reputation, not only advertising, but also other commercial techniques are employed to acquire or preserve a reputation¹⁷¹. Such techniques include, for instance, in addition to advertising, the pricing, marketing, quality differentiation or even packaging strategies¹⁷². In this respect, these two functions are considered distinct from each other. According to the case-law of the CJEU, the investment function is adversely affected when the use by a third party of an identical sign in relation to identical goods or services “*substantially interferes with the proprietor’s use of its trademark to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty*”. In cases where the trademark in question has already a reputation, this investment function is adversely affected where the third party’s use “*affects that reputation and thereby jeopardizes its maintenance*”¹⁷³. However, if that use merely results in the proprietor of that mark being

¹⁶⁷ C-2/00, Hölderhoff, 14.05.2002, par. 16

¹⁶⁸ Elisa MORO, “Protection of Reputed Trademarks and Keywords: Looking for Ariadne’s Thread Among Flowers, Perfumes and Bags”, UCL Journal of Law and Jurisprudence, 2013, p.66

¹⁶⁹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.91-92

¹⁷⁰ Dima BASMA, “The Nature, Scope and Limits of Modern Trademark Protection: A Luxury Fashion Industry Perspective”, PhD thesis, University of Manchester School of Law, 2016, p.174

¹⁷¹ C-323/09, Interflora, 22.09.2011, par.60-61

¹⁷² Dima BASMA, p.176

¹⁷³ C-323/09, Interflora, 22.09.2011, par.62-63

required to adapt his efforts to acquire or maintain a reputation which is likely to attract and retain consumers, the proprietor of the mark cannot prevent third party use on this ground. Similarly, the fact that that use leads certain consumers to turn away from trademarked goods or services cannot usefully be relied on by the proprietor of that mark¹⁷⁴.

Concerning the advertisement and investment functions, in a case where the defendants acquired, from outside the EEA, the plaintiff's products (Mitsubishi forklift trucks) which were not marketed on the EEA by the trademark owner or with his consent, imported them into the EEA where they placed them under the regime of customs warehouse procedure during which they entirely remove the signs identical with the plaintiff's mark and affixed their own signs, the CJEU found the removal of the trademark and the affixing of new signs constitutes uses affecting the advertising and investment function of the plaintiff's mark. As the products in question were not marketed under the proprietor's trademark on that market by this proprietor or with its consent, defendants' acts impeded the ability of the trademark proprietor to attract customers by the quality of its products. Moreover, as the trademark proprietor's goods are put on the market before he does so, consumers will know these goods before they can associate them with that trademark, therefore this situation will hinder the use of that mark by the proprietor in order to acquire a reputation which could attract and retain consumers, and serve as a sales promotion or business strategy tool. Furthermore, such conduct had been held as depriving the trademark proprietor of the opportunity to make the economic value of the product covered by the mark and thus its investment by first placing it on the market in the EEA¹⁷⁵.

Moreover, *the communication function* is "the evocative power of the trademark to convey characteristics, images and feeling to the public"¹⁷⁶. In other words, a trademark has the power to communicate to the purchaser the rigid characteristics of the product, the image of the product and also communicate associations to the relevant public. While

¹⁷⁴ Ibid., par.64

¹⁷⁵ C-129/17, Mitsubishi Shoji Kaisha Ltd., Mitsubishi Caterpillar Forklift Europe BV v. Duma Forklifts NV, G.S. International BVBA, 25.07.2018, par.46

¹⁷⁶ Elisa MORO, p.66

the first one is an informative communication, the last two are lifestyle communication¹⁷⁷. In that regard, the communication function of a trade mark concerns all the messages a trade mark communicates to its addressees, for instance impressions, associations, and emotions. It is argued that the communication function is adversely affected “when a third party uses the trade mark contrary to the intended positioning of the mark in the mind of consumers by the trade mark owner”¹⁷⁸.

On this point, it should be pointed out that that additional requirement set forth by the Court of Justice for establishing infringement in the case of double identity, had been subject to critics. Firstly, the fact that the use by a third party should affect trademark’s function of indicating origin, which is the essential function of the trademark, means that there should be a “likelihood of confusion” in the mind of the consumer between the trademark and the sign. Indeed, the essential function is compromised when consumers confuse the alleged infringed sign with the trademark, so that this latter is unable to guarantee the source of the goods. This is the same criterion sought for the likelihood of confusion stipulated in art. 10/2-b of the Trademark Directive and art.7/2-b of the IPL. However, the protection is absolute in double identity cases. Therefore, it had been criticized that the function theory eliminates and blurs the difference between art.10/2-a and 10/2-b of the Trademark Directive (art.7/2-a and b of the IPL)¹⁷⁹.

On the other hand, the requirement according to which the trademark's functions should be adversely affected in order to establish an infringement in the case of double identity does not only include the origin function, which is the essential function, but also other functions of the trademark. These other functions, pertaining in general to reputed marks, it was argued that their protection within the meaning of double identity provision has also eliminated the difference between art.10 /2-a and 10/2-c of the Trademark Directive (art.7/2-a and c of the IPL)¹⁸⁰ and that the scope of the core zone of art. 10/2-a

¹⁷⁷ Dima BASMA, p. 147-148

¹⁷⁸ Nicole van der LAAN, “The Use of Trademarks in Keyword Advertising. Developments in ECJ and National Jurisprudence”, Max Planck Institute for Intellectual Property and Competition Law Research Paper, No.12-06, p.69-70, available at <https://ssrn.com/abstract=2041936> (last accessed on 22.04.2018)

¹⁷⁹ Charles GIELEN, Anne Marie VERSCHUUR, “Adidas v. Marca II: Undue Limitations of Trademark Owner’s Rights by the European Court of Justice”, European Intellectual Property Review, Vol.30, No.6, 2008, p.255

¹⁸⁰ Martin SENFTLEBEN, “Function Theory and International Exhaustion – Why it is Wise to Confine the Double Identity Rule to Cases Affecting the Origin Function”, European Intellectual Property Review, Vol.36, No.8, 2014,

and b “has to be confined to cases where the essential function is harmed and additional protection must be sought exclusively under art.10/2-c, in order to ensure the integrity of the law and the goals of the Directive are achieved”¹⁸¹.

Another criticism on this issue is that the Court does not, consistently, apply the function theory, and evokes legal uncertainty. Indeed, beside the origin function, while the Court took into consideration only the advertising function in some cases (Google France case¹⁸²), it also took into account the communication and investment functions in other cases (Interflora case¹⁸³)¹⁸⁴.

Due to these concerns, the European Commission has proposed an amendment during the EU trademark amendments debates. In the Explanatory Memorandum to the proposed new Trademark Directive, the Commission pointed out that “the recognition of additional trademark functions in the context of double identity rule created legal uncertainty and the function theory developed by the Court blurred the relationship between double identity cases and the extended anti-dilution protection afforded to trademarks having a reputation”¹⁸⁵. It was proposed to limit protection afforded in double identity cases by requiring that the actions “affect or is liable to affect the function of the trademark to guarantee to consumers the origin of the goods and services”¹⁸⁶. However, the proposal had been rejected.

In my opinion, although the above-mentioned criticisms may be right, there may be certain circumstances in which CJEU's expansionist protection approach is also necessary. Indeed, the condition of “use liable to affect the functions of the trademark” in case of double identity, indicates that there may not be an infringement in each identical use case. Especially, in the case of the use of an identical mark for identical goods or

p.2-3; Martin SENFTLEBEN, “Keyword Advertising in Europe – How the Internet Challenges Recent Expansion of EU Trademark Protection”, Connecticut Journal of International Law, 2011-2012, Vol.27, p. 55

¹⁸¹ A. RABAB, “The Expansion of Trademark Functions with Particular Reference to Online Keyword Advertising: The European Experience”, PhD Thesis 2016, University of Manchester, p.113

¹⁸² Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010

¹⁸³ C-323/09, Interflora, 22.09.2011

¹⁸⁴ Martin SENFTLEBEN, Function Theory, p.5

¹⁸⁵ European Commission, 27 March 2013, COM (2013) 162 final, 2013/0089 (COD), “Proposal for a Directive of the European Parliament and of the Council to Approximate the laws of the Member States Relating to Trade Marks, Explanatory Memorandum”, p.6

¹⁸⁶ Martin HUSOVEC, Trademark Use Doctrine, p. 26-27

services, the user may not use the sign at issue to distinguish its goods or services from those of other undertakings. For instance, it may use the sign for the purpose of describing its goods or services. In this case, the existence of infringement cannot, automatically, be found. Inversely, even it is not used as a trademark, and not perceived by the relevant consumer as an indication of origin, such use may yet cause a link between the goods in question and the trademark proprietor. Moreover, even it is used in the course of trade and in relation to goods or services, thus as a trademark, such use may not have any effect on the trademark and the trademark proprietor's rights, as in keyword uses on the internet. In that regard, it may seem appropriate to apply, in case of identical use, the condition of requiring an adverse effect on the trademark's functions, particularly on the origin function, which is provided by the CJEU.

Besides, even though the requirement of "use liable to affect to origin function" stipulated in case of identical use, corresponds to "likelihood of confusion" stipulated in case of similar use, the protection conferred in identical uses is broader than that of similar use as it protects also the other functions of the trademark. Indeed, even if the origin function is not affected in identical use, if the other functions is adversely affected, the infringement will be established. On the other hand, it is solely required the adverse effect to the origin function for "similar uses".

In addition, even though taken into account the functions other than the origin function in similar uses blurs the difference between the protection for ordinary and reputed marks, in certain circumstances, the use of non-reputed marks may affect other functions of the trademark even if there is no confusion in the origin of the goods or services. As indicated by the CJEU, functions other than the source indication function are not specific to only the reputed marks. For instance, where the third party that uses an identical mark for identical goods or services clearly states that it is not related with the trademark proprietor, there will not exist a likelihood of confusion or connection for the consumers. The trademark at issue, if it is not reputed, will not benefit from the protection conferred to reputed marks. However, in these circumstances, the trademark proprietor may prevent such use by proving that any function of its trademark, beside the origin function, has been adversely affected.

B. SIMILAR Use of the Trademark

The use of any sign that is identical with or similar to the registered trademark in identical or similar goods and services for which the trademark is registered and therefore is likely to cause in the mind of the public a likelihood of confusion including also the likelihood of association constitutes infringement of the trademark rights (art. 7/2-b of the IPL; art. 10/2-b of the Trademark Directive). In case of such infringement, the sign used must be identical with or similar to the trademark, it should be used for identical or similar goods or services covered by the registered trademark, and consequently it must arise a likelihood of confusion in the mind of the relevant public.

In order to find a likelihood of confusion, both the signs and the goods or services used should be the same or similar. These conditions are cumulative, so the absence of one of these conditions is an obstacle for the application of the provision¹⁸⁷.

On this point, it should be noted that, in the determination of an infringement as a result of similar use in terms of art. 7/2-b of the IPL and/or art.10/2-b of the Trademark Directive, it should be determined in the first place the similarity between the goods or services. This is because, if there is no similarity between the goods or services, the similarity between the signs is not sufficient for the application of the provision. Indeed, the protection of identical or similar signs in different goods and services is only possible if the trademark is a reputed mark. This latter situation is regulated in art. 7/2-c of the IPL and art. 10/2-c of the Trademark Directive. In this respect, the determination of the similarity between the goods or services (1), is a prerequisite for establishing the likelihood of confusion (3), and should be considered independently before the assessment of the similarity between the signs (2)¹⁸⁸. Moreover, initial interest and post-sale confusion theories worth to be examined (4).

¹⁸⁷ C-39/97, Canon Kabushiki Kaisha v. Metro-Goldwyn- Mayer, Inc. (“Canon”), 29.09.1998, par. 22; C-106/03, Vedral S.A v. OHIM, 12.10.2004, par. 51; C-196/06, Alecansan, SL v. OHIM, 09.03.2007, par. 24-26, 37-38 and 44

¹⁸⁸ Sevilay UZUNALLI, “Marka Hukukunda Malların ve/veya Hizmetlerin Benzerliğinin Tespiti Sorunu”, Prof. Dr. Hamdi Yasaman’a Armağan, İstanbul 2017, p.678

1. Similarity between the Goods or Services

Both in the European and Turkish Trademark Law, the “class system” is adopted for the registration of the trademarks (art.39/1 of the Trademark Directive, art. 11/3 of the IPL). Accordingly, goods or services which are subject to the trademark application should be classified according to the Nice Classification. However, this classification serves the purpose of registration and do not determine the scope of protection of trademarks¹⁸⁹. Indeed, as it is pointed out in art. 2/1 of the Nice Agreement that, the classification is not binding for the consideration of the scope of protection of the trademark and the recognition of the service mark. Accordingly, aforesaid agreement does not impose an obligation to assess the identity or similarity of the goods and services according to this classification and in the determination of “similarity”, neither the international classification of marks nor its classes reflected to national law can be taken as basis. Classification of marks only serves the purpose of registration and is not related to the scope of protection¹⁹⁰.

In order to determine the similarity of the goods or services, all the relevant factors which characterize the relationship between them should be taken into consideration. Those factors include, inter alia, “*their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary*”¹⁹¹. Other factors may also be taken into consideration, such as the “*distribution channels*” of the goods in question¹⁹².

In similarity examination, Turkish Supreme Court also takes into account the criteria of “the understanding of market, whether it appeals to the similar clients, satisfies similar needs, whether goods or services have the opportunity to substitute each other or to compete with each other, whether one of them has the possibility to complete the other, whether the distribution channel of goods or services are common, their methods of use, their purpose, whether the target public is the same”¹⁹³. In this regard, the thought that all

¹⁸⁹ Ünal TEKİNALP, 2012, p.442; Sevilay UZUNALLI, Malların ve/veya Hizmetlerin Benzerliğinin Tespiti, p.682

¹⁹⁰ Ünal TEKİNALP, §26, no.31; Hamdi YASAMAN/Fulurya YUSUFOĞLU, Marka Hukuku, Vol.II, 2004, p.778-780; Yarg. 11. HD. 2006/4087 E., 2007/12269 K., 02.10.2007 T. (www.kazanci.com)

¹⁹¹ C-39/97, Canon, 29.09.1998, par. 23; C-416/04 P, Sunrider v OHIM, 11.05.2006, par. 85; C-16/06, Les Éditions Albert René v OHIM (“Éditions Albert René”), 18.12.2008, par. 65

¹⁹² T-48/06, Astex Therapeutics Ltd v. OHIM - Protec Health International Ltd (“Astex”), 10.09.2008, par. 38

¹⁹³ Yarg. 11. HD. 2011/1562 E. 2011/5464 K. 05.05.2011 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.214

the goods or services in the same class are similar, and all the goods or services in different classes are always different is erroneous¹⁹⁴. Indeed, both the Trademark Directive (art.39/7) and the IPL (art.11/4) states that “*Goods and services shall not be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification. Goods and services shall not be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.*”

When examining the similarities between the goods and services in question, it should be determined to “what extent” they are similar, such as high, normal or low. Such finding is of importance for the global appreciation of the likelihood of confusion, as “a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the trademarks, and vice versa”¹⁹⁵.

Similarity may exist between the goods, or the services, but also between a good and a service. Consequently, in the assessment of the likelihood of confusion, the scope of the protection of service mark does not contain only similar services, but also similar goods. Likewise, the scope of the protection of a good’s mark doesn’t contain only similar goods, but also similar services¹⁹⁶. Nowadays, as it is a common situation that service providers sell the products which are suitable for their services or vice versa, it is taken normal that in some cases, the good and the service are similar. For example, the similarity is found between advertisement consultancy services and periodicals and advertisement materials; between modelling agency services and clothing, between nightclub services and sparkling wine¹⁹⁷.

2. Similarity between the Signs

The similarity between the signs can occur in various ways. This similarity can appear in the form of “visual”, “aural” and “conceptual” similarity. However, it is not necessary for the similarity between the signs to be both visual, aural and conceptual

¹⁹⁴ Sevilay UZUNALLI, *Malların ve/veya Hizmetlerin Benzerliğinin Tespiti*, p.683

¹⁹⁵ Paul MAEYAERT, Jeroen MUYLDERMANS, p.1055

¹⁹⁶ For detailed information see Sevilay UZUNALLI, *Marka Hukukunda Malların ve/veya Hizmetlerin Benzerliğinin Tespiti*, p.693 et al.

¹⁹⁷ Selçuk ÖZTEK, “Türk Marka Hukukunda Benzer Mal ve Hizmet Kavramı”, Prof. Dr. Turgut Akıntürk’e Armağan, 2008 Ankara, p.282

similarity; existence of one of them may sufficient to make the signs similar to each other¹⁹⁸.

The appreciation of the similarity between two signs is made by comparing them as a whole and not by taking only one element of the sign and comparing it with the other sign¹⁹⁹. Moreover, when assessing the similarity between the sign, comparison should be made from the consumer's point of view at the time of purchase, so that the comparison should be based on the overall impression produced by the signs in question, and not on a detailed analysis of them, and should take into account their distinctive or dominant elements²⁰⁰.

On this point, it should be noted that for the existence of a similarity, it is not necessary for the common element of the signs to be the dominant element in the overall impression²⁰¹. For instance, in a case before the Turkish Supreme Court, while the rejected trademark application was “angel annex kids club”, the trademark which is the basis of rejection was “angel+figure” and “angel”. Although TPMO dismissed the application due to the similarity between the signs, the Court annulled the TPMO decision. In fact, despite there was a partial similarity between the marks arising from the word “ANGEL”, the Court found that they are different from each other semantically, visually and aurally because of their overall impression created by the typeface, figures, colors and words that they contain, so that they have become comprehensible by the average consumer as different signs²⁰². Likewise, in comparison between the marks “China Stix” and “Stix”, it is found that, even though the expression “Stix” is the common element, this sign doesn't have strength to make the marks completely similar to each other, and that the addition “China+figure” had made the marks distinctive visually,

¹⁹⁸ For likelihood of confusion due to the mere oral similarity, see C-342/97, *Lloyd Schuhfabrik Meyer v. Klijsen Handel* (“Lloyd Schuhfabrik Meyer”), 22.06.1999, par.28; for neutralization of the visual and phonetic similarity by conceptual difference, see C-361/04 P, *Ruiz-Picasso and Others v OHIM* (“Picasso”), 12.01.2006, par. 20; C-206/04 P, *Mühlens v OHIM*, 23.03.2006, par. 35; C-437/16 P, *Wolf Oil Corp. v. EUIPO – SCT Lubricants UAB*, 05.10.2017, par. 46-47; for neutralization of the visual difference by the aural and conceptual identity, see T-169/02, *Cerveceria Modelo v. OHIM – Modelo Continente*, 15.02.2005, par.39-40

¹⁹⁹ C-193/06 P, *Nestlé v. OHIM- Quick Restaurants* (“Nestlé”), 20.09.2007, par.35; C-3/03, *Matratzen Concord v. OHIM*, 28.04.2004, par.32

²⁰⁰ *Pier Luigi RONCAGLIA, Guilio Enrico SIRONI*, p.158; C-498/07 P, *Aceites del Sur-Coosur v. OHIM - Koipe Corporacion*, 03.09.2009, par.60-70.

²⁰¹ C-254/09 P, *Calvin Klein Trademark Turst v. OHIM–Zafra Marroquinos* (“CK Calvin Klein”), 02.09.2010, par.56

²⁰² Yarg. 11. HD. 2015/5537 E. 2015/12720 K. 30.11.2015 T. (www.kazanci.com.tr)

aurally and semantically, so that the average consumer can comprehend that there are two different marks in front of them²⁰³.

Therefore, in order to determine the similarity between two signs, it is necessary to consider each of the signs as a whole. However, the overall impression produced in the memory of the relevant public by “a complex trademark” may, under certain circumstances, be dominated by one or more of its components. But, the assessment of the similarity may be made only on the basis of the dominant element only in cases where all the other components of the trademark are “negligible”²⁰⁴.

At this point, it should be noted that when one element has equal or less density than the other element, it does not mean that this element is negligible in the overall impression. For instance, in a case before the Court of Justice, in the comparison of a mark consisted of word and figure elements and a mark consisted of solely word element, Tribunal’s view which does not take into account the figure element in the comparison of similarity as it considered that the figure element is not dominant enough to make the word element negligible, is found inaccurate by the Court. The tribunal considered that the figurative element of the mark applied for (rabbit design) cannot constitute the dominant element in the overall impression produced by the mark applied for, to the point where the word element “QUICKY” becomes negligible. Hence, the Tribunal compared the signs in terms of their word elements and found that there is a similarity between the words “Quicky” and “Quickies”. However, this assessment is found inaccurate by the Court. Indeed, the fact that an element is not negligible does not imply that it is the dominant element, likewise the fact that an element is not dominant does not imply that it is negligible²⁰⁵.

In cases where a sign comprises both verbal and figurative elements, the former is generally considered more distinctive than the latter as the average consumer will refer more easily to the goods or services in question by citing the name, so the word element,

²⁰³ Yarg. 11. HD. 2014/11245 E. 2014/18726 K. 01.12.2014 T. (www.kazanci.com.tr)

²⁰⁴ C-254/09 P, CK Calvin Klein, 02.09.2010, par.56; C-193/06 P, Nestlé, 20.09.2007, par.42-43; C-334/05, OHIM v. Shaker, 12.06.2007, par.41-42

²⁰⁵ C-193/06 P, Nestlé, 20.09.2007, par.44

than describing the figurative element forming part of the sign²⁰⁶. However, this does not mean that the word elements in the semi-figurative trademarks constitute in every cases the dominant and distinctive element, since it may happen that the figurative element may have an equivalent position to the verbal one²⁰⁷. Moreover, even if the word elements of two signs are highly similar, the visual similarity between the signs may be offset by a figurative having a particular and original configuration²⁰⁸. For instance, in a case where



the word and figurative sign _____ and the word sign “Kinnie” were compared, it was found that all of the figurative elements in the mark at issue constitute an individual and original configuration, playing an important role in the visual perception of the mark and making it possible to distinguish it from the earlier mark²⁰⁹.

It should be pointed out at this point that, in the presence of a descriptive term in verbal marks which consists of more than one elements, it is considered as a general rule that the public does not perceive the descriptive element as the distinctive and dominant element in the overall impression of the sign²¹⁰. However, in specific circumstances, descriptive element can form the dominant character²¹¹, especially because of its position in the sign or its size so that it can be perceived and remembered by the consumers²¹². For example, in a case before the CJEU, the trade mark applied for

²⁰⁶ T-312/03, Wassen International v. OHMI – Stroschein Gesundheitskost, 14.07.2005, par.54; T-205/06, NewSoft Technology v. OHIM – Soft (“NewSoft”), 22.05.2008, par. 54

²⁰⁷ T-3/04, Simonds Farsons Cisk v OHIM – Spa Monopole (“Simonds”), 24.10.2005, par. 45-47; T-110/01, Verdial v. OHIM – France Distribution, 12.12.2002, par.53

²⁰⁸ T-3/04, Simonds, 24.10.2005, par.48; See to that effect, T-156/01 Laboratoires RTB v. OHIM – Giorgio Beverly Hills, 09.07.2003, par.73-74; T-112/06, Inter-Ikea Systems v. OHIM – Walter Waibel, 16.01.2008, par.57

²⁰⁹ Ibid., par.49

²¹⁰ T-434/05, Gateway v. OHIM- Fujitsu Siemens Computers, 27.11.2007, par. 47; T-205/06, NewSoft, 22.05.2008, par.53, 56

²¹¹ T-149/12, Investronica v. OHIM, 16.01.2014, par.51

²¹² T-745/14, TeamBank AG Nürnberg v. EUIPO-Easy Asset Management AD (“TeamBank”), 20.07.2016, par. 41; T-210/05, Nalocebar-Consultores e Serviços v. OHIM-Liminana y Botella (“Nalocebar”), 12.11.2008, par. 39-40



is “Limoncello di Capri Tradizionale Liquore di Limoni + device” (Capri Limoncello Traditional Lemon Liqueur + device). The trade mark which is grounded for objection is “LIMENCHELO”. The expression “Limoncello di Capri” (Capri Limoncello) in the trademark applied for registration is found in the middle of the logo and in the lower part of it, “Tradizionale Liquore di Limoni” (Traditional Lemon Liqueur) is written. According to the Court’s assessment, figurative elements and verbal elements other than “Limoncello di Capri” are secondary and negligible in the overall impression produced by the mark applied for²¹³. On the other hand, although the word “Capri” visually occupies a place almost as important as the word “limoncello” in the mark applied for, it is written in characters slightly smaller than the word “limoncello” and therefore occupies a subsidiary place in the overall impression of produced by the mark applied for. Consequently, it is the word “limoncello” which is capable of dominating the overall impression produced in the memory of the relevant public by the mark applied for. At this point, the Court did not rely on the claim that the expression “limoncello” is descriptive, because although it is descriptive, it is that word that is likely to impose itself on the perception of the relevant public and to be remembered by it. As a result of the assessment made this way, similarity between the signs “Limoncello” and “Limonchelo” had been found²¹⁴. Likewise, in “Easy Credit” case the Court held that even the term “Easy Credit” may be of a descriptive nature, the respective word elements still occupy a central position in the sign at issue and dominate the overall picture and figurative elements do not make it possible to differentiate between them²¹⁵.

²¹³ T-210/05, Nalocebar, 12.11.2008, par. 35

²¹⁴ Ibid., par. 44

²¹⁵ T-745/14, TeamBank, par. 42-45

3. Likelihood of Confusion

In the cases where both the goods or services and the signs compared are identical or similar, there should be a likelihood of confusion in order to find an infringement.

In the first place, it should be noted that in order to find a likelihood of confusion, both the signs and the goods or services at issue should be identical or similar. Those conditions are cumulative²¹⁶. In that regard, when the signs are dissimilar, this dissimilarity cannot be offset by the identity of the goods in the assessment of the likelihood of confusion²¹⁷. For example, in the global assessment of the marks “Carpo” and “Harpo Z”, even though the goods in question were identical, it has been found that the visual, oral and conceptual differences are sufficient to prevent the similarity between the signs at issue to cause a likelihood of confusion in the mind of the average consumer²¹⁸.

Moreover, the fact that a mark is well known or has a reputation is not sufficient to find a likelihood of confusion where the signs at issue are different. For instance, in the assessment of the marks “CK Creaciones Kenya” and “CK Calvin Klein”, having considered the dominant element is “Creaciones Kenya” and the common elements of the marks (CK) occupies only an accessory position in relation to it, the Court eliminated any similarity between the signs and did not take into consideration the reputation of the “CK Calvin Klein” mark for the assessment of the likelihood of confusion and also for the assessment of art.10/2-c of the Trademark Directive (art.7/2-c of the IPL)²¹⁹.

For a finding of a likelihood of confusion, the perception of the consumer is essential. The risk that the relevant public perceive the goods or services in question as coming from the same company constitutes a likelihood of confusion²²⁰. But also even if the public is not confused about the origin of the products, so it recognizes that the goods or services originate from a different company, it may be led to believe that that company

²¹⁶ C-16/06 P, *Éditions Albert René*, 18.12.2008, par. 44; C-216/10 P, *Lufthansa AirPlus Servicekarten v OHIM – Applus Servicios Tecnológicos SL*, 25.11.2010, par. 26

²¹⁷ T-423/04, *Bunker & BKR v. OHIM – Marine Stock*, 05.10.2005, par.76

²¹⁸ T-35/03, *Aventis CropScience v. OHIM – BASF*, 12.10.2004, par.29

²¹⁹ C-254/09 P, *Calvin Klein*, 02.09.2010, par.53-58

²²⁰ C-193/06 P, *Nestlé*, 20.09.2007, par.32; C-39/97, *Canon*, par.29

which uses the sign is related to the trademark proprietor's. This is referred to in the terminology as a "risk of association"²²¹, which is not an alternative to the concept of likelihood of confusion, but serves to clarify its scope²²². Therefore, there is a likelihood of confusion where the public is likely to believe that the goods or services designated by the sign used by the third party and those designated by the mark come from "the same undertaking" or from "economically linked undertakings"²²³.

As regards the visual, aural or conceptual similarity of the signs in question, the likelihood of confusion is assessed on the basis of the overall impression given by the signs. However, as the consumer does not have in general the opportunity to compare the sign directly so that it has to trust the imperfect image of them, and as the distinctive and dominant elements of a sign are more easily remembered by the consumer, the requirement for an assessment of the overall impression made by a mark does not exclude an examination of each of its components in order to determine its dominant elements²²⁴.

The distinctive element of a sign may have a weak distinctiveness. Such situation does not preclude a finding of likelihood of confusion. In other words, even in cases where an earlier mark has a weak distinctive character, it may be held that there is a likelihood of confusion due to the similarity between the signs and between the goods or services covered²²⁵. For instance, in a case related to the marks "Compressor Technology" (the mark applied) and "Kompressor" (the opponent's earlier mark), the defendant argued that, where the earlier mark is a readily recognizable variant of a descriptive indication and the later mark contains the descriptive indication itself, the existence of major similarities and identity between the signs and the goods are not capable to conclude that there is a likelihood of confusion if the similarities of the signs are limited to the descriptive indications and concern only goods which are described by the indication. However, this argument had not been accepted by the Court as this argument would have

²²¹ Pier Luigi RONCAGLIA, Giulio Enrico SIRONI, p.157

²²² C-425/98, *Marca Mode v. Adidas* ("Marca Mode 1"), 22.06.2000, par. 34

²²³ C-120/04, *Medion v. Thomson multimedia* ("Medion"), 06.10.2005, par.26; C-102/07, *Marca Mode 2*, 10.04.2008, par.28

²²⁴ C-251/95, *Sabel v. Puma* ("Sabel"), 11.11.1997, par.23; C-342/97, *Lloyd Schuhfabrik Meyer*, 22.06.1999, par.25; T-292/01, *Philips-Van Heusen v. OHIM – Pash Textilvertrieb und Einzelhandel*, 14.10.2003, par.47; T-135/04, *GfK v. OHIM – BUS*, 24.11.2005, par. 57; T-185/03 *Fusco v OHIM – Fusco International*, 01.03.2005, par. 46

²²⁵ C-43/15, *BSH Bosh und Siemens v. EUIPO – LG Electronics*, 08.11.2016, par.61-63

“the effect of disregarding the similarity of the marks as a factor in favor of the factor constituted by the distinctive character of the earlier mark”²²⁶.

Moreover, the argument that this reasoning would lead to the “monopolization” of a purely descriptive indication is not well-founded under art.5/1-b of the Trademark Directive (art.6/1 of the IPL), as it is the art.4/1-b of the Directive (art.5/1-b of the IPL) which intends to avoid such monopolization. Thus, when applying art.5/1/b of the Trademark Directive, a certain degree of distinctiveness must be recognized for the mark relied on in support of opposition to the registration of a mark²²⁷. For instance, in “F1” case, the General Court, in assessing the likelihood of confusion between “F1 Formula 1” and “F1 Live”, considered “Formula 1” as generic term for the motor racing sport and the abbreviation “F1” as a generic as the term “Formula 1”, thus devoid of any distinctive character and found that there is no likelihood of confusion between the signs at issue. However, this judgment of the General Court had been set aside by the Court of Justice on the ground that the General Court should not question the validity of the earlier mark, but must ascertain how the relevant public perceives the signs at issue and assess, where appropriate, the degree of distinctiveness of the sign. However, this cannot lead to the finding of the absence of distinctive character²²⁸. Similarly, the General Assembly of the Turkish Supreme Court adopted the same approach in “Diamond” case²²⁹.

The same applies to the provisions regulating the infringement of the trademark rights. If the trademark claimed to be infringed is a registered trademark, it cannot be excluded from the examination of similarity on the ground that it has a low distinctiveness. Even if the trademark has a low distinctiveness, it gives its owner the rights arising from the trademark law until it is revoked. In this respect, the signs which are compared, even though they are comprised of expressions that have low distinctiveness, may cause the likelihood of confusion. The Turkish case law is also

²²⁶ Ibid., par. 48, 58, 64; C-171/06 P, T.I.M.E. ART v OHIM (“T.I.M.E. ART”), 15.03.2007, par. 41; C-190/15 P, Fetim v OHIM, 19.11.2015, par. 46

²²⁷ C-196/11 P, Formula One Licensing v. OHIM, 24.05.2012, par.47

²²⁸ Ibid., par. 43-53

²²⁹ Yarg. HGK 2013/11-52 E. 2013/1416 K. 02.10.13 T.; For the critics of the decision, see. Uğur AKTEKİN, Güldeniz DOĞAN ALKAN, Zeynep ÇAĞLA ÖZCEBE, “Yargıtay Hukuk Genel Kurulu’nun 02.10.2013 tarihli 2013/11-52 E. ve 2013/1416 K. sayılı kararı (“Diamond Kararı”) ve Tanımlayıcı İbareler İçeren Markaların Karıştırılma İhtimali Değerlendirilmesi”, FMR, 2015/2, p.18 et. al

considering that until making a decision about the invalidity of the trademark, it is inaccurate to consider the trademark as a weak mark and neglecting it in the likelihood of confusion. For instance, in DERRİCİ case²³⁰, the Supreme Court has found inaccurate the district court's decision on the absence of likelihood of confusion between the marks DERRİ and CEMAL AYDIN BY DERRİCİ on the ground that the mark DERRİ is a weak mark. Likewise, in MASKOT ATÖLYESİ case²³¹, the Supreme Court has approved the plaintiff's claim that there is a likelihood of confusion between the plaintiff's mark MASKOT and the defendant's mark MASKOT ATÖLYESİ, because the main element of the plaintiff's mark is the expression MASKOT and the expression ATÖLYE is not distinctive with regard to advertising, promotion and organization services within the scope of registration and found inaccurate the district court's decision on the absence of likelihood of confusion on the ground that the expression MASKOT is a weak mark.

While the overall impression of the mark, and in particular, the dominant and distinctive element of it should be taken into account for the assessment of the likelihood of confusion, in some cases, another's mark used in a composite mark by a third party may not be the dominant element but may still have an independent distinctive character. In such a case, similarity can be found. For instance, in cases where a well-known mark or a widely-known commercial name is used with an earlier mark, while the dominant element would be the widely-known mark or commercial name, the earlier mark used would not be the dominant one. However, in such a case, the overall impression of the composite mark may lead the relevant public to think that the goods or services in question originate from companies economically linked, thus likelihood of confusion. Therefore, in these situations, the finding of the existence of a likelihood of confusion cannot be made subject to the condition that the overall impression created by the composite sign is dominated by the part of the composite sign constituted by the earlier mark. In order to establish the likelihood of confusion, it suffices that the public attributes the origin of the goods or services also to the owner of the earlier mark as this latter has an independent distinctive role in the composite sign²³².

²³⁰ 11.HD. 19.02.2009 T. 2007/12549 E. 2009/1852 K.; Uğur ÇOLAK, Türk Marka Hukuku, p.249

²³¹ 11.HD. 15.05.2013 T. 2012/10875 E. 2013/9979 K.

²³² C-120/04, Medion, 06.10.2005, par.30-37

Nonetheless, an element of a composite sign may not have such an independent position if it forms with the other element(s) of the sign, taken together, a unit having a different meaning in relation to the meaning of the said elements taken separately²³³. For instance, when comparing “Bimbo Doughnuts” and “Doughnuts”, even though the element “bimbo” was dominant, the “doughnuts” element, having independent distinctiveness, had been taken into consideration in the global assessment as it was devoid of any meaning to the relevant public and therefore did not form with the other element of the sign, taken together, a unit having a different meaning in relation to the meaning to those elements taken separately²³⁴.

Therefore, even if it is necessary to have an overall assessment considering the dominant element in composite marks consisted of more than one element, when the elements other than the dominant element are not negligible and have an “independent distinctive role”, it should be taken into account in the likelihood of confusion assessment. On the contrary, when the element which is not dominant, is creating a different meaning with the other elements, it is accepted that that element itself does not have an “independent” distinctiveness. If this is not the case, that element which should be considered as independent and distinctive, should be taken into account in the examination of the likelihood of confusion. If there is a different meaning with the other element, such element which does not have an independent distinctiveness, may not cause likelihood of confusion with the other trademark. Therefore, in a case where the dominant element and the other elements have a meaning different than the meanings taken separately, likelihood of confusion may not exist.

Moreover, in the likelihood of confusion assessment, the respective weight to be given to the “visual”, “phonetic” or “conceptual” aspects of the signs may not always have the same importance and may vary “*on the basis of the objective circumstances in which the marks may be present on the market*”²³⁵. For instance, for the goods sold usually in self-service stores so that consumers choose them themselves, as a general rule, the visual similarity between the signs will be more important. If on the other hand, the

²³³ C-591/12, *Bimbo v. OHIM – Panrico*, 08.05.2014, par.25

²³⁴ *Ibid.*, par.27

²³⁵ T-129/01, *José Alejandro v. OHIM – Anheuser*, 03.07.2003, par. 57

product in question is primarily sold on oral request, the phonetic aspects of the sign will have greater significance for the relevant public²³⁶. On this point, one may give an example of alcoholic beverages for which the non-negligible distribution channels are bars and restaurants where the consumer will order the goods orally by speaking to a waiter. However, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel, as the bottles are generally displayed on shelves behind the counter, thus consumers are in any event in a position to make a visual inspection of the bottle which is served to them. Moreover, the goods at issue are also sold in supermarkets and consumers can perceive them visually since they are presented on shelves²³⁷. Therefore, the particular circumstances in which the products in question are sold may vary in time and depend on the trademark proprietors' commercial intentions²³⁸. In that regard, these circumstances are not taken into the likelihood of confusion assessment²³⁹.

The likelihood of confusion between two conflicting trademarks cannot be assessed on the basis of an abstract comparison of the conflicting signs and the goods and services covered by those signs. The assessment of the likelihood of confusion must, rather, be based on the perception which the relevant public has of the signs and the goods and services at issue²⁴⁰. Therefore, a likelihood of confusion cannot be presumed, even where the earlier mark has a highly distinctive character, in particular because of its reputation²⁴¹.

In case of “family” or “series” of trademarks, the likelihood of confusion arises when the consumer is confused on the origin of the good or services by believing that the sign used by the third party belongs to the family or series of marks. However, in order for there being a likelihood of confusion, the earlier trademarks which are part of the “family” or “series” must be present on the market²⁴². Moreover, the sign used must not only be similar to the trademarks belonging to the series, but also bear characteristics

²³⁶ Joined Cases T-117/03 to T-119/03 and T-171/03, *New Look v. OHIM*, 06.10.2004, par.49

²³⁷ T-3/04, *Simonds*, 24.10.2005, par.58-59

²³⁸ T-147/03, *Devinlec Developpement v. OHIM – T.I.M.E Art*, 12.01.2006, par.104

²³⁹ C-171/06 P, *T.I.M.E. ART*, 15.03.2007, par. 59

²⁴⁰ T-408/09, *Ancotel v. OHIM - Acotel SpA*, 24.05.2011, par. 29

²⁴¹ C-425/98, *Marca Mode I*, 22.06.2000, par. 33, 41

²⁴² C-234/06, *Il Ponte Finanziaria v. OHIM – F.M.G. Textiles*, 13.09.2007, par. 63-64

which may be associate it with the trademarks in the family²⁴³. For example,



mark and its variants, apart from the word in the plural ‘torres’ and/or the representation of three towers, have been found not having any characteristics capable



of leading the relevant consumer to associate the mark with all of the earlier marks, conceived as a “family” or “series” of marks and, therefore, to be mistaken as to the provenance or origin of the goods covered by that mark²⁴⁴.

For the purposes of that overall assessment, the average consumer of the category of goods concerned is deemed to be “reasonably well informed and reasonably observant and circumspect”. However, the level of attention of the average consumer can vary according to the category of goods or services in question²⁴⁵, so that it can be qualified as “high”, “average”, or “low”, depending on the category of goods²⁴⁶.

Last but not least, it should be pointed out that in order to prove the likelihood of confusion, the earlier mark owner does not have to prove an “*actual confusion*”, rather the proof of that this confusion is “*likely*” to happen is sufficient²⁴⁷. Accordingly, in order to talk about the infringement of a trademark right, the *risk* of confusion is necessary and sufficient²⁴⁸. Moreover, even if all of the average consumer is not exposed to the likelihood of confusion and only certain part of it is in risk, it is sufficient to admit that the likelihood of confusion is occurred²⁴⁹.

4. Initial Interest and Post-Sale Confusion

The question of at which moment the likelihood of confusion has to occur should

²⁴³ T-287/06, Miguel Torres v. OHIM – Bodegas Penalba Lopez, 18.12.2008, par.81

²⁴⁴ Ibid., par.83

²⁴⁵ T-256/04, Mundipharma v. OHIM – Altana Pharma, 13.02.2007, par.42; C-361/04 P, Picasso, 12.01.2006, par. 38

²⁴⁶ Paul MAEYAERT, Jeroen MUYLDERMANS, p.1043

²⁴⁷ Ibid., p.1039

²⁴⁸ Yarg. HGK 2014/11-842 E. 2016/288 K. 09.03.2016 T.

²⁴⁹ Yarg. HGK 2006/11-338 E. 2006/338 K. 07.06.2006 T.

be answered. Should the relevant public be subject to the likelihood of confusion at the time when the offer for sale for the good or service is made? Or will there be an infringement if s/he is likely to be confused before or after of this? In the trademark law, the likelihood of confusion during/at the point of the offer of sale of goods or services is essential²⁵⁰. Initial and post-sale confusion are on the other hand problematic.

The theory of the initial interest and post-sale confusion derives mainly from the American case law²⁵¹ and it is not clear whether it is accepted in the European Union. As will be examined in detail below, when the CJEU cases are analyzed, it is seen that the concepts of initial interest and post-sale confusion are not mentioned in any way but applied in some cases tacitly. Nonetheless, the case-law of the EU member states, especially the case-law of the English Courts shed light on the issue.

Regarding the initial interest confusion, as stated, it has not been mentioned in the CJEU case-law, but the English judges defined its concept and questioned its applicability. Accordingly, they defined initial interest confusion as “*a confusion of the public as to the trade origin of the goods or services arising from use of the sign prior to purchase of these goods or services*”. This confusion arises in particular from use of the sign in advertising and promotional materials²⁵².

Initial interest confusion occurs where a person upon encountering a similar sign is initially confused, but this confusion is corrected prior the purchase. So the critical question is whether this confusion, even it is corrected at the point of purchase, is actionable under Trademark law. The answer is not clear yet within the European trademark system, as neither the wording of the Trademark Directive nor the case law of the CJEU mention the point in time the likelihood of confusion should occur. Nevertheless, the British Judge, in *Och-Ziff* case, basing its decision on the CJEU case

²⁵⁰ Uğur ÇOLAK, Türk Marka Hukuku, 2018, p.203, footnote 753

²⁵¹ The first case where initial interest confusion was applied is *Grottrian, Helfferich, Schulz, Th. Steinwag Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir. 1975); the first internet related case where the initial interest confusion doctrine was applied is *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999); For the post-sale confusion See Kal RAUSTIALA – Christopher Jon SPRIGMAN, “Rethinking Post-Sale Confusion”, *Trademark Reporter*, Vol.108, 2018; Connie David POWELL, “We all know it’s a Knock Off – Re-Evaluating the Need for the Post-Sale Confusion Doctrine in Trademark Law”, *North Carolina Journal of Law & Technology*, Vol.14, Issue 1, Fall 2012, p.17-24

²⁵² EWHC 2599 (ch), *Och-Ziff Management Europe LTD & Anor v. Och Capital LLP & Anor* (“*Och-Ziff*”), 20.10.2010, par.87

law on comparative advertisement²⁵³ and advertisements on Google AdWords²⁵⁴, acknowledged the applicability of this initial interest confusion to an ordinary (off-line) infringement case and hold that there can be likelihood of confusion “at the point when a consumer views an advertisement, whether or not the advertisement leads to a sale and whether or not the consumer remains confused at the time of any such sale”²⁵⁵. However, on the other hand, in *Interflora* case involving use of a trademark in Google advertisements (AdWords), another British Judge rejected to apply this initial interest confusion theory to the case by considering it as “an unnecessary and potentially misleading gloss” on the CJEU’s test in the determination of whether the sign in question has an adverse effect on the origin function²⁵⁶. Moreover, in the resolution issued by International Trademark Association (INTA) in 2006, it was advised that “courts should engage in traditional likelihood of confusion analysis in cases of initial and post-sale confusion, rather than to create a new doctrine”²⁵⁷.

However, it should be noted that the case (*Och-Ziff*) where the initial interest confusion has been taken into account in the determination of infringement was related to a “similar use” case, whereas the case (*Interflora*) where it has not been accepted as being unnecessary was an “double identity” case. In this circumstance, it may be asserted that the initial interest confusion theory can be applicable for “similar use” cases. However, it should be noted that, in the case *Och-Ziff* in which the similar use was at issue and the initial interest confusion theory had been acknowledged and applied, the Court has already found a likelihood of confusion. The court found inappropriate the defendant’s allegations that the pre-sale confusion would be dispelled at the point of sale because of the the consumer’s high level of attention due to the nature of the services and therefore there would be no likelihood of confusion. Therefore, the judge took into account the initial interest confusion by considering that the dispersion of the likelihood

²⁵³ C-533/06, O2, 12.06.2008

²⁵⁴ C-278/08, *Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v. Günter Guni – trekking.at Reisen GmbH* (“BergSpechte”), 25.03.2010; C-558/08, *Portakabin*, 08.07.2010. These cases were about use of an identical or similar mark as a keyword in an internet referencing service such as Google Adwords. For more information see “Use of Trademarks in Keyword Advertising” under the Second Section

²⁵⁵ EWHC 2599 (ch), *Och-Ziff*, 20.10.2010, par.97

²⁵⁶ EWCA Civ 1403, *Interflora v. Marks and Spencer* (“*Interflora*”), 05.11.2014, par.155-158

²⁵⁷ International Trademark Association (INTA), Board Resolutions “Initial Interest Confusion”, 18.09.2006, available at <https://www.inta.org/Advocacy/Documents/INTAInitialInterestConfusionResolutionReport.pdf> (last accessed on 18.03.2019)

of confusion at the point of sale does not prevent a finding of a likelihood of confusion. In this regard, after finding a likelihood of confusion between the signs at issue, the Judge considered that even though the initial interest confusion may be dispelled by the time that any potential client of the defendant entered into a contract with it, he did not accept that there is no likelihood of confusion. Since, it is likely to damage the reputation and erode the distinctiveness of the claimant's mark²⁵⁸.

On this point, it should be pointed out that, even though this above mentioned case regarding the initial interest confusion was about a similar use, the criteria applied by the CJEU for the determination of a trademark infringement in the context of internet advertisements, such as Google AdWords, being same for both identical and similar uses, fall within the definition of "initial interest confusion". Indeed, these criteria does not take into account the likelihood of confusion in the mind of consumers at the point of sale, but at the point when they see the advertisement. Therefore, what matters here is not the likelihood of confusion at the point of sale, but the likelihood of confusion at the moment when they see the advertisement, before they click on the ad link and thereby they enter into the relevant web site and make a purchase²⁵⁹. And this may be regarded as the acknowledgement of the initial interest confusion or pre-sale confusion²⁶⁰.

On the other hand, regarding the post-sale confusion theory, while it had been asserted by the trademark owners in some cases before the CJEU²⁶¹, this has not been clearly mentioned and explained by the Court. By contrast, English Judges addressed this issue and applied it to the case at hand. For instance, in the *Datacard* decision before the English High Court, post-sale confusion is defined as "*a confusion on the part of the public as to the trade origin of goods or services which only arises after the goods or*

²⁵⁸ EWHC 2599 (ch), *Och-Ziff*, 20.10.2010, par.101, 118

²⁵⁹ For more information, see "Use of Trademarks in Keyword Advertising" under the Second Section

²⁶⁰ While the initial interest confusion doctrine was firstly introduced by the American courts prior to Internet related cases, it is now required to show likely confusion and not mere diversion in order to establish initial interest confusion in internet related uses. See *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.* 638 F. 3d 1137, 1142 (9th Cir. 2011). Connie Davis NICHOLS, "Initial Interest Confusion 'Internet Troika' Abandoned? A Critical Look at Initial Interest Confusion as Applied Online", *Vand. Journal of Entertainment and Technology Law*, Vol.17, No.4, 2015, p.910

²⁶¹ T-185/02, *Picasso v. OHIM – DaimlerChrysler* ("Picasso"), 22.06. 2004, par.40; T-483/04, *Armour Pharmaceutical v. OHIM – Teva Pharmaceutical Industries Ltd.*, 17.10.2006, par.40

*services have been purchased*²⁶².

Therefore, post-sale confusion is the likelihood of confusion that occurs after the sale of goods alleged to be infringing. The consumer is not confused when he/she buys the good, but this likelihood occurs thereafter. At this point, there is no clarity about whether the post-sale confusion should occur in the mind of the person who first purchased the goods in question or in the mind of third parties. In *Anheuser-Busch* case, the CJEU held that, in assessing whether a use is liable to affect the essential origin function of the trademark, thus whether such use creates the impression that there is a material link between the third party's goods and those of the trademark owner, the consumer to be taken into consideration includes also to whom the goods are presented after those goods have left the third party's point of sale²⁶³. Therefore, consumers which should be taken into consideration in the assessment are those who encounter the good bearing the sign at the time of purchase and also those who encounter the good outside the point of sale.

The concept post-sale confusion is not defined by the CJEU. On the other hand, while this post-sale confusion concept had been taken into account in the examination of whether one of the functions of trademark has been adversely affected in an identical use in the *Arsenal* case, post-sale confusion has not affected the outcome of the result in the *Picasso* case where likelihood of confusion is claimed.

Post-sale confusion, even it is not clearly mentioned under this name, has been firstly taken into account in the the *Arsenal* case, in determination of whether the use at issue affects the function of a trademark as an indicator of origin. In this case, on the defendant's stall where he was selling football souvenirs bearing signs referring to Arsenal Football Club, there were indicated that "the words or logos on the goods offered for sale, (...) does not imply or indicate any affiliation or relationship with the manufacturers or distributors of any other products and only goods with official Arsenal merchandise tags are official Arsenal merchandise". The defendant relied, inter alia, on this disclaimer at the point of sale to show that there would be no likelihood of confusion.

²⁶² EWHC 244 (Pat), *Datacard Corp. v. Eagle Technologies Limited* ("Datacard"), 14.02.2011, par.277

²⁶³ C-245/02, *Anheuser-Busch*, 16.11.2004, par. 60

However, this fact did not prevent from finding an infringement. Indeed, the Court found that some consumers may think that the goods at issue originate from the Arsenal Football Club if the goods are presented to them after they have been sold by the defendant and taken out of the stall where the warning appears²⁶⁴. Therefore, the Court applied somehow the post-sale confusion theory.

However, on the other hand, in another case, the Court ruled that the *Arsenal* case did not lay down a general rule in a way to exclude, for the assessment of the likelihood of confusion, the consumer's level of attention when purchasing a certain category of goods²⁶⁵. In this case, it was applied for registration of "Picaro" mark in class 12 including vehicles and parts therefor. The proprietor of the earlier mark "Picasso" registered in class 12 objected to such registration by arguing, inter alia, that even attentive consumers could be led to believe that the goods are the same or there is economic or other link between their commercial origin when seeing these vehicles on the road. Thus it invoked the post-sale confusion theory. However, the Court took into account, in the assessment of the likelihood of confusion, the level of attention of the average consumer "*at the time*" when he makes a choice between different goods. According to the Court, there will always be situations in which the public confronted with the goods or services will give them only a low degree of attention and it is difficult to establish, for each category of goods or services, the average level of attention that the consumer may have in different situations²⁶⁶. Therefore, as indicated by the English courts, "*when assessing the likelihood of confusion, it is not necessary to take into account the fact that there may be circumstances in which the average consumer displays a rather lower level of attention than he or she normally does when choosing between goods*"²⁶⁷.

On this point, it should be noted that, the Court did not entirely deny the concept of post-sale confusion. Rather it made a distinction between the determination of likelihood of confusion in case of identical and similar marks. Accordingly, the question of the degree of attention of the public to be taken into account in order to assess the

²⁶⁴ C-206/01, Arsenal, 12.11.2002, par.57

²⁶⁵ C-361/04, Picasso, 12.01.2006, par.47

²⁶⁶ Ibid., par.42-43

²⁶⁷ EWHC 244 (Pat), Datacard, 14.02.2011, par.284

likelihood of confusion between two *similar* signs and the question whether the post-purchase circumstances may be relevant in assessing whether there has been trademark infringement in the case of *identical* use of to the trademark are treated differently²⁶⁸.

As Judge Arnold in *Datacard* case pointed out, post-sale confusion may be relied on in certain circumstances to demonstrate the likelihood of confusion²⁶⁹. For instance, in a case before the English Courts, the defendant who was importing and selling replicas of alloy wheels designed by BMW and Minicars, supplied together with the replica wheels' adhesive stickers for attaching to the wheels. These stickers reproduced the logos of BMW. In that regard, BMW argued that the supply of such stickers amounted to an infringement of its trademarks. Indeed, the defendant supplied replica wheels and stickers to garages. Regarding the likelihood of confusion, the Judge considered that even the garages were not confused about the origin of these wheels, an even some end-consumer would realize this for example from the low price, there is no guarantee that this will happen in all cases. Moreover, the Judge went further and took subsequent purchasers, thus post-sale confusion into account. Accordingly, even none of the immediate end users are not confused about the source of the wheels, the subsequent purchasers of cars to which wheels bearing the stickers are fitted, may be confused as they will assume that the wheels of BMW's design bearing BMW logos are genuine BMW wheels²⁷⁰.

Again in a case before the English Courts, where this time the subject matter was the replicas sold, offered for sale and advertised over the Internet, the Judge, when assessing whether the uses complained of are liable to affect adversely the origin function of the claimant's trademarks, considered that such uses may produce such effect even it is indicated on the websites that the goods are replicas, since that does not exclude the likelihood of post-sale confusion²⁷¹.

From the above-mentioned CJEU rulings, it is seen that the post-sale confusion

²⁶⁸ T-185/02, *Picasso*, 22.06. 2004, par.60; C-361/04, *Picasso*, 12.01.2006, par.48 and Opinion of AG Ruiz-Jarabo Colomer, 08.09.2005, par. 61

²⁶⁹ EWHC 244 (Pat), *Datacard* 14.02.2011, par.289

²⁷⁰ EWHC 2099 (Pat), *Bayerische Motoren Werke Aktiengesellschaft v. Round and Metal Limited – Philip David Gross*, 27.07.2012, par.107

²⁷¹ EWHC 3354 (ch), *Cartier International AG & Ors v. British Sky Broadcasting Ltd & Ors (“Cartier”)*, 17.10.2014, par.146

is taken into account in the double identity cases, and used to confirm the findings of uses adversely affecting the origin function of the trademark. As seen from the opinion of the Advocate General Ruiz-Jarabo Colomer in *Picasso* case, the post-confusion in the Arsenal ruling is used only to confirm the breach of the trademark rights²⁷². In other words, it is indicated that if a likelihood of confusion occurs when the consumer is purchasing the good or the service in question, it is also possible that potential subsequent clients may be confused. On the other hand, if the first purchaser of the goods or services in question is not confused about the origin of the goods or services, but the subsequent consumer does, is that fact actionable? The first purchaser may not be confused at the moment of sale because the good in question may differ sufficiently from the original product. In this case, the consumer clearly sees and understand that the good in question is not the allegedly infringed trademarked product and thereby is not confused. Equally, the (potential) consumers which see this product differentiated in such a way, for instance on street, shall detect the difference and will not be confused about the origin of the product. However, it may be the cases, it could be the opposite. However, the important point here is whether the confusion influences the future decision to purchase. Indeed, the sort of consumer confusion that is actionable is the one which is relevant to consumers' purchase decisions and not all sort of confusion. Therefore, the trademark owner who alleges infringement need to show more than likelihood of confusion, s/he must show the likelihood of harm²⁷³. Therefore, if the person who sees this product on the street does not have an intent to purchase this product, there will be no harm to the trademark. On the other hand, even if s/he has an intent to purchase, it is possible that s/he buys the original product. Besides, it is possible for the (potential) customer who sees the product on street and supposes that it is original, to abandon to buy the product for instance, because of the low quality of the product or to change its mind about the trademarked product in question. In this case, the consumer will think that the low quality product belongs to the owner of the trademark and this will tarnish the trademark.

Therefore, each case should be assessed case-by case basis for the determination of post-sale confusion. For instance, as stated in the CJEU's *Picasso* case above-

²⁷² C-361/04, *Picasso*, Opinion of AG Ruiz-Jarabo Colomer, 08.09.2005, par. 54

²⁷³ Kal RAUSTIALA – Christopher Jon SPRIGMAN, p.5, 12

mentioned, the fact that the consumer does not pay as much attention in the moment other than the moment of purchase does not imply that there will be confusion between the trademarks. In this respect, likelihood of post-sale confusion does not necessarily imply a likelihood of confusion which is taken into account in the assessment of the protection of trademark right or the assessment of the relative grounds for refusal. On the other hand, in some cases, even if there is no likelihood of confusion at the moment of sale of the infringing good to the first consumer, it is possible that subsequent consumers may be confused afterwards. As indicated in the English BMW case above-mentioned, even there is no likelihood of confusion in the mind of the end consumer; there may be post-sale confusion in the mind of the subsequent second-hand purchasers.

C. Use of Marks with REPUTATION

It is undisputed that the primary function of a trademark is the origin function. However, a trademark can also act as a means of transmitting other messages, such as qualities or characteristics of the goods or services, and feelings, such as luxury, lifestyle, exclusivity, adventure, youth. In that regard, some trademarks may have an intrinsic economic value which is autonomous and distinct from that of the goods and services they designate and thus deserve enhanced protection²⁷⁴.

The protection specific to the reputed marks is regulated separately in both the European and Turkish Trademark Law. Pursuant to art.10/2-c of the Trademark Directive, the proprietor of the registered trade mark may prevent third parties from using, “in the course of trade”, “in relation to goods or services”, any sign where “*the sign is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark*”. A similar provision can be found in the ar.7/2-c of the IPL, according to which “*irrespective of being used for identical, similar or different goods or services, the use of any sign that is identical with or similar to the registered trademark, which, without a due cause, takes an unfair*

²⁷⁴ T-215/03, Sigla v. OHIM – Eleni Holdings (“Sigla”), 22.03.2007, par.35

advantage of or is detrimental to the reputation or to the distinctive character of the trademark due to the trademark's level of reputation in Turkey", constitutes an infringement to the trademark right and may be prevented by the trademark owner.

Even though the Trademark Directive appears to cover four situations, which are "unfair advantage of the distinctive character of the mark", "unfair advantage of the repute of the mark", "detriment to the distinctive character of the mark" and "detriment to the repute of the mark", the CJEU categorized them into three. Accordingly, the types of injury are, first, "detriment to the distinctive character of the earlier mark", secondly, "detriment to the repute of that mark" and, thirdly, "unfair advantage taken of the distinctive character or the repute of that mark"²⁷⁵. With this categorization, the CJEU has rendered the Turkish and the European provision in parallel as three different circumstances are regulated in art. 7/2-c of the IPL. Moreover, it should be pointed out that even one of the types of injury in the IPL is "taking an unfair advantage of the repute of the mark", this type of injury should be interpreted in accordance with the EU provision, as including "taking an unfair advantage of the distinctiveness of that mark".

These articles introduce, for the benefit of trademarks with a reputation, a more extensive form of protection²⁷⁶ than that provided for in art. 10/2-a and b of the Trademark Directive²⁷⁷ and art.7/2-a and b of the IPL. In other words, the protection of trade marks with a reputation is broader than that of ordinary marks, in that the trademark proprietor's ability to prevent third parties' use do not depend on either the identity of the signs at issue, as referred to in Article 10/2-a of the Trademark Directive and art.7/2-a of the IPL, or the likelihood of confusion referred to in art. 10/2-b of that directive and art.7/2-b of the IPL²⁷⁸. This is because of the fact that trademarks with a reputation convey a message that does not only concern the origin of the good or service. The consumer perceives them as "an emblem of prestige or a guarantee of quality". This is the brand image and it can be damaged even when consumers are not confused²⁷⁹.

²⁷⁵ C-252/07, Intel Corp.v. CPM United Kingdom Ltd. ("Intel"), 27.11.2008, par.27

²⁷⁶ While the grant of this enhanced protection against dilution was optional under art. 5/2 of the Directive 2008/95, with the entry in force of the Directive 2015/2436, this type of protection ceased to be optional.

²⁷⁷ C-252/07, Intel, 27.11.2008, par.26

²⁷⁸ C-65/12, Leidseplein Beheer v. Red Bull ("Leidseplein Beheer"), 06.02.2014, par.39

²⁷⁹ Elisa MORO, p.69

In order for the use of a third party to constitute an infringement within the meaning of art. 10/2-c of the Trademark Directive and art. 7/2-c of the IPL, firstly the trademark alleged to be infringed must be a mark with reputation (1). Besides, regardless of whether the use is made in identical, similar or different goods or services (2), the sign used must be identical or similar to the reputed trademark (3). In addition, such use must take an unfair advantage from the distinctiveness or the reputation of the reputed mark or must be detrimental to the repute or the distinctiveness of that mark (4). The use of third party with due cause is reserved (5). These conditions are cumulative and the absence of one of them is sufficient to render that provision inapplicable²⁸⁰. Below will be examined these issues in the following order.

1. Marks with Reputation

The definition of the trademarks with reputation is not provided in the Law, since a reputed mark differs in each concrete case and does not meet the predetermined criteria²⁸¹. Moreover, different terms are used for reputed marks. For instance, the Paris Convention (art.6bis) and the TRIPS (art.16) refer to “*well-known marks*”. On the other hand, regarding the European trademark legislation, within the provisions on the relative grounds for refusal (art.5), while it is referred to “*well-known*” marks within the meaning of Paris Convention in the paragraph 2-d, in another paragraph (art. 5/3-a) it is referred to the trademarks which have a “*reputation*”. Likewise, in the article entitled “Right conferred by the mark”, article 10/2-c refers to the “trademarks which have a *reputation* in a Member State”. Equally, in the Turkish regulation, within the provisions regulating the relative grounds for refusal, while the art.6/4 refers to “*well-known*” marks within the meaning of Paris Convention, and paragraph 5 of the same article and the art.7/2-c where the scope of rights arising from the registration of trademark is determined refer to “the level of *reputation* reached in Turkey”. Therefore, it is seen that Turkish legislation is parallel to the EU legislation.

Even though the terms ‘well-known’ and ‘reputation’ represent separate legal

²⁸⁰ T-67/04, *Spa Monopole v. OHIM – Spa-Finders* (“Spa”), 25.05.2005, par.30

²⁸¹ Hamdi YASAMAN, *Marka Hukuku*, p.247

concepts, they overlap to some extent²⁸², as they have been considered as kindred concepts ('notion voisines') by the CJEU²⁸³.

According to *AYOĞLU*, these two terms and the legal consequences associated with them are different. Indeed, "well-known" marks within the meaning of Paris Convention, even if they are not registered in Turkey, cannot be registered on behalf of someone else in classes of goods or services for which the well-known mark is registered²⁸⁴. Besides, in order to be accepted as a "well-known" mark within the meaning of Paris Convention, it is not necessary for the mark to be well-known or used in Turkey. In this respect, pursuant to the art. 6/4 of the IPL (art. 5/2-d of the Trademark Directive), the level of reputation sought for the proof of "reputation" within the meaning of the Paris Convention is higher than the level of reputation sought under the art. 6/5 and art. 7/2-c (art. 5/3-a and art. 10/2-c of the Trademark Directive). In fact, the protection granted to "*well-known marks*" under the Paris Convention and TRIPs is a special type of protection and aims to protect these marks against exploitation in countries where they are not even registered. In that regard, it is understandable the high standard of being well-known in order for a mark to benefit from such protection. On the other hand, there is no such requirement for *marks with a reputation*²⁸⁵. As indicated in the CJEU's case-law, the level of recognition to be established is lower for "marks having a reputation" within the meaning of art. 5/3-a (and art.10/2-c) of the Trademark Directive than with regard to "well-known" marks within the meaning of Article 6bis of the Paris Convention²⁸⁶.

In this regard, in order to be protected against an infringement, it is not necessary to prove a level of reputation within the meaning of the Paris Convention, the alleged infringed mark should have reached a level of reputation in Turkey or in the European Union and also should be registered before EUIPO or TPTI. Indeed, from both the article 10/2-c of the Trademark Directive and art.7/2-c of the IPL, it is understood that the "well-known" mark sought to be protected or claimed to be infringed, should be registered. In

²⁸² OHIM Manual Concerning Proceedings Before the Office for Harmonization in the Internal Market ("OHIM Manual"), Part 5, 2.1.2

²⁸³ C-328/06, Alfredo Nieto v. Leonci Monlleo, 22.11.2007, par.17

²⁸⁴ Tolga AYOĞLU, "Tanınmış Markalar Listesinden Çıkarma Davası", Fikri Mülkiyet Hukuku Yıllığı, 2013, p.143

²⁸⁵ C-375/97, General Motors v. Yplon ("General Motors"), Opinion of AG Jacobs, 26.11.1998, par.32-33

²⁸⁶ T-420/03, El Corte Ingles v. OHIM – José Matias Abril Sanchez and Pedro Ricote Saugar, 17.06.2008, par.110

the event where the mark is having a reputation but not registered, the protection cannot be provided according to the IPL or EU Trademark Law provisions, but unfair competition provisions²⁸⁷.

On the other hand, while the “reputation” criteria sought for the “well-known” marks within the meaning of Paris Convention has a higher level than the ones sought for the marks with reputation, when the scope of protection that is granted to the marks with reputation is compared with that granted to well-known marks, it is seen that they are more extensive than the protection granted to well-known marks, so that they can be regional and include all the goods or services²⁸⁸. In other words, while the “well-known” marks within the meaning of the Paris Convention are under the protection with regard to only identical or similar goods/services, marks with reputation within the meaning of both art. 5/3-a and 10/2-c of the Trademark Directive and art. 6/5 and 7/2-c of the IPL, are not under the protection only with regard to identical or similar goods/services, but also with regard to different goods or services. However, as will be examined below, this protection is not automatic and depends on the existence of certain conditions.

In order to determine whether a trademark has a reputation, it is necessary to determine before whom and to what extent the mark should have such a reputation. On this point, even the Paris Convention contains some provisions about “well-known” marks; it does not make an explanation regarding how the “well-known” mark will be determined. On the other hand, art.16/2 of the TRIPS provides that, in determining whether a trademark is well known, “*the knowledge of the trademark in the relevant sector of the public*” should be taken into account. Similarly, for marks with reputation, a certain degree of knowledge of the earlier trade mark among the public implies²⁸⁹.

Therefore, two issues come up from this: one of them is “the degree of knowledge” and the other one is the “relevant sector of the public”. According to the CJEU, “the degree of knowledge required is reached when the earlier mark is known by *a significant part of the public* concerned by the products or services covered by that trade

²⁸⁷ Uğur ÇOLAK, “Tanınmış Markaların Farklı Sınıflardaki Mal ve Hizmetler Yönünden Korunması”, Fikri Mülkiyet Hukuku Yıllığı 2013, p.283

²⁸⁸ Yarg. HGK 2015/11-3127 E. 2016/114 K. 29.01.2016 T. (www.kazanci.com)

²⁸⁹ C-375/97, General Motors, 14.09.1999, par.23

mark”. Regarding this “significant part of the public” criterion, it should be noted that it cannot be required that the reputation exists “throughout” the territory of the Member State. Nor, there isn’t any requirement that the trademark must be known to a certain percentage of the public²⁹⁰. Regarding the “relevant sector of the public”, it encompasses the actual buyers of the relevant goods and also the potential purchasers thereof²⁹¹.

Concerning the Turkish law, it is referred in the art. 7/2-c of the IPL to “the level of reputation reached in Turkey”. It is not clear from the provision whether this reputation should be reached in the whole country or in a certain part. However, in line with the EU case-law, the reputation within art. 7/2-c of the IPL should not be searched for in the whole Turkey, but in a significant part of it. How will be determined the significant part of Turkey? Again in line with EU case-law, it can be argued that a trademark known in one city or in the province of a city of Turkey cannot profit from the protection of well-known marks. On the contrary, there is a view that it is appropriate to recognize the mark as having a reputation when the half or two third of the population of the country knows the mark²⁹².

In the assessment of whether the mark at issue has a reputation, all relevant factors including “the mark’s market share held by the trademark, the intensity, geographic extent and duration of its use, and the size of the investment made by the undertaking in promoting it” should be taken into account²⁹³. Moreover, other factors, such as “record of successful enforcement; number of registrations; certifications and awards; and the value associated with the mark”, can also be taken into consideration in the assessment of the reputation of the mark²⁹⁴. These criteria serve as examples and are not cumulative, so that failure to produce, for example, any proof on the market share held by the trademark does not prevent the finding of the reputation²⁹⁵.

In Turkey, the criteria to be taken into account in the determination of reputation

²⁹⁰ Ibid., par.25-28

²⁹¹ OHIM Manual, Part 5, 3.1.2.2; See to that effect, T-47/06, Antartica Srl v. OHIM – The Nasdaq Stock Market Inc (“Nasdaq”), 10.05.2007, par.47-51; T-60/10, Jackson International v. OHIM – The Royal Shakespeare Compan, 06.07.2012, par.35-36

²⁹² Uğur ÇOLAK, Türk Marka Hukuku, p.356-357

²⁹³ C-375/97, General Motors, 14.09.1999, par.27; for more information, see OHIM Manual, Part 5, 3.1.3

²⁹⁴ OHIM Manual, Part. 5, 3.1.3.7

²⁹⁵ C-320/07 P, Nasdaq, 12.03.2009, par.52

have been set forth by TPTI²⁹⁶ in the Principles and Application of the Reputation Levels of Trademarks. These are namely, the duration, geographical area and scope of registration and use of the trademark; the extensiveness, market share, annual sales amount of goods/services on which the trademark is used; promotion activities for the trademark; activities which are non-advertising but beneficial for the promotion of the trademark; court decision showing the reputation of the trademark or effective efforts of the trademark owner to protect its trademark; authenticity and distinctiveness of the trademark; opinion research on reputation of trademark; nature of the company who owns the trademark; identification of the trademark with the good or service used, reflexive recall of a particular product by the trademark; awards and documents received; distribution channels and import and export opportunities of trademarked goods or services; monetary value of trademark; the extensiveness of the portfolio of goods and services covered by the trademark; longevity of the protection of the reputation; existence of infringing acts due to reputation of the trademark; whether the trademarked goods are open to infringement; all kinds of documents regarding the reputation²⁹⁷.

At this point, it should be pointed out that a list of reputed marks is maintained by TPTI. Trademark owners can apply to be registered in this list which is named Reputed Marks List and the ones which are found appropriate by TPTI to be kept in the list are given a certificate of declaratory ruling of reputation²⁹⁸. However, reputation is a legal status that is subject to various legal consequences and the acquisition of this status is conditional on the existence of a material fact, that is to say, an actual situation. This actual situation may vary in the course of time. Therefore, a trademark that is accepted as a reputed mark may lose this status over time, or vice versa. Consequently, TPTI's decision to include them in the list of reputed marks is not a mandatory condition for acquiring legally recognized reputed mark status. In this regard, even the trademark is not registered in the list of reputed marks, the court may decide that the mark has a reputation. Likewise, even the trademark is registered in the reputed marks list, the court may decide

²⁹⁶ The Trademark Department of the Turkish Patent Institute is tasked with determining and putting into practice the principles regarding the level of reputation of trademarks in accordance with the provisions of the relevant legislation pursuant to the art.13/d of the Law no.5000 on the Establishment and Functions of the Turkish Patent Institute.

²⁹⁷ <http://www.turkpatent.gov.tr/TURKPATENT/resources/temp/500B9FBD-FDBA-4F34-A822-B73C72D84A80.pdf> (last accessed on 04.04.2018)

²⁹⁸ Tolga AYOĞLU, Tanınmış Marka, p.139

that the trademark does not have a reputation as of the date of the proceeding at hand. In this regard, in determining whether a trademark has a reputation, the reputed marks list constituted by TPTI is not binding²⁹⁹.

Besides, there is no legal level of reputation determined for the reputed marks. Hereunder, if the minimum sectorial reputation condition is met, the trademark must be granted with the protection of reputed marks. It is not appropriate to differentiate the reputed marks by giving them a degree or a level, which is not included in law, and discriminating them by deciding whether they are sectorial reputed marks, supra-sectorial reputed marks or reputed marks in Turkey³⁰⁰. However, whether a trademark is reputed beyond its own sector is important in assessing the conditions (such as taking unfair advantage of reputation, being detrimental for the reputation and distinctiveness of trademark) for infringement. Indeed, as regards the relevant public to be taken into consideration, that public varies depending on the type of injury that the proprietor of the earlier mark alleges³⁰¹.

2. Identical, Similar or Different Goods and Services

Under both the abrogated EU Trademark Directive and the Turkish Decree Law no.556, the provision for the protection of reputed marks was applied only for uses in different goods or services. In other words, the owner of the reputed mark could rely on the provision of reputed marks only if a sign identical with or similar to the mark is used in “different” goods or services, but could not rely on this provision if this mark had been used in “identical” or “similar” goods/services. However, this situation was narrowing the protection of reputed marks when compared with ordinary marks. In fact, while ordinary marks are protected against the uses of identical or similar goods/services, reputed marks were not, whereas they were protected even for uses in different goods or services, albeit under certain conditions. For this reason, with the entry in force the Trademark Directive 2015/2436 and the Turkish IPL, the view that this provision will be applied only in different goods or services is abandoned and it is regulated that this

²⁹⁹ Tolga AYOĞLU, Tanınmış Marka, p.144-145; Hamdi YASAMAN, “Tanınmış Marka Kriterleri ve İspatı Sorunu”, Marka Hukuku ile ilgili Makaleler, Hukuki Mütalaalar, Bilirkişi Raporları, İstanbul 2008, p.37

³⁰⁰ Yarg. 11. HD. 2006/13097 E. 2007/4024 K. 06.03.2007 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.350

³⁰¹ C-320/07 P, Nasdaq, par.46

provision will also cover when the goods or services are identical or similar. Therefore, this provision is now applied regardless of whether the goods or services are identical, similar or different.

This situation had been already accepted in EU case-law with *Davidoff* case³⁰², before the Trademark Directive 2015/2436, so the amendment made in the aforementioned Trademark Directive did not bring a big novelty. In this *Davidoff* case, the proprietor of the reputed trademark “Davidoff” brought proceeding against the use of the mark “Durffee” for identical and similar goods before the German Court. As the goods complained of were identical and similar, the Bundesgerichtshof requested a preliminary ruling from the CJEU and asked whether the protection conferred to the reputed marks includes use of the sign for identical or similar goods. The Court observed the relevant provision (art.5/2 – new art.10/2-c) in the light of the overall scheme and objectives of the system, and held that “*that article cannot be given an interpretation which would lead to marks with a reputation having less protection where a sign is used for identical or similar goods or services than where a sign is used for non-similar goods or services*”. In other words, “*where the sign is used for identical or similar goods or services, a mark with a reputation must enjoy protection which is at least as extensive as where a sign is used for non-similar goods or services*”³⁰³.

3. Identical or Similar Signs

The degree of similarity for finding a likelihood of confusion under Article 10/2-b of the Trademark Directive and art.7/2-b of the IPL, and under Article 10/2-c of the Trademark Directive and art.7/2-c of the IPL is not the same. If a sign has acquired reputation, the level of similarity has to be assessed differently³⁰⁴.

According to the CJEU, whereas the protection under art.10/2-b of the Trademark Directive (art.7/2-b of the IPL) is conditional upon a similarity between the marks which creates a likelihood of confusion in the mind of the relevant section of the public, the existence of such a likelihood of confusion is not necessary for the protection

³⁰² C-292/00, *Davidoff v. Gofkid* (“Davidoff”), 09.01.2003

³⁰³ *Ibid.*, par. 20-30

³⁰⁴ OHIM decision of 28.10.2005, ruling on opposition no B 631 483, p.8

granted by art.10/2-c of the Trademark Directive (art.7/2-c of the IPL). Accordingly, the infringement under art. 10/2-c of the Trademark Directive may be the consequence of a lesser degree of similarity between the marks. However, for that, the relevant section of the public has to make “*a connection/a link*” between them³⁰⁵. The Turkish Supreme Court’s evaluation is also in the same way. According to the Supreme Court, there should be a link which results in taking unfair advantage of or being detrimental to the distinctive character or repute of the registered mark³⁰⁶.

However, for there being a link, there should be a similarity between the signs. Article 10/2-c of the Trademark Directive and art.7/2-c of the IPL is inapplicable where there isn’t any similarity between the marks at issue. In other words, if there is no similarity between the reputed and the disputed mark, the reputation and the identity/similarity between goods or services are not sufficient to found the link that the public makes between the signs. There should be a similarity, even faint, between the marks in question for a finding of a link in the mind of the relevant public³⁰⁷. For instance, when comparing the reputed chocolate mark “Kinder” with the trademark “Timi KinderJoghurt” and the reputed “CK Calvin Klein” mark with “CK Creaciones Kenya” mark in opposition proceedings, the CJEU did not take into account the reputation of the earlier marks in the assessment as the signs were not similar³⁰⁸. However, in the cases where it has not been ruled out any possible similarity, art. 10/2-c of the Trademark Directive/art.7/2-c of the IPL must be applied to the case. For instance, in a case where the General Court, despite founding a low degree of conceptual similarity, ruled out the application of the art.10/2 of the Trademark Directive, the CJEU set aside this judgment as the General Court did not ascertain whether that low degree of similarity was sufficient for the relevant public to make a link between the marks³⁰⁹.

Therefore, art. 10/2-c of the Trademark Directive and art.7/2-c of the IPL cover infringements which result from a certain degree of similarity between the signs so that

³⁰⁵ C-552/09, Ferrero v. OHIM - Tirol Milch (“Ferrero”), 24.03.2011, par.53

³⁰⁶ Yarg. 11. HD. 2007/5927 E. 2007/9302 K. 18.06.2007 T.

³⁰⁷ C-552/09, Ferrero, 24.03.2011, par.65-66

³⁰⁸ T-140/08, Ferrero, 14.10.2009, par.55-62; C-552/09, Ferrero, 24.03.2011, par.64-69; C-254/09, Calvin Klein, 02.09.2010, par.68

³⁰⁹ C-581/13, Intra-Press v. OHIM – Golden Balls, 20.11.2014, par.74-78

the relevant public makes a connection between them even though it is not likely to be confused. The existence of a link between the marks is therefore an essential condition for the application of that provision³¹⁰. However, the existence of such a link cannot be presumed even if the signs are identical or similar as they may be intended for the public which do not overlap³¹¹.

For the determination of such a link, all factors relevant to the circumstances of the case should be taken into consideration, in particular, *“the degree of similarity between the conflicting marks, the nature of the goods or services for which the conflicting marks were 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 mark’s distinctive character, whether inherent or acquired through use, the existence of the likelihood of confusion on the part of the public”*³¹².

Firstly, it is well accepted that the more similar the signs, the more likely that the later mark will remind the reputed mark. However, this fact alone is not sufficient for a finding of a link in the mind of the relevant public³¹³.

Second factor to be taken into account is the nature of the goods or services for which the marks in question are registered. Even though similarity of the goods or services is not a condition for the application of that provision, the nature of the goods or services concerned and the degree of closeness between them are factors which may be taken into account in the global assessment as to whether there is a link between the marks at issue³¹⁴. Indeed, in the case where the marks are registered for goods or services in respect of which the relevant public is completely distinct from each other, thus do not overlap, the earlier mark, even though it has a reputation, may not be known to the public intended by the later mark, so that that public cannot establish any connection or link between those marks. Moreover, even if the relevant public overlaps to some extent, the

³¹⁰ C-408/01, *Fitnessworld*, 23.10.2013, par.29-30

³¹¹ C-252/07, *Intel*, 27.11.2008, par.45

³¹² *Ibid.*, par.41-42

³¹³ *Ibid.*, par.44-45

³¹⁴ T-301/09, *IG Communication v. OHIM – Citigroup (“Citigroup”)*, 26.09.2012, par.100

goods or services may be different so that the later mark cannot remind the earlier mark to the relevant public³¹⁵. For instance, in a case before the Turkish Supreme Court, it has been held that it is not possible to establish a link between the trademark “Derby” which has a reputation in the field of shaving blades and the sign “Derbytech” which is applied for the saw, sanding machine, chisel machine, motor lawn mower and agricultural tools, since the goods covered by both of these marks are of different characteristics, so that when purchasing the goods with “Derbytech” trademark, the average consumer would not establish a link with the shaving blades under the “Derby” trademark³¹⁶. After the case came before the General Assembly, the Board stated that, shaving blades goods which is covered by the reputed mark “Derby” belongs to consumption sector including the “personal needs and care products”, whereas the products on which the defendant will use the “derbytech” trademark belong to “production sector” which includes “industrial and agricultural tools and machines”, so there are two different sectors in question. According to the Board, although the consumers of relevant products are adults, the quality of sharpness and being non-corroding of the claimant’s shaving blades shall not affect the preferences of consumers because well-known derby trademark is mainly used in consumption sector related to personal care and the other is in the production sector for the needs of industrial and agricultural enterprises, therefore the defendant’s mark would not take an unfair advantage from the positive image of the claimant’s trademark³¹⁷.

An another case before the Turkish Supreme Court was between the “Lacoste+crocodile figure” trademark which has a reputation in the textile sector and the “Crocodile+figure” mark. Although the subject matter of this case was the invalidity of a trademark, the conditions under which the infringement must be realized by using the similar trademark of the reputed mark in different goods or services are the same. In the relevant case, the claimant’s request of invalidity is rejected by the Court, afterwards the decision is reversed by the Supreme Court, the first instance court persisted on its decision, the General Assembly reversed the decision of persistence, finally the

³¹⁵ C-252/07, Intel, par.48-49

³¹⁶ Yarg. 11. HD. 2009/14791 E. 2011/16644 K. 08.12.2011 T.; Uğur ÇOLAK, Tanınmış Marka, p.280

³¹⁷ Yarg. HGK 2013/11-656 E. 2014/427 K. 02.04.2014 T. (www.kazanci.com)

defendant's request of revision of decision is accepted and the General Assembly upheld the decision of persistence of the first instance court. In the decision of General Assembly which reversed the decision of persistence of the first instance court, it was considered that as the plaintiff's trademark is very well-known in the textile sector, the defendant's application will take an unfair advantage, will be detrimental to the repute or the distinctiveness of the mark even if the goods and services for which the defendant had applied for are different³¹⁸. However in the decision of the General Assembly on the request of revision of the defendant, it was held that there is a "weak" similarity between the signs and there are no overlapping or similar goods/services; that the goods subject to defendant's application are the goods appealing to construction/building sector, so that they are completely distinct in terms of their customers, sales locations, requirements they meet and they have not the possibility to be linked with respect to the scope of goods of the claimant's reputed mark and especially with regard to textile/garment sector in which the reputation is admitted. In consequence, it was held that there is no possibility for the defendant's mark to take an unfair advantage from the claimant's trademarks, to exploit its fame, to be detrimental to its repute or its distinctive character³¹⁹.

But yet, it is also possible to establish a link between the marks even though the public targeted by both mark is wholly distinct from each other. This is especially the case when the reputation of the earlier mark goes beyond the relevant public targeted by this mark. Therefore, the strength of the earlier mark's reputation is one of the factors to be taken into account in the determination of the link³²⁰. Likewise, when the distinctive character of the earlier mark is high or when it is unique, it is more likely that the later mark will bring the earlier mark to the mind of the relevant public³²¹.

Another factor to be taken into account, according to the Court, is the likelihood of confusion. However, according to the case-law of the Court, art.10/2-c of the Trademark Directive (art.7/2-c of the IPL) does not require the existence of a likelihood

³¹⁸ Yarg. HGK 2013/11-1885 E. 2015/1161 K. 08.04.2015 T. (www.kazanci.com)

³¹⁹ Yarg. HGK 2015/11-3127 E. 2016/114 K. 29.01.2016 T. (www.kazanci.com)

³²⁰ C-252/07, Intel, 27.11.2008, par.51-53; see to that effect, T-301/09, Citigroup, 26.09.2012, par.108

³²¹ C-252/07, Intel, 27.11.2008, par.54, 56 (unique meaning that "*a word mark has not been used by anyone for any goods or services other than that by the proprietor of the mark for goods and services it market*").; for a weak distinctive character see also T-490/12, Arnoldo Mondadori Editore v. OHIM – Grazia Equity, 26.09.2014, par.76-81

of confusion. On this point, it should be noted that it is necessary and sufficient for the establishment of a link in the mind of the relevant public to establish that the later mark bring to the mind of that public the reputed mark³²².

The “link” between the sign used by the third parties and the reputed mark overlaps with the terms “likelihood of association” within the meaning of the art.10/2-b of the Trademark Directive and art. 7/2-b of the IPL which regulate the uses of identical or similar signs in identical or similar goods/services. Indeed, in the likelihood of association, even there is not a likelihood of confusion between the signs, there is an impression that the trademarked goods originate from an entity connected to the trademark owner. Therefore, the consumer makes a link/connection between the trademarks. This “link” condition exists for reputed marks as well. However, the consequences of this “link” required both for the infringement of reputed and ordinary marks are different. Indeed, art. 10/2-b of the Trademark Directive and art.7/2-b of the IPL does not apply where there is no likelihood of confusion on the part of the public. Thus, the “mere association” between two trademarks is not in itself sufficient to conclude that there is a likelihood of confusion within the meaning of art.10/2-b of the Directive and art.7/2-b of the IPL³²³. On the contrary, art. 10/2-c of the Trademark Directive and art.7/2-c of the IPL do not require a likelihood of confusion. In this regard, the mere association or link is sufficient in the sense of this provision. Therefore, for similar uses of ordinary marks, in order to find a likelihood of confusion, a link or an association between the signs is not sufficient, rather this link should also cause a likelihood of confusion. In other words, whenever this link causes a likelihood of confusion, the art. 10/2-b of the Trademark Directive and art. 7/2-b of the IPL applies. However, on the other hand, for the reputed marks, the existence of a mere link is sufficient and it is not necessary for this link to cause a likelihood of confusion. As indicated by the Turkish Supreme Court, the notion of the connection or link within the scope of reputed marks and likelihood of confusion which is regulated in art. 7/2-b of the IPL are different³²⁴.

³²² C-252/07, Intel, par.60; Charles GIELEN, Trademark Dilution, p.714

³²³ C-251/95, Sabel, 11.11.1997, par.26

³²⁴ Yarg. HGK 2013/11-656 E. 2014/427 K. 02.04.2014 T.

4. Types of Injuries

The fact a trademark has a reputation does not result automatically in an infringement when it is used for different goods or services. Moreover, even though the existence of a link constitutes the specific condition of the protection of trademarks with reputation, is not sufficient, in itself, to conclude that there exists one of the types of injury referred in art. 10/2-c of the Trademark Directive or art.7/2-c of the IPL³²⁵.

In order to infringe a trademark with reputation, the alleged infringing use should meet or liable to meet one of the three conditions³²⁶. Accordingly, such use should take an unfair advantage from the distinctive character or the reputation of the mark, or should be detrimental to the repute or distinctiveness of the mark. Just one of those types of injury suffices for that provision to apply³²⁷.

When the Turkish court decisions are examined, it is seen that, unlike the European practices, both the first instance courts and the Supreme Court discuss and assess all together the three conditions for the infringement of a reputed mark; and if there is an invalidity or infringement reason, it is generally held that both the reputation of the mark is unfairly exploited and the reputation and distinctive character is damaged. In other words, the case at hand is not assessed separately for each of the three circumstances, but a collective assessment is made³²⁸. At this point it should be noted that, even the term “dilution” is used for these three circumstances, in fact dilution means damaging the distinctive character of the mark³²⁹.

a. Unfair Advantage of the Distinctive Character and the Reputation of the Mark

The concept of “*taking unfair advantage of the distinctive character or the repute of the trade mark*” is also referred to as “*parasitism*” or “*free-riding*”. That concept occurs where there is clear exploitation of a reputed mark or an attempt to trade upon its reputation by transferring the image of the mark or the characteristics of the

³²⁵ C-252/07, Intel, 27.11.2008, par.32, 71

³²⁶ Yarg. 11. HD. 2014/19119 E. 2015/5654 K. 22.04.2015 T.

³²⁷ C-252/07, Intel, 27.11.2008, par.28

³²⁸ In the same way, Uğur ÇOLAK, Türk Marka Hukuku, p.383

³²⁹ Uğur ÇOLAK, Tanınmış Marka, p.276

trademarked goods or services without paying any financial compensation and without being required to make efforts of his own in that regard³³⁰.

For the determination of whether the third party's use takes such unfair advantage, the strength of the reputation and the degree of distinctiveness of the mark are of importance. Indeed, the stronger the distinctive character and reputation of the mark, the more immediately and strongly the mark is brought to mind by the sign. Therefore, the likelihood will be greater that the use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them³³¹.

Moreover, the intention of the party using the reputed mark may also be relevant in the assessment of the unfair advantage taken. For instance, in a case where the defendants used packaging and bottles similar to the plaintiff's L'Oréal's reputed marks for the marketing of imitation perfumes, it has been found a link between the defendant's packaging and the plaintiff's trademarks related to packaging and bottles, and considered that that similarity and link between original perfumes and their imitations had been created intentionally by the defendant in order to facilitate the marketing of those imitations, thus to take an unfair advantage³³².

b. Detriment to the Repute of the Mark

Detriment to the reputation of a mark is also referred as "*tarnishment*" or "*degradation*"³³³. Such detriment happens when the trademark's power of attraction is reduced due to the third party use. This is the case especially when the third party's goods or services possess characteristics or qualities having a negative impact on the image of the mark³³⁴.

At this point, the following question comes to mind: is it necessary that the goods covered or used by the trademarks should be similar in order to fulfill this requirement? Otherwise, can such infringement be found even if they are totally different? In *SPA* case,

³³⁰ T-67/04, *Spa*, par.51; C-487/07, *L'Oréal*, 18.06.2009, par.41-49

³³¹ C-487/07, *L'Oréal*, 18.06.2009, par.44; C-252/07, *Intel*, 27.11.2008, par.67-69

³³² C-487/07, *L'Oréal*, 18.06.2009, par.46-48

³³³ Under US law, it is called "dilution by tarnishment"

³³⁴ C-487/07, *L'Oréal*, 18.06.2009, par.40

the Court, having found that the marks at issue relate to very different goods, such as mineral waters and publications and travel agency services, did not consider that the later mark, even if the goods or services covered by that mark is of lower quality, would diminish the plaintiff's SPA trademark's power of attraction³³⁵. However, on the other hand, in the *Claeryn / Klarein* case before the Benelux Court of Justice, the court held trademark infringement on the ground that the similarity between the signs *Claeryn* and *Klarein* which are pronounced identically would cause consumers to think of detergent for which the sign "Klarein" was used, when drinking *Claryn gin*³³⁶. Similarly, in the *Rado* case before the Turkish the Supreme Court, it is considered that the use of the trademark "Rado", reputed for watches, for cleaning materials as damaging the repute of the mark³³⁷.

c. Detriment to the Distinctive Character of the Mark

Detriment to the distinctive character of the reputed mark is also referred to as "dilution", "whittling away" or "blurring"³³⁸. This kind of detriment occurs when the trademark's ability is weakened to identify that the goods or services come from the trademark proprietor³³⁹. In such a situation, the trademark loses its ability to arouse "immediate association" with the goods or services for which it is registered and used³⁴⁰.

In the cases where the mark's distinctive character and the reputation is strong, it is easier to found such detriment³⁴¹. On the contrary, in the cases where the earlier mark consists of a common or frequently used term, such detriment risk is considered to be low. For instance, in *VIP* case, the Court found the detrimental nature of the sign used to the distinctive character of the earlier mark as being limited as the term "VIPS" is the abbreviation of "Very Important Person", which is widely and frequently used to describe famous persons³⁴².

³³⁵ T-67/04, Spa, par. 49

³³⁶ judgment of the Benelux Court in *Claeryn / Klarein*, Case A 74/1, 1 March 1975,

³³⁷ Yarg. 11. HD. 2012/3848 E. 2013/4182 K. 06.03.2013 T.; Uğur ÇOLAK, Tanınmış Marka, p.283

³³⁸ Under US law, it is called "dilution by blurring"

³³⁹ C-252/07, Intel, 27.11.2008, par.29

³⁴⁰ T-67/04, Spa, par.43

³⁴¹ C-375/97, General Motors, par.30;

³⁴² T-215/03, Sigla, 22.03.2007, par.62; see also T-67/04, Spa, par.43

Detriment to the distinctive character of a reputed mark occurs especially when the later mark is used for goods intended for a wide public. Conversely, if the other mark is directed at a special and more limited public, thus known by a relatively limited public, the risk of dilution will be reduced³⁴³.

Regarding this type of injury, it should be noted that the CJEU, in *Intel* case, introduced a requirement in order to prove such detriment. Accordingly, for there be a detriment to the distinctive character of the earlier mark, it must be proven a change or a likelihood of change “*in the economic behavior*” of the average consumer targeted by the reputed mark in consequence of the use of the later mark³⁴⁴.

In order to prove the detriment to distinctive character of the reputed mark, in the above-mentioned “Derbytech” case, the Turkish Supreme Court set forth a condition of “directing the purchasing preferences of consumers” as parallel to the condition of “change in the economic behavior” set forth by the CJEU³⁴⁵. According to this, for the existence of circumstances stipulated in art. 7/2-c of the IPL, the average consumers should make a link between the alleged infringing trademark and the reputed mark as a result of the use of an identical or similar sign in the different goods or services, and through this link which creates a positive impression and association, the purchasing preferences of the consumer should be directed or oriented.

Nevertheless, the proof of “a change in the economic behavior of the consumer” is a difficult standard for trademark owners to reach, as the Court did not elaborate on or give examples of what would demonstrate such a change, nor did it explain how a change in economic behavior could be attributed to the junior user’s activities, rather than other circumstances that could lead to a decline in sales³⁴⁶.

The determination of whether the conditions mentioned above are fulfilled, must be evaluated by taking into consideration the relevant public. According to the CJEU, the

³⁴³ Ibid., par.63; T-131/09, *Farmeco v. OHIM – Allergan*, 28.10.2010, par.100

³⁴⁴ C-252/07, *Intel*, 27.11.2008, par.77; C-383/12 P, *Environmental Manufacturing v. OHIM – Wolf*, 14.11.2013, par.36-37

³⁴⁵ Yarg. HGK 2013/11-656 E. 2014/427 K. 02.04.2014 T.; Uğur ÇOLAK, *Tanınmış Marka*, p.291-292

³⁴⁶ İlanah SIMON FHIMA, “The Court of Justice’s protection of the advertising function of trademarks – an (almost) sceptical analysis”, *Journal of Intellectual Property Law & Practice*, 2011, Vol.6, No.5, p.328

public to be taken into account whether the proprietor of the reputed mark is entitled to prohibit the third party's use pursuant to art. 10/2-c of the Trademark Directive (IPL art.7/2-c) varies depending on the type of injury alleged by the proprietor of the reputed mark³⁴⁷. Therefore, the Court distinguishes between the detriment and free-riding. In that regard, while the public which should be taken into consideration is the average consumer of the goods or services for which the earlier reputed mark is registered for the determination of the detriment to the distinctive character or the repute of the reputed mark, the public which should be taken into consideration for the determination of unfair advantage taken of the distinctive character or repute of the earlier reputed mark is the average consumers of the goods and services for which the later mark is registered³⁴⁸.

5. Due Cause

Both art. 10/2-c of the Trademark Directive and art.7/2-c of the IPL protects marks with a reputation against use of an identical or similar sign in relation to any goods or services, provided that this use which is without “due cause” takes unfair advantage of, or is detrimental to the distinctive character or the repute of the trade mark. In other words, the presence of an “unfair advantage”, a “detriment to the distinctive character”, or a “detriment to the reputation” of the trade mark does not imply, in itself, that the use by the third party is unlawful, if the trade mark is used “with due cause”³⁴⁹.

The concept of “due cause” is neither defined in EU or Turkish trademark law. But in general terms, it can be said that the concept of ‘due cause’ is intended to balance the interests of the trademark proprietor and those of other economic operators in using the sign³⁵⁰.

The Court of Justice had several occasions to apply the “due cause” defense up today³⁵¹. For instance, regarding the commercial freedom of expression, a defense *for informing consumers about alternatives* has been accepted as a due cause in the *Interflora*

³⁴⁷ C-252/07, Intel, 27.11.2008, par.33

³⁴⁸ Ibid., par.35-36

³⁴⁹ Vincenzo di CATALDO, “The Trade Mark with a Reputation in EU Law. Some Remarks on the Negative Condition: “without due cause””, IIC – International Review of Intellectual Property and Competition Law, Vol.42/7, 2011, p.833

³⁵⁰ C-145/05, Levis Strauss v. Casucci SpA, 27.04.2006, par.29-30; C-65/12, Leidseplein Beheer, 06.02.2014, par. 41-42

³⁵¹ C-65/12, Leidseplein Beheer, 06.02.2014; C-252/12, Specsavers v. Asda, 18.07.2013; C-323/09, Interflora, 22.09.2011; C-487/07, L'Oréal, 18.06.2009

case related to the use of the mark in keyword advertising³⁵². In this case, even though the Court found the use of a reputed mark as a keyword in an internet referencing service amounted to the taking advantage of the distinctive character and repute of the mark, this finding did not imply a finding of infringement as there was room for due cause. However, even though there may be a reason for the use, there is still not a due cause if a sign is used in such a way that (a) the impression is created that there is a commercial relationship between the trademark proprietor and the user of the sign, (b) the use of the sign takes unfair advantage of the distinctive character or reputation of the trademark, (c) the trademark is unnecessarily damaged or disparaging remarks are made about the trademark, or (d) if the sign is used in such a way that the good or service is presented as an imitation or counterfeit of the goods or services of the trademark proprietor³⁵³.

Moreover, according to the CJEU, the concept of ‘due cause’ covers also “the subjective interests” of a third party using the sign in addition to objective reasons. For instance, in a case where the third party use was started before the reputed mark had acquired its reputation, in order to determine the due cause, one of the factors which had been taken into account was the intention of the person using that sign³⁵⁴.

On the contrary, due cause defense is not accepted, for example, when it is grounded on the existence of rights in a company name³⁵⁵, on the desire to indicate the common name of the material with which the jewelry had been made³⁵⁶. Equally, the use of a first name “Kenzo” in the form of “Kenzo Estate” was found not enough to constitute “due cause” as it was highly likely that it would take unfair advantage of the reputed mark “Kenzo”. According to the Court, the mere fact that the word ‘kenzo’ in the “Kenzo Estate” mark corresponds to the appellant’s first name is irrelevant to the question whether the use of that term constitutes “due cause” since the balancing of the different

³⁵² C-323/09, *Interflora*, 22.09.2011, par.91; See “Use of Trademarks in Keyword Advertising” under the Second Section

³⁵³ Tobias COHEN JEHORAM, et al., 8.8.10.1

³⁵⁴ C-65/12, *Leidseplein Beheer*, 06.02.2014, par.45-60

³⁵⁵ T-301/09, *Citigroup*, 26.09.2012, par.126

³⁵⁶ T-59/08, *La Perla v. OHIM – Worldgem Brands*, 07.12.2010, par.61, 65

interests at issue cannot undermine the essential function, thus the origin function of the earlier mark³⁵⁷.

Regarding the political or artistic freedom of expression, while the CJEU had so far not had the opportunity to decide on due cause defense in such kind of cases, some national courts, on the other hand, did. For example, in a case where the marketing of postcards “Lila Postkarte” ironically hinted the well-known chocolate trademark “Milka” by using on the background the Milka’s purple color mark and mentioning a poem ridiculing the nature idyll with cows and mountains evoked in Milka advertising, even though the German Court considered this kind of use as a trademark use, it held that “*the freedom of art*” had to prevail in light of the ironic statement made with the postcard and the use of Milka trademarks and thus found that use to have been taken place with “due cause” in the sense of art. 10/2-c of the Trademark Directive³⁵⁸. Therefore, due cause is accepted as may occur from the fundamental guarantee of “*the freedom of art*”. On the other hand, an artistic trademark parody had not been accepted as due cause defense when it is sought to profit from the reputation of the earlier mark³⁵⁹.

On the other hand, with regard to political freedom of speech, the French Supreme Court allowed the use of the trademark “ESSO” by Greenpeace in an online campaign against the environmental policy of that company³⁶⁰³⁶¹.

³⁵⁷ Joined Cases C-85/16 P and C-86/16 P, *Kenzo Tsujimoto v. EUIPO and Kenzo*, 30.05.2018, par.92-94

³⁵⁸ Martin SENFTLEBEN, *Keyword Advertising*, p.50

³⁵⁹ See to that effect, Oberster Gerichtshof (OGH), sept.22,2009, 17 Ob15/09v, 3.4; Martin SENFTLEBEN, *The Perfect Match*, p.264

³⁶⁰ C. Cass., case 06-10961, Apr.8, 2008; for more information, see “Freedom of Expression and Information” under the Second Section

³⁶¹ Martin SENFTLEBEN, *The Perfect Match*, p.263

Second Section

INFRINGEMENT OF TRADEMARK RIGHTS

ON THE INTERNET

I. TRADEMARK INFRINGEMENT ON THE INTERNET

Infringement of trademark rights on the Internet had been first regulated in Turkey, before the Industrial Property Law no. 6769³⁶² (IPL) which entered into force on 10.07.2017, by the Decree-Law on the Protection of the Trademarks no 556 (Decree-Law no.556). This regulation under the former law has entered into our legislation with the Law Amending the Decree-Law no 5833³⁶³ in 2009, which added the subparagraph (e) to the art.9 of the Decree-Law. Accordingly, the use, on the Internet, of a sign identical with or similar to the trademark, which produces a commercial effect, in domain names, metatags, keywords or in similar ways can be prevented by the trademark proprietor pursuant to the first paragraph, provided that the person using the sign has no right or legitimate interest in such use.

Prior to this regulation, there were not any specific provision regulating the use of trademarks on the Internet. However, even before this specific regulation for the uses on the internet, it was accepted that the use of trademarks in domain names falls within the ambit of this provision as the use examples mentioned in art.9/2 of the Decree-Law no.556 are not limited to these mentioned situations³⁶⁴. For instance, the Courts were considering the use of a sign identical with or similar to a trademark in a domain name as a use “*on business papers and in advertising*” within the meaning of art.9/2-d of the Decree-Law no.556³⁶⁵. Indeed, while it was mentioned in that provision that the use of trademarks “in advertising” by third parties can be prevented by the trademark proprietor,

³⁶² O.J..29944

³⁶³ O.J. 27124, 28.01.2009

³⁶⁴ İsmail KIRCA, “Tescilli Markanın Alan Adı Olarak Kullanılması”, Prof. Dr. Ömer Teoman’a 55. Yaş Günü Armağani, İstanbul 2002, p.539; Hamdi YASAMAN/Tolga AYOĞLU, Marka Hukuku, C.I, 2004, p.493-494

³⁶⁵ Tamer SOYSAL, İnternet Alan Adları Hukuku (Domain Name Law), Ankara 2014, p.881; Füsun NOMER, “İnternet Alan Adının (Domain Name) Hukuki Niteliği ve Marka ve Ticaret Unvanı gibi Ayırt Edici Ad ve İşaretler ile Arasında Benzerlik Bulunması Sebebiyle Doğabilecek Hukuki Sorunlar”, Domaniç’e Armağani, C.I., İstanbul 2001, p.408

there were no restriction on the form or nature of this advertising. For this reason, as the web site under a domain name is some kind of advertisement, infringement of trademark rights through its use in domain names had been evaluated within the framework of this provision³⁶⁶. Similarly, since there is no specific provision regulating the uses on the internet within the European Trademark Law, the use of trademarks as a keyword³⁶⁷, metatag or in domain names³⁶⁸ are considered as use in advertising in the European case-law.

As stated, there is no similar or corresponding provision of art.9/2-e of the Decree-Law no.556 in the European Trademark Directive or Regulation. Indeed, it was indicated in the law's preamble that while this provision is not included in the European Trademark Regulation nor in the German Trademark Law, there is a complete consensus in both domestic and foreign doctrine and case-law that the use of trademarks on the internet falls within the scope of trademark law. For this reason, it was considered as necessary to regulate explicitly such situation. When enacting this provision, it had been taken into consideration the rules of dispute resolution centers on the domain names and trademarks, such as WIPO's arbitration and mediation center.

The art.7/3-d of the IPL is almost the same as the art.9/2-e of the abrogated Decree-Law no.556. The only difference is that the condition of "use in the course of trade" had been added with the IPL. Accordingly, pursuant to the art.7/3-d of the IPL, in cases where the use is made "in the course of trade", the use, on the Internet, of signs identical with or similar to a trademark in domain names, metatags, keywords or in similar ways can be prevented by the trademark proprietor pursuant to the second paragraph, as long as the person using the sign does not have any right or legitimate interest in such use and as long as such use produces a commercial effect.

On this point, it should be noted that in order to prevent uses made by third parties on the internet, the conditions stipulated in the second paragraph of the said article should be satisfied. In other words, it is possible for the trademark proprietor to prohibit

³⁶⁶ Fatih BİLGİLİ, *Marka Hukukunda Hakkın Kötüye Kullanılması*, Ankara 2006, p.210

³⁶⁷ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par.62

³⁶⁸ C-567/11, *Belgian Electronic Sorting Technology NV v. Bert Peelaers, Visys NV* ("Belgian Electronic Sorting Technology"), 11. 07.2013, par. 61

the uses mentioned in the third paragraph, only if one of the situations set forth in the second paragraph is realized, namely identical, similar and reputed marks' infringements. Indeed, the mention of “...can be prohibited in accordance with the second paragraph” in the third paragraph reveals it clearly³⁶⁹.

When we examine the conditions set forth in art.7/3-d of the IPL regarding the use of the trademark on the internet, there should be, in the first place, a use of a sign identical with or similar to the trademark. Moreover, this use should be made on the Internet³⁷⁰. In addition, such use should be made “in the course of trade” and in such a manner to produce a “commercial effect”. The requirement of “use in the course of trade” applies to all cases regardless of whether or not the use is made on the internet. On the other hand, the requirement of “use with commercial effect” relates to only uses on the internet³⁷¹.

The use patterns indicated in the provision, such as use of trademarks in domain names, metatags and keywords, are set forth as examples. Indeed, the mention of “in similar ways” indicates that the uses other than mentioned are also covered by this provision.

The use of trademark in domain names is the most common form of use on the internet. *Domain names* are symbolic addresses that are used to make IP numbers easier to remember. Infringement of trademark rights by the use of a sign identical with or similar to a trademark belonging to another person in domain names can occur in different ways. These are, for example, cybersquatting, typosquatting and reverse domain name hijacking.

Metatags, are words or phrases inserted into the HTML codes of a web page. In this regard, using the trademark in metatags means using the trademark in the HTML codes of a web page. In such a situation, the internet user does not see the trademark inserted in these source codes, but when s/he makes a search with this trademark on the

³⁶⁹ Hamdi YASAMAN/Tolga AYOĞLU, *Marka Hukuku*, p.495

³⁷⁰ The Internet environment has been defined in the Turkish Law no.5651 as the environment created on the internet which is open to the public and which falls outside the personal or corporate computer systems (art.2/1-g)

³⁷¹ For uses “in the course of trade” and “with commercial effect”, see below the First Section

search engine, the link of the web page in whose source codes the trademark is inserted is shown in the first ranks of the search results.

On the other hand, regarding the use of the trademark as *a keyword*, when a search is made with this trademark, the link of the web site of the person who used the trademark as a keyword, is shown on the top of search results under the heading of “advertisement”. In such a case, the person who uses the trademark belonging to another person pays a fee to the search engine and in return the search engine makes the link of the web page of this person appear in the first ranks of the search results.

The difference between the metatags and keywords is that when the mark is used as a metatag, the search results triggered by this trademark are listed in the natural results, whereas when the mark is used as a keyword, the search results triggered by this trademark are listed in the sponsored results. Therefore, while in both case the trademark is used as a means to trigger the search results, the difference between them lies in the nature of the results, such as natural and sponsored results.

Beside the use of trademarks in domain names or as metatags or keywords, similar kinds of uses are covered under the art.7/3-d of the IPL, as uses which can be prevented by the trademark owner. In this way, it is thought to cover new practices which can be emerged in the future.

On this point, it should be noted that there are mainly two ways by which people obtain access to any content on the Internet. The first one is typing in the URL of a web site on the location bar of their browser which takes you then to the desirable web page containing the information looking for. The other way is to use a search engine, which have become an integral part of the process through which virtually all internet users seek to access information in cyberspace. The relevance of the results of a search engine determine the usefulness of this search engine. However, there are some methods used to improve the ranking of a website in search engine results and the misuse of this technique is known as “spamdexing”³⁷². One of the methods used for this is use of keywords and

³⁷² Mital RAMAN, “Search Engines and their Abuse”, appears in Block-4 Management of IPRs in Cyberspace, 10.04.2017, p.28-32, available at <http://www.egyankosh.ac.in/handle/123456789/7677> (last accessed on 30.12.2018)

metatags. However, there are many other ways to improve the ranking of a web site in the search results³⁷³, and these techniques constitutes “black hat SEO” technique which is a practice against search engine guidelines, used to get a site ranking higher in search results³⁷⁴. In this regard, these spamdexing³⁷⁵ techniques can be counted among the similar uses with regard to the trademark uses in domain names, metatags and keywords within the meaning of the IPL.

In addition, the first techniques used on the internet before those used to attract the attention of the internet users by bringing the websites’ links into the forefront, are the “pop-up” and “banner” advertisements. Indeed, early on, companies used *pop-up ads* to try to divert traffic from competitors. The pop-up ad is a window appearing on the screen and when the user clicks on it, it is directed to the advertiser’s website³⁷⁶. On the other hand, *banner ads*, are ads that are placed on a webpage for the purpose of promoting a good or service; and in this way the internet user, by clicking on it, is redirected to the website where the relevant goods or services are offered. In other words, they can be assimilated to the traditional banner ads, which are placed on the internet³⁷⁷. Banner ads are usually placed on much visited websites for a fee. When the internet users enter into a web page and click on the banner ad that s/he is interested in, s/he accesses to the page that is directed by the banner ad. Banners can be totally random or tied to particular search terms³⁷⁸. In this respect, banner ads can also be found in search engines. In this case, the keyword used for the banner ad is hidden in the search engine program. When the internet user makes a search on the search engine, the banner ads related to this searched term appear on the top of the search results in a different way than the links displayed in the search results. In this way, the website linked to the banner ad will be much more likely to be visited by the users than the other web pages³⁷⁹.

Regarding “similar uses” which can be prevented by the trademark owner under the art.7/3-e of the IPL, we can cite also the *linking* and *framing* practices. Even though

³⁷³ such as use of hidden or invisible text, keyword stuffing, cloaking and page hijacking

³⁷⁴ An introduction to Black Hat SEO, <https://blog.hubspot.com/marketing/black-hat-seo> (last accessed on 11.11.2018)

³⁷⁵ See CA Douai, ch.1, sect.2, 05.10.2011, Saveur Bière c/Céline S., Sélection Bière (www.legalis.net)

³⁷⁶ WIPO Intellectual Property on the Internet A Survey of Issues, WIPO/INT/02, December 2002, p.44

³⁷⁷ Eser RÜZGAR, p. 18

³⁷⁸ EWCA Civ. 159, Reed Executive PLC v. Reed Bus. Info. Ltd (“Reed”), 03.03.2004, par. 137-142

³⁷⁹ Sefer OĞUZ, İnternet Alan Adı (Domain Name) Haklarının Korunması, Ankara 2018, p.336 (footnote.237) - 337

linking and framing give rise rather to copyright infringements³⁸⁰, these practices may also cause trademark infringement if it explicitly or implicitly implies a relationship between the linking and linked sites, and makes believe the internet user that the linked page is is affiliated, approved, or sponsored by the trademark owner³⁸¹.

A hyperlink is a reference in a hypertext system enabling to switch automatically from a document to a linked document. Hyperlinks are used especially on the Internet to allow the passage in one simple click from a web page to another. There are generally four types of links: *simple link*, *deep link*, *inline linking* and *framing*³⁸². While “simple” links take the user to a website’s home page from which she may navigate to specific works; “deep” and “in-line” or “framing” links bring the user directly to the content the user seeks³⁸³. The good practice of the hyperlink is to make appear clearly the change of site by the opening of a new window with the URL of the site and the homepage. On the other hand, the technique of framing or deep linking is to quote another site, without showing the change of the site in the URL and without going through the homepage. Therefore, the implementation of a deep linking is likely to constitute an act of unfair competition, insofar as it manages to divert users from competing sites. Similarly, it can also be considered as a parasitic action, an appropriation of the work and financial efforts of linked sites. Finally, the harm done in the use of deep links, which directly refer to the secondary pages of a site, without going through the home page, can be measured by the loss of advertising revenue, generated by the passage on the first page only. The damage to the economic interests of the site pointed/linked is then obvious, insofar as the advertising revenues are greater or even only generated on the homepage³⁸⁴.

About the linking practices, it is also necessary to briefly explain the “*backlinks*”. Backlinks are hyperlinks to a web page from another page, which serve to optimize the

³⁸⁰ See, C-466/12, Nils Svensson, et al. v. Retriever Sverige AB, 13.02.2014; C-348/13, bESTwATER Internaional GmbH v. Michael Mebes, Stefan Potsch, 21.10.2014; C-160/15, GS Media BV v. Sanoma Media Netherlands BV, et al. 08.09.2016

³⁸¹ WIPO Intellectual Property on the Internet A Survey of Issues, WIPO/INT/02, December 2002, p.71

³⁸² Nathalie DREYFUS, Marques et Internet, 2011, p.256

³⁸³ Jane C. GINSBURG, Luke Ali BUDIARDJO, “Liability for Providing Hyperlinks to Copyright-Infringing Content: International and Comparative Law Perspectives”, 41 Columbia Journal of Law & The Arts, 2018, p.155; Sevilay EROĞLU, “İnternette ‘Aktif Link’ler Yoluyula Fikri Haklara Müdahale”, Ünal TEKİNALP’e Armağan, Bilgi Toplumunda Hukuk, Cilt III, İstanbul 2003, p.211-214

³⁸⁴ Céline CASTETS-RENARD, Droit de l’Internet: Droit Français et Européen, Montchrestien, Lextenso éditions, 2012, p.349

search engine optimization of websites. The question is whether such practice causes a trademark infringement.

For instance in France, a company who found out that, in the search engine Google.com and Google.fr, a search based on his trademark as a keyword caused to appear the site of his competitor in third and fifth position after his, realized that this positioning results from a campaign of "backlinks" conducted by this competitor and brought an action against him before the court for infringement of the mark, unfair competition, economic parasitism, advertising likely to mislead and damages for the resulting injury. The plaintiff Sofrigam accused the defendant Softbox Systems of using, without its consent, its semi-figurative trademark (Sofrigam), to make, in many third-party sites, the anchor/keyword of backlinks that point to the site of the defendant company. It indicated that the defendant company has distorted the natural referencing on the Sofrigam keyword by artificially creating numerous hypertext links. Indeed, the algorithm of the Google search engine gives some importance to the text associated with a hyperlink pointing to a given page. If several sites use the same text (keyword) associated with the same hyperlink and thus pointing to the same target, the search engine adds these scores and the site targeted by these backlinks, having an increased index of popularity, is better referenced. In fact, there were 775 backlinks with the Sofrigam anchor/keyword redirecting to the defendant company's website. The Court first examined whether this use is made in the course of trade and concluded that the defendant company by choosing the trademark of its competitor as a keyword for the purposes of internet referencing and therefore for its promotion, has made use of this trademark in the course of trade and has obtained an economic advantage. However, the Court considered that this use of this sign is not made for products or services, but to show its promotional link in the results which is only a web site presenting its company and which does not allow online sales. In addition, according to the Court, the links associated with the word Sofrigam are essentially invisible, requiring an analysis of the site to be able to detect them, so that they are not likely to generate confusion in the mind of the Internet user who seeks to acquire Sofrigam products and who will find, at the end of its natural request, Sofrigam's website on one of the first ranks of the list of results. As a result, even though this use was made in the course of trade, it is not made for products or services

and it does not create confusion in the mind of the user, the Court dismissed the claims of the plaintiff as there were no infringement. On the other hand, the court found that the defendant company using the plaintiff's corporate name and domain name in the backlinks in an intensive way to obtain a better internet referencing, committed unfair competition³⁸⁵. However, regarding this particular case, in my opinion, the reasoning of the court is not in accordance with the case-law of the CJEU on the use of trademarks as a keyword. Indeed, while the mere use of trademarks as a keyword to trigger the display of search results on the search engine does not automatically create an infringement, the fact that the keyword used is invisible does not affect the outcome of the decision and if such use creates likelihood of confusion, trademark infringement is held³⁸⁶.

All the above-mentioned trademark uses on the internet aims at redirecting internet users by using a trademark belonging to a third party. Indeed, it is aimed that the internet user visits the website in question by making use of the attractive power of the trademark. For example, in the case of metatag and keyword uses, when a search is made on the basis of a trademark, it is aimed to redirect internet users to the website of the person using this trademark as a keyword by making appear the link of this website in higher positions of the search results. Likewise, with the pop-up or banner ads, the purpose is to attract the attention of the internet user and make him to click on it and thereby redirect him to the website promoting the goods and services concerned. Whether such redirecting of internet users by means of trademarks constitutes a trademark infringement should be evaluated on a case-by case basis. Indeed, even though there is not any specific regulation regarding the uses made on the internet within the European Trademark Directive or Regulation such as that stipulated under the IPL, the member state courts and especially the CJEU, by applying the general principles of trademark law, they adopt and interpret them according to the conditions of internet environment. In this regard, below will be examined how the trademark uses made on the internet is assessed by the CJEU and member states' courts and compare them with the Turkish courts judgments on this regard.

³⁸⁵ CA Paris, Pole 5, chambre 2, 28.03.2014, Sofigam v. Carl G., Softbox Systems ; in the same way TGI Belfort, 17.10.2017, Autoconfiance 25 v. Société IES (www.legalis.net)

³⁸⁶ For more information, see "the Use of Trademarks in Keyword Advertising" at the subsection II/2-A below

II. SPECIFIC CASES OF TRADEMARK INFRINGEMENT ON THE INTERNET

The most common use of trademarks on the internet is their use in domain names. However, having a domain name is not sufficient to attract the internet user to the web page under this domain name. In this regard, there are several methods of search engine optimization, such as use of keywords and metatags. Moreover, the use of trademarks in the online market places, social media constitutes another concern of trademark owners. Indeed, the five online digital platforms where intellectual property infringing activities may take place, detected by the European Union Intellectual Property Office, are web sites controlled by infringer, third party marketplace, social media or blog, gaming or virtual world, email, chatroom or newsgroup and mobile devices³⁸⁷. In this regard, after having examined below the use of trademarks in domain names (1), and as keywords and metatags within the context of online advertising (2), the uses made on online market places (3) and online social media which includes social networking sites, virtual worlds and mobile applications (4) will be examined in the light of the European and Turkish trademark law and case-law.

1. USE OF TRADEMARKS IN DOMAIN NAMES

After having examined the domain names in general (A) with regard to their nature, their structures and allocations conditions and their relationship with the trademarks, the domain name uses which infringe trademark rights within the scope of trademark law will be analyzed (B). Finally, in the last section, infringement of trademarks will be assessed under the Rules of Alternative Dispute Resolution Mechanisms (C).

³⁸⁷ EUIPO, “Research on Online Business Models Infringing Intellectual Property Rights – Phase 1 Establishing an overview of online business models infringing intellectual property rights”, July 2016, accessible at https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/resources/Research_on_Online_Business_Models_IBM/Research_on_Online_Business_Models_IBM_en.pdf (last accessed on 01.12.2018)

A. Domain Names

In addition to physical/offline environments, online environments are now part of our lives. For this reason, companies and trademarks are focused on their online presence with more importance than ever before. One of the most important ways of online presence is to have a web page. This webpage has a name, namely domain name.

In the EU, 79 % of businesses having internet access had their own website in 2017³⁸⁸. In Turkey, while 95,3% of the enterprises have internet access and 97% is using computer, only 66,1% of them have their own website in 2018³⁸⁹.

In general, companies who set up their own web sites prefer using their distinctive signs such as their trademarks in their domain name. However, as it will be explained below, this cannot be possible in every situation. In order to understand the legal relationship between the trademarks and the domain names and disputes arising from there, one would first have to understand the nature of domain names (1), their structures and allocations conditions (2), and then its relationship between trademarks (3).

1. Nature of Domain Names

Each computer on the Internet is assigned a series of numbers called “IP address”. However, since it is difficult for us to memorize these numbers, they are translated into readable and memorable URL addresses through the Domain Name System (DNS)³⁹⁰. In this regard, domain names are the addresses of the Internet. A user types the domain name into her web browser’s uniform resource locator, and the browser communicates with the domain name system to connect her with the desired website³⁹¹.

³⁸⁸ EUROSTAT Digital Economy & Society in the EU

³⁸⁹ TÜİK Hanehalkı Bilişim Teknolojileri Kullanım Araştırması (available at http://www.tuik.gov.tr/VeriBilgi.do?alt_id=1028) (last accessed on 06.12.2018)

³⁹⁰ Dennis S. PRAHL, Eric NULL, “The New Generic Top-Level Domain Program: a New Era of Risk for Trademark Owners and the Internet”, Trademark Reporter, Vol.101, No.6, Nov.-Dec. 2011, p.1762

³⁹¹ Jack VIDOVICH, “The New gTLD Program or The More Things Change, The More Things Stay The Same”, American Univ. Intellectual. Property Brief Vol.6:1 2015, p. 6

Domain name system is defined in the art. 3/1-y of the Electronic Communication Law no.5809³⁹² as a system which finds and gives to the user the corresponding internet protocol number in an addressing with symbolic names that are easy to read and memorize and are generally associated with the address owners. A similar definition is given in the Internet Domain Name Regulation (IDNR)³⁹³ (art.2/e). On the other hand, domain names are defined, in the Electronic Communication Law, as names designating the internet protocol numbers used to determine the addresses of computers or internet pages on the internet (art.3/1-v).

Therefore, domain names are symbolic addresses that are used to make IP numbers easier to remember. In this respect, it is clear that they perform a technical function as an electronic address. For example, in a decision of the Commercial Court of Paris in 2000, the domain names was defined as a virtual addresses³⁹⁴. Similarly, in some decisions of the German courts, domain names were assimilated to telephone numbers and addresses. According to this view, the use of telephone numbers and addresses are open to everyone and similarities cannot create a likelihood of confusion³⁹⁵. However, as it was pointed out by WIPO in its final report dated 1999, in contrast to the telephone and facsimile numbers which do not have any other significance than a string of numbers, the domain name often bears an additional significance, especially when it is associated with the name or mark of a business or its product or services³⁹⁶. Indeed, when an internet user searches for a domain name, s/he does not think about the IP number behind this domain name. Equally, when s/he enters into a web page, or when s/he communicates with a company through a web page, the internet user does not think that s/he communicates with the server of the domain name owner. In this regard, it can be said that, the domain name, albeit indirectly, refers to the natural or legal person on the internet under this name

³⁹² O.J, 27050 bis, 10.11.2008

³⁹³ O.J, 27752, 07.11.2010

³⁹⁴ TC Paris, 28.01.2000, AV Internet Solution Limited v. Raphael P. Et SARL Adar Web; Emrah ÖNGÖREN, "Marka Hukuku ve İnternet Alan Adları", Galatasaray University Master Thesis, 2010, p.42

³⁹⁵ Tekin MEMİŞ, "Alan İsmi Etrafında Ortaya Çıkan Hukuki Sorunlar", Bilişim Toplumuna Giderken Psikoloji, Sosyoloji ve Hukuk'ta Etkiler Sempozyumu, 23-24 Mart 2001, ("Alan İsmi") (accessed on <http://www.geocities.ws/hukukakademisi/Alan.htm>) (last accessed on 30.11.2018)

³⁹⁶ WIPO, "The Management of Internet Names and Addresses: Intellectual Property Issues, Final Report", 30.04.1999, p. 3

and therefore can be assimilated to natural person's names, trademarks or trade names³⁹⁷. In other words, domain names are name-like signs and can also function as signs which enable to distinguish the entities behind the website³⁹⁸. In this respect, domain names also function as distinctive signs such as trademarks or trade name. The perception of domain names as a mere "address" is now outdated and there are now considered as an identification sign and a property right³⁹⁹

The domain name has thus become a kind of commercial name in the virtual world, a real distinctive sign since it determines the arrival of customers on the site. The increasing development of economic activities on the Internet makes domain names a valuable tool of identification, communication and advertising for businesses and individuals. In addition, companies often use their business name or brands as a domain name, meaning the signs they already communicate with⁴⁰⁰.

Domain names, as long as they are used commercially and/or in the course of trade, they can function as a distinctive sign such as trademarks, trade names or company names. Indeed, as indicated in a case before the Turkish Supreme Court, domain names are considered an industrial property rights, like patents, utility models, designs, tradenames, company names and trademarks⁴⁰¹. In this respect, as long as they do not function solely as an address, the domain names are accepted as "sui generis"⁴⁰² distinctive signs and may be protected under the unfair competition provisions⁴⁰³. In this regard, the owner of a domain name can allege unfair competition in the event of a conflict with another domain name or with a subsequent trademark when they are identical or similar. In order to succeed, the domain name owner must prove the likelihood of

³⁹⁷ For the similarities and differences between domain names and trademarks, trade names and company names, see Seniha DAL, "Türk Hukukunda İnternet Alan Adları (Domain Names) ve Bu Alandaki Son Gelişmeler", Marmara Üniversitesi İİBF Dergisi, Yıl 2010, C. XXVIII, S.I, p.484-486; Emrah ÖNGÖREN, p.43-49

³⁹⁸ Kemal ŞENOCAK, p.99-102

³⁹⁹ Ünal TEKİNALP, p.25; Hüseyin ÜLGEN, Mehmet HELVACI, Abuzer KENDİGELEN, Arslan KAYA, N. Füsün NOMER ERTAN, p.387-389; for the opposite view see Sevilay EROĞLU, "Marka Hakkını Kurucu ve Koruyucu Olarak İnternette İşaretten Yararlanma", Prof. Dr. Kemal Oğuzman'a Armağan, GSÜHFD 1/2002, p.464. The author states that the domain name characterize neither a person or the sender of the information nor a good or service, but is only a means.

⁴⁰⁰ Céline CASTETS-RENARD, Droit de l'Internet, p.244

⁴⁰¹ İzmir FSHM 2007/57 E. 2009/199 K. 30.09.2009; approval Yarg. 11. HD. 2009/15031 E. 2011/17122 K. 15.12.2011 T.; İlhami GÜNEŞ, "Marka Hukukunda Önceye Dayalı Haklar", Master Thesis, Dokuz Eylül University, 2012, p.122

⁴⁰² Seniha DAL, p.484; Hasibe İŞIKLI, "İnternet Alan Adları Sistemi", DPT Yayınları, Ankara 2001, p.44

⁴⁰³ Mehmet Emin BİLGE, Ticari Ad ve İşaretler Arasında Karıştırılma Tehlikesi, Ankara 2014, p.184

confusion between signs and the fact that domain name in question is effectively used⁴⁰⁴. On the other hand, if a trademark, copyright, geographical indication or a design is used as a domain name without the consent of its proprietor, the Trademark Law will be applicable⁴⁰⁵. Equally, in the event where a domain name is registered as a trademark, its protection will be secured under the trademark law.

2. Structure and Allocation of Domain Names

Domain names consist of several parts separated by dots (.). To give an example of a domain name, we can cite the domain name of the University of Marmara which is <http://www.marmara.edu.tr>. Here the prefix “<http://www>” is not included in the domain name. Indeed, “http” which stands for “hypertext transfer protocol”, is a standard program used for the transfer of HTML pages and is a technical requirement for all domain names. In this respect, this sign has no distinctive function. Similarly, the prefix “www” is also the name of a program and therefore does not have any distinctiveness⁴⁰⁶.

The main part of the domain names is the part which comes after these prefixes, such as “marmara.edu.tr”. The part after the prefixes “<http://www>” consists of sections. These are for instance Top-Level Domains (TDLs) and Second Level Domains (SLDs). In addition, the Top-Level Domains are divided into two parts which are Generic Top Level Domains (gTLDs) indicating the field of activity of the domain name and Country-Code Top Level Domains (ccTLDS) indicating the country of origin of the domain name.

Domain names’ levels are read from right to left. In the example of “marmara.edu.tr”, “edu.tr” constitutes the top level domain name and “marmara” constitutes the second level domain name. In the top level domain name, “.tr” is the country-code top level and “.edu” is the generic top level domain.

⁴⁰⁴ Céline CASTETS-RENARD, Droit de l’Internet, p.258

⁴⁰⁵ Ünal TEKİNALP, p.28

⁴⁰⁶ Sefer OĞUZ, Alan Adı, p.52-53

marmara	.edu	.tr
Second Level	Top Level	Top Level
Domain Name	Domain Name	Domain Name
	Generic	Country Code

Therefore, the rightmost part of a domain name is named the top-level domain name, then the second-level domain name. Moreover, it is also possible to have a third level domain name in a given domain. For example, in the domain name www.kariyermerkezi.marmara.edu.tr, “edu.tr” constitutes the top level”, “Marmara” the second level” and “kariyermerkezi” the third level domain name. In addition, the part which is separated by “/” from the top-level domain is called sub-directories. On this point, it should be noted that the top and second level domain names should be present in all domain names, whereas the presence of the third level domains and sub-directories is not mandatory and depends on the will of the domain name owner. However, the use of these parts in a domain name is only possible with the use of mandatory elements, namely the top and second level domains⁴⁰⁷.

The name space of DNS was initially controlled by the US Defense Advanced Research Projects Agency (DARPA). With the increasing internationalization of the Internet and its increasing commercialization, other arrangements for administration of the domain name space had been done. In this regard, the Internet Assigned Numbers Authority (IANA) was established by DARPA in 1988 to administer the IP address space and the Internet Corporation for Assigned Names and Numbers (ICANN) was established in 1998 to assume responsibility for the Domain Name System under a Memorandum of Understanding with the US Commerce Department⁴⁰⁸.

⁴⁰⁷ Sefer OĞUZ, Alan Adı, p. 113-114

⁴⁰⁸ Steven WRIGHT, p.195

Therefore, the domain name system is managed internationally by two main institutions, which are IANA and ICANN. IANA maintains records of IP addresses, organizes them and assigns them in block to regional IP address registers⁴⁰⁹. The IP numbers assigned to them by IANA are provided by the Regional Internet Registries to major internet service providers and domain name registrars⁴¹⁰. On the other hand, ICANN is a non-profit international organization responsible for managing IP addresses, domain allocation, generic and country code top level domains and root service system⁴¹¹.

Below will be examined the nature and the allocation conditions of the domain names structured as mentioned above:

a. Top-Level Domains (TLDs)

Top-level domains are limited, meaning that there may be an unlimited number of second-level domains for each top-level domain, whereas there is only one specific second-level domain for each top-level domain name⁴¹². For example, domain names under “com.tr” can be allocated with unlimited options, such as “a.com.tr”, “b.com.tr”, “c.com.tr”. However, there is only one “a.com.tr” which can be allocated to only one person.

As indicated above, Top-Level Domains consist of two parts which are country-code top level domains (ccTLDs) and generic top level domains (gTLDs).

aa. Country-Code Top Level Domains (ccTLDs)

Country-Code Top Level domains are determined according to ISO 3166⁴¹³ country codes and are assigned by ICANN-authorized institutions according to each country’s own legislation. For example, in Turkey domain names with “.tr” ccTLD are assigned by the Information and Communication Technologies Authority (ICTA) (and

⁴⁰⁹ Emrah ÖNGÖREN, p.14-16

⁴¹⁰ Sefer OĞUZ, Alan Adı, p.73; There are five Regional Internet Registries: RIPE NNC (for Europe, Middle East and Central Asia), LACNIC (for Latin America and some Caribbean Islands), ARIN (for Canada, USA and some Caribbean Islands), APNIC (for Asia/Pacific Region) and AFRINIC (for Africa); See <https://www.iana.org/numbers>

⁴¹¹ Emrah ÖNGÖREN, p.14-16

⁴¹² Tamer SOYSAL, İnternet Alan Adları Sistemi -1, p.490

⁴¹³ ISO 3166 is a standard published by the International Organization for Standardization (ISO). It is used to code the names of countries, autonomous region, provinces and states. https://tr.wikipedia.org/wiki/ISO_3166 (last accessed on 19.04.2017)

METU)⁴¹⁴, domain names with “.fr” ccTLD in France by AFNIC⁴¹⁵, domain names with “.uk”⁴¹⁶ by NOMINET⁴¹⁷. The country-code top level for the European Union is “.eu” and assigned by EURID⁴¹⁸. Although “.eu” is not strictly a ccTLD, the domain name of the EU, being geographically based, is usually grouped together with ccTLDs⁴¹⁹. There are 252 ccTLDs in total⁴²⁰.

Country code top level domain names indicate the country where the server computer is geographically located. In this regard, these ccTLDs refers to the country in which goods or services are produced rather than indicating a good or service⁴²¹. However, nowadays, domain names do not indicate exactly the nature or location of the domain name registrant as some domain names are allocated without the proof of any residency requirement. Moreover, some country code domains have become attractive for reasons unrelated to geography. For example, doctors in the USA are purchasing names in the Moldova country code domain, namely, .md⁴²²; the country code domain of Tuvalu “.tv”, which is the worldwide accepted acronym for television, is preferred domain extension for companies in this sector. Equally in Turkey, there are those who prefer using the country code of Turks and Caicos Islands “.tc” which is the acronym of the Republic of Turkey⁴²³.

Each country has stipulated some conditions for the allocation of country-code top level domains. In this regard, semi-free and restrictive allocation models have been

⁴¹⁴ <https://www.btk.gov.tr>. This task was carried out by Middle East Technical University (METU) until 2019 through <https://www.nic.tr>. METU will continue to provide service for two years more after TRABIS was commissioned as an operator.

⁴¹⁵ Association française pour le nommage internet en coopération <https://www.afnic.fr>

⁴¹⁶ even though the ISO 3166 code for the United Kingdom is “gr”, its country code domain name is “.uk”

⁴¹⁷ <https://www.nominet.uk>

⁴¹⁸ European Registry of Internet Domain Names www.eurid.com. While EURID is the registry of the “.eu” ccTLD, there are around 700 accredited registrars that can register domains for registrants. See EUIPO, “Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes”, 2018, p. 20

⁴¹⁹ Pantov VENTSÍSLAW, “The Prevention of Cybersquatting in Europe: Diverging Approaches and Prospects for Harmonization”, Munich Intellectual Property Law Center (MIPLC) Master Thesis 2012/13, p.23

⁴²⁰ WIPO, “Domain Name Dispute Resolution Service for Country Code Top Level Domains (ccTLDs)”, available at <https://www.wipo.int/amc/en/domains/ctld/> (last accessed on 08.01.2019)

⁴²¹ Sefer OĞUZ, Alan Adı, p.56

⁴²² Graeme B. DINWOODIE, p.498 and footnote.10

⁴²³ Serkan SAVAŞ, Nurettin TOPALOĞLU, Osman GÜLER, “Türkiye’deki Kullanıcıların Bazı Alan Adları Üzerine Tercihlerinin Belirlenmesi: Bir Anket Uygulaması”, Bilişim Teknolojileri Dergisi, Vol.8, No..2, May 2015, p.53

adopted⁴²⁴. *In the semi-free allocation model*, it is generally required that the applicant has a connection with the country of the ccTLD, the domain name applied for does not contain signs for which the allocation is prohibited and some technical requirements⁴²⁵. The ccTLDs “.eu”⁴²⁶ and “.fr”⁴²⁷ are examples of such model. On the other hand, *in the restrictive model*, in addition to a connection with the country of the ccTLD, the applicant should prove its rights on the domain applied for⁴²⁸. These models are also called documentary and non-documentary allocation systems⁴²⁹.

The domain name allocation system in Turkey had been made by the “.tr” Domain Name Administration (Nic.tr) within the Middle East Technical University (METU - ODTÜ) since 1990. At the end of 2018, a protocol was signed between METU and the Information and Communication Technology Authority (ICTA - BTK) to transfer the powers to the ICTA. This transfer had been approved by IANA/ICANN in May 2019. However, METU will continue to operate for 2 more years after the activation of TRABİS which is a database⁴³⁰.

In Turkey, there was not any legal regulation on the management of internet domain names until 2008. The first regulation on domain names is the Electronic Communication Law numbered 5809 which entered in force on the 10th of November 2008⁴³¹. Pursuant to art.6/1-y and 35, the executive body is authorized to make secondary regulations. Accordingly, the Ministry of Transportation published the Internet Domain Name Regulation (IDNR)⁴³², and the Information and Communication Authority, which

⁴²⁴ Mustafa GENÇER, “Markanın İnternet Ortamında Alan Adı (Domain Name), Yönlendirici Kod (Metatag) veya Anahtar Sözcük (Keyword) Olarak Kullanılması Sonucu Oluşabilecek Marka İhlallerinin İncelenmesi”, TPE Markalar Dairesi Başkanlığı Uzmanlık Tezi, Ankara 2014, p.37

⁴²⁵ Savaş BOZBEL, İnternet Alan Adlarının (Domain Names) Korunmasında ICANN Tahkim Usulü, 2006, p.32-33

⁴²⁶ See Regulation (EU) of the European Parliament and of the Council of 19 March 2019 on the implementation and functioning of the .eu top-level domain name and amending and repealing Regulation (EC) no733/2002 and repealing Commission Regulation (EC) No 874/2004 (Official Journal of the European Union L 91, 29.03.2019); EURID, Rules for Domain Names, Terms and Conditions, https://eurid.eu/media/filer_public/f4/36/f4366fa9-186a-4674-9887-e525983c1c0b/terms_and_conditions_en.pdf (last accessed on 10.08.2018)

⁴²⁷ Code des Postes et Communications Electroniques art. L.45-1

⁴²⁸ Savaş BOZBEL, ICANN Tahkim Usulü, p.33-34

⁴²⁹ For more information See Nurullah BAL, “İnternet Alan Adları ve İnternet Alan Adı Uyuşmazlıklarının Tahkim Yoluyla Çözülmesi”, Gazi Üniversitesi Hukuk Fakültesi Dergisi, VOL.XVII, 2013, No.1-2, p.322

⁴³⁰ Can MUMAY, ODTÜ’nün com.tr yetkisi BTK’ya devredildi, 08.05.2019, <https://www.sozcu.com.tr/2019/ekonomi/odtun-com-tr-yetkisi-btkya-gecti-4721381/> (last accessed on 17.05.2019)

⁴³¹ Official Journal No. 27050 bis

⁴³² O.J. 27752, 07.11.2010

is authorized by this regulation, published the Internet Domain Name Communication (IDNC) and Internet Domain Name Dispute Resolution Mechanism Communication (IDNDRMC)⁴³³⁴³⁴.

The Internet Domain Name Regulation only governs the principles and procedures for the management of domain name with the ccTLD “.tr”. In accordance with the Regulation, the allocation of these domain names will be done in two ways. For example, the domain names with ccTLD av.tr, .bel.tr, .dr.tr, .edu.tr, .gov.tr, .pol.tr, .k12.tr and .tsk.tr will be allocated on the condition of submission of certain documents and certificates (restrictive model). On the other hand, domain names with ccTLD com.tr, .net.tr, .biz.tr, .info.tr, .bbs.tr, .name.tr, .org.tr, .web.tr, .gen.tr, .tv.tr, .tel.tr will be allocated unconditionally, meaning that any document or certificate is not required to be submitted during the application⁴³⁵.

However, as stated below, the existing procedure will continue until TRABİS becomes operational within the framework of this Regulation (provisional art.1). As TRABİS has not been activated yet, as of May 2019, the “.tr” Domain Name Administration (Nic.tr) is still in charge of the management of domain names with “.tr” ccTLD. In this regard, it is necessary to mention briefly the existing domain name allocation procedure under this system which is regulated by the “.tr” Domain Name Policies, Rules and Procedures of Nic.tr (“.tr” Rules).

Under the “.tr” Rules, the domain names with ccTLD “.com.tr”, “.info.tr”, “.biz.tr”, “.net.tr”, “.org.tr”, “.web.tr”, “.gen.tr”, “.tv.tr”, “.av.tr”, “.dr.tr”, “.bbs.tr”, “.name.tr”, “.tel.tr”, “.gov.tr”, “.bel.tr”, “.pol.tr”, “.tsk.tr”, “.k12.tr”, “.edu.tr”, “.kep.tr” are currently allocated by the “.tr” Domain Name Administration Nic.tr. The applications are made online through the web page www.nic.tr. In parallel with the Regulation, the

⁴³³ RG 28742, 21.08.2013

⁴³⁴ Sefer OĞUZ, “Alan Adını Düzenleyen Türk İncil Mevzuatın Değerlendirilmesi”, Terazi Hukuk Dergisi, No. 97, September 2014, p.72

⁴³⁵ Unlike METU Rules, domain names with the extensions .com.tr, org.tr and .net.tr are allocated without requiring any ownership document under the Regulation.

allocation of domain names is operated in two ways, such as restrictive/documentary⁴³⁶ and semi-free/non-documentary⁴³⁷ allocation.

bb. Generic-Top Level Domains (gTLDs)

Any top-level domain (TLD) that does not represent a country or a territory is known as a generic TLD, or gTLD, whose allocation conditions are determined by ICANN⁴³⁸. In order to reserve a domain name in a gTLD, a domain name registrant must register it with an ICANN-accredited registrar⁴³⁹.

In 1980's, ICANN established 7 gTLDs - 4 restricted (.edu, .gov, .int, and .mil) and 3 unrestricted (.com, .org, and .net). In the year 2000, 7 additional gTLDs were created by ICANN – 3 sponsored (.aero, .coop, and .museum) and 4 unsponsored (.biz, .info, .name, and .pro). In 2004, ICANN approved 7 sponsored gTLDs - (.asia, .cat, .jobs, .mobi, .post, .tel, and .travel). In June 2011, ICANN announced the creation of new gTLDs⁴⁴⁰.

In the allocation of top-level domains which do not contain a ccTLD, a right ownership is not required and as long as this domain name is not allocated to another person, it is allocated on the “first come first served” principle. At the registration stage, the applicant is only required to ensure that the domain name does not damage the rights of third parties and to submit to the ICANN’s Uniform Domain Name Dispute Resolution Policy (UDRP)⁴⁴¹ in case of a dispute arising out of this domain name.

Under such domain name allocation system, trademark owners may face the problem that their trademark has been taken as a domain name by others. Another

⁴³⁶ “.com.tr”, “.org.tr”, “.net.tr”, “.gov.tr”, “.bel.tr”, “.av.tr”, “.dr.tr”, “.k12.tr”, “.edu.tr”, “.pol.tr”, “.tsk.tr”, “.kep.tr”

⁴³⁷ “.biz.tr”, “.info.tr”, “.tv.tr”, “.tel.tr”, “.name.tr”, “.gen.tr”, “.web.tr”, “.bbs.tr”

⁴³⁸ Seniha DAL, p.486

⁴³⁹ There are over 2000 ICANN-accredited registrar as of April 2019, see the full list at <https://www.icann.org/registrar-reports/accredited-list.html> (last accessed on 06.04.2019)

⁴⁴⁰ Harman Preet SINGH, “Domain Name Disputes and their Resolution under UDRP Route: a Review”, Archives of Business Research, Vol.6, no.12, 2018, p.148.

⁴⁴¹ UDRP is a set of rules established by ICANN for resolution of disputes between domain names and trademarks. For detailed information See the Section X.

consequence of this allocation system is that the protection of such domain names is of an international nature, and not fall within the national boundaries⁴⁴².

As the end of 2018, the total recorded domains reached 348 million in the world. In terms of market share, globally, 56% of domain names are gTLDs, 44% of domain names are ccTLDs, most of which comes from the European market. The most used gTLD is “.com” with 137 million domains, followed by “.net” and “.org” gTLD respectively with 13 and 10 million domains. In Europe, while 30% of the domains are with “.com” gTLDs, %58 of them are ccTLDs. The highest use is made for “.de” (Germany) ccTLDs with 16 million domains, followed by “.uk” (United Kingdom) with 12 million, “.nl.” (Netherland) with 5.8 million ccTL domains⁴⁴³. In Turkey, there are almost 400.000 domain names with the “.tr” ccTLD. The most commonly used domain names are those with “.com.tr” ccTLD (328 326) which is followed by ccTLDs “.gen.tr” (16.098), “.gov.tr” (13.634) and “.org.tr” (10.546)⁴⁴⁴.

cc. New Generic Top-Level Domains (New gTLDs)

ICANN (Internet Corporation for Assigned Names and Numbers) launched in 2012 “the New Generic Top Level Domain Program” whose purpose is to allow for the creation of new generic top-level domains (gTLDs) to be registered⁴⁴⁵. This Program is an initiative that is enabling the largest expansion of the domain name system as it has enabled hundreds of new top-level domains to enter into the Internet's root zone. Through this program, the number of gTLDs had increased from 22 to more than a thousand⁴⁴⁶.

From the trademark owners’ perspective, trademark owners obtained an opportunity to use a new domain space for marketing and branding strategies, as they were both able to own a domain name such as for example “www.brand.com” and also

⁴⁴² Seniha DAL, p.486

⁴⁴³ Council of European National Top-Level Domain Registries, CENTRstats Global TLD Report Q3 2018 – Edition 25, Q4 2018 – Edition 2018, <https://centr.org/statistics-centr/quarterly-reports.html> (last accessed on 26.03.2019)

⁴⁴⁴ Nic.tr, İstatistikler (available at <https://www.nic.tr/index.php?USRACTN=STATISTICS&PHPSESSID=15441706211763395163714130>) (last accessed on 07.12.2018)

⁴⁴⁵ Jack VIDOVIČ, p.3-4

⁴⁴⁶ ICANN New Generic Top-Level Domains <https://newgtlds.icann.org/en/about/program>

the “.brand” gTLD. Moreover, companies also had the option to apply for an industry keyword, such as “.toys” or “.fashion”, instead of for a brand, such as “.brand”⁴⁴⁷.

Applications for the Program were accepted on 12 January 2012 and ICANN received 1930 applications⁴⁴⁸ for the new gTLDs by the deadline May 2012⁴⁴⁹. Out of 1930 applications, 1232 application are delegated, 637 applications withdrawn, 44 applications not approved and 17 application is currently (as of the first quarter of 2019) proceeding through New gTLD program⁴⁵⁰.

The “.app” string⁴⁵¹ was the most frequently applied for TLD and had thirteen applications, followed by “.home” and “.inc”, with eleven applications each⁴⁵². About 600 of the 1930 gTLD applications were made by just a handful of companies, such as Google Inc⁴⁵³, Donuts Inc and Top Level Domains holding Ltd⁴⁵⁴. Amazon registered new gTLDs such as, “.hot”, “.now”, “.got”, “.free”, “.fast”, “.like”, “.zero”, “.you”, “.deal”, “.kindle”, “.call”, “.buy”, “.book”, “.author”, “.talk”, “.song”, “.smile”, “.save”, “.room”, “.pay”. Moreover, trademarks such as Alibaba, Amerikanexpress, Amex, Apple, Audi, Barclays, BBC, Bauhaus, BMW, BNPPARIBAS, Briidgestone, Canon, Cartier, Chanel, Deloitte, Delta are some of trademarks registered as new gTLDs. City names such as Amsterdam, Barcelona, Berlin, Boston, Brussels, Budapest, Paris, London, as well as generic words such as book, boutique, cafe, cars, email are also registered as new gTLDs. From Turkey, the Istanbul Metropolitan Municipality had been allocated for “.ist” and “.istanbul” new gTLDs⁴⁵⁵.

⁴⁴⁷ Dennis S. PRAHL, Eric NULL, p.1758

⁴⁴⁸ 911 applications had been made from North America, 675 from Europe, 303 from Asia Pacific, 24 from South America, 17 from Africa

⁴⁴⁹ ICANN New Generic Top-Level Domains <https://newgtlds.icann.org/en/about/program>

⁴⁵⁰ ICANN New Generic Top-Level Domains <https://newgtlds.icann.org/en/program-status/statistics> (last accessed on 20.05.2019)

⁴⁵¹ A string is “a data type used in programming, but is used to represent text rather than numbers. It is comprised of a set of characters that can also contain spaces and numbers”. <https://techterms.com/definition/string> (last accessed on 17.05.2019)

⁴⁵² Amer RAJA, “ICANN’s New Generic Top-Level Domain Program and Application Results”, Intellectual Property Brief, Vol.4, Issue 2, 2012, p.26

⁴⁵³ As a result of the applications made by the Google Inc’s subsidiary Charleston Road Registry Inc., “Google”, “search”, “fly”, “gmail”, “gle,” goog”, “page”, “esq”, “docs”, “new”, “how”, “drive”, “app”, “moto”, “play”, “youtube”, “map” new gTLDs are allocated.

⁴⁵⁴ Amer RAJA, p.25

⁴⁵⁵ For more information see <https://gtldresult.icann.org/application-result/applicationstatus>

New gTLDs are allocated by ICANN. One of the most significant consequence of being allocated a new gTLD is that the person owning this new gTLD becomes the registry operator for this new gTLD. For this reason, an application for a new gTLD required substantial legal, financial and technical preparation. Moreover, the costs of the application were significant, like between \$500,000 and \$1 million over the first two years for any entity willing to invest in a gTLD⁴⁵⁶.

As stated, the registries of new gTLDs are responsible for the allocation of second-level domain names under these new gTLDs. While allocation conditions are different for each Registry, some of them allocate second-level domains under certain conditions, some of them does not require any condition. For example, allocation of second-level domains under the new gTLD “.bank” is restricted to the banking community and all entities seeking a domain name need to prove they are eligible member of the global banking community. In this regard, only banks, saving associations, trade associations, banking regulators and service providers may apply for a domain name with this new gTLD. Equally for the domain names with “.Organic” new gTLD, entities must be qualified and certified organic entities. On the other hand, “.bar” new gTLD is established as an unrestricted domain, therefore open to any meaning associated with it. Moreover, the names of the world’s famous capitals and cities have also been taken as new gTLDs. The allocation conditions of second-level domains under these new gTLDs de vary. For instance, the second-level domains under new gTLD “.Hamburg”, which consists of the name of second biggest city of Germany, are allocated to only registrants living in the metropolitan area of Hamburg. On the contrary, the second-level domains under “.Berlin”, “.London” are open to registration to general public. The gTLDs consisting of trademarks are generally directed to the trademark owner’s various product ranges and therefore the second-level domains under such gTLDs are allocated within their organizations or to their affiliates. For instance, the well-known banking institution BNP Parisbas, owner of the new gTLD “.BNPPARISBAS” allocate the second-level domains under this new gTLD only to BNP Paribas entities⁴⁵⁷.

⁴⁵⁶ Dennis S. PRAHL, Eric NULL, p.1764-1766

⁴⁵⁷ ICANN, New Generic Top-Level Domains, Case Studies, available at <https://newgtlds.icann.org/en/announcements-and-media/case-studies> (last accessed on 20.05.2019)

b. Second-Level Domains (SLDs)

Second-level domains are the freely selected and registered part of the domain names⁴⁵⁸. They are generally situated between the prefix <http://www> and the top-level domains such as “.com.tr”, “.edu.tr”. Moreover, in domain names consisting also third level domains, they are situated between the top-level and third-level domains.

Pursuant to “.tr” Rules which is in force now in Turkey, the second-level domain has to contain at least two character and there is not any upper limit. On the other hand, pursuant to the art. 6 of the Internet Domain Names Regulation, which did not enter into force yet, the second-level domain should be composed of only letters, numbers and dash sign (-), contain at least two and at the most sixty-three characters, not begin or end with dash sign (-), not be already registered by someone else, and not be included in the reserved list. Therefore, while the second-level domains can be freely selected, they must comply some technical requirements and they should not be allocated priorly to somebody else as there is only one owner of a domain name.

As will be explained in detail below, the second-level domains are considered as the distinctive part of the domain names. In fact, it is this part which enables internet users to forge a link between the domain name owner and the goods or services offered⁴⁵⁹.

c. Third-Level Domains

Third-level domains are situated between the prefix <http://www> and the second-level domains. For instance, in the example of www.marmara.edu.tr given above, when entered into “graduate” section on the web page, the domain name of this page is www.mezun.marmara.edu.tr. Here, the third-level domain is “mezun” (graduate) which comes after the prefix “www” and before the second-level domain “marmara”.

There is no need to register the third-level domains with any registrar or obtain authorization to use them. These domain names are created freely by the domain name owner. However, these third-level domains cannot be used on their own, their use is only

⁴⁵⁸ Sefer OĞUZ, Alan Adı, p.64

⁴⁵⁹ Ibid., p.65

possible with the second-level domain name assigned. Moreover, it is not technically necessary to have third-level domains in a domain name⁴⁶⁰.

In addition to the top, second and third-level domain names mentioned above, there are *sub-directories* which enable to access technically to the sub-pages linked to the folders which are connected to the domain name. This is the part which is separated by “/” from the top-level domain⁴⁶¹. For instance, if we continue with the example given above, in the domain name http://mezun.marmara.edu.tr/ust_menu/iletisim/iletisim-ve-ulasim/, the part which comes after the first-level domain (.tr) and which is separated by (/) constitute the sub-directories linked to the domain name www.mezun.marmara.edu.tr.

3. Relationship between Domain Names and Trademarks

As indicated above, domain names, beside their technical functions, are considered as distinctive signs like trademarks or trade names. For this reason, companies prefer often using their trademarks in the domain name of their website. However, the trademark right does not confer an automatic right on the corresponding domain name, as they are two different types of distinctive signs⁴⁶². Nevertheless, trademark owners have the right to prevent the use of their trademarks in domain names by third parties without their consent under the trademark law. On the other side, even though domain name is some sort of distinctive signs, they are not a trademark literally. However, the use of a sign as a domain name has some repercussions on the trademark rights as using signs as domain names is one of the usual appearance of trademark use on the internet⁴⁶³.

While trademarks and domain names are subject to two different regulations, it is possible both to use trademarks in domain names and to register a domain name as a trademark. Each of these situations have their own peculiarities and contain some problems. For instance, a domain name may be registered as a trademark by the domain name holder, but also by third parties who have no rights on the sign. Equally, a trademark may be registered and used as a domain name by the trademark proprietor, but also by

⁴⁶⁰ Ibid., p.66

⁴⁶¹ Ibid., p.67-68

⁴⁶² TGI Paris, 3e ch., 2e sec., 1998, Agaphone c/ Mme C., Burodafer et C.; Natalie Dreyfus, Marques et Internet, Editions Lamy 2011, p.200; Céline CASTETS-RENARD, Droit de l'Internet, p.253

⁴⁶³ Güzide SOYDEMİR, İnternette Haksız Rekabetin Önlenmesi, 2015, p.164

third parties. In addition, even though domain names are not trademarks literally, they may constitute an opposition ground for subsequent trademark applications. Likewise, it can be prevented the use of a trademark on the basis of a domain name, the use of a domain name on the basis of a trademark. Moreover, the new gTLDs program launched by ICANN in 2012 has further intensified the relationship between domain names and trademarks. Indeed, this program has allowed unlimited number of top-level generic domain names, which can be made up of trademarks. These issues will be examined in the following order.

a. Registration of a Domain Name as a Trademark

Trademarks and domain names are distinct distinctive signs and one does not confer a right on the other automatically. For this reason, a domain name owner may wish to protect its sign which is used as a domain name under the trademark law by registering it as a trademark. However, it may not be possible in every case as the essential condition for registering a sign as a trademark is that that sign should bear some distinctive character, which may not be fulfilled by some domain names. On the other hand, the sign used as a domain name may be registered as a trademark by a person other than the domain name owner. These problematic situations will be analyzed below.

aa. Registration of a Domain Name as a Trademark by the Domain Name Owner

Allocation of domain names is subject only to some technical limitations and to the availability of the domain name, meaning that it had not been allocated to another person. On the other hand, registration of trademarks is subject to stricter conditions such as distinctiveness of the sign applied for the registration. A sign which performs functions other than that of the mark, such as domain names, is distinctive only if it can be seen from the outset as “an indication of the commercial origin” of the relevant goods or services, in order to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the trademark proprietor and those having other commercial origin⁴⁶⁴.

⁴⁶⁴ T-130/01, Sykes Enterprises v. OHIM (“Sykes Enterprises”), 05.12.2002, par.20; T-304/16, bet365 Group Ltd. v. EUIPO (“bet365”), 14.12.2017, par.42

For this reason, it may not be possible for a sign constituting the domain name to be registered as a trademark in every case due to the lack of distinctiveness. For instance, the registration application of the sign “işhukuku.org” (“laborlaw.org”) had been rejected by the Turkish Patent and Trademark Institution. The appeal against this decision had been rejected by the Court as the sign “org” indicates the type of the site in question and the sign “İş Hukuku” (labor law) is a branch of law so that it would not create a trademark perception in the mind of the average consumer, therefore it does not have any distinctiveness⁴⁶⁵.

The CJEU has also rejected the objections made to the EUIPO decisions which rejected the registration applications of “sunchen.de”⁴⁶⁶, “photos.com”⁴⁶⁷ and “megabus.com”⁴⁶⁸. In the “*Sunchen.de*” case, regarding the distinctiveness of the sign, the Court first examined the signs at issue separately and then as a whole. In this regard, according to the Court, the sign “suchen”, meaning “search/searching”, enables the relevant public to understand that it is possible to search for something with the products and services concerned or that the consumer has the opportunity to search for them. On the other hand, the “.de” element constitutes the German national extension of a Top Level Domain (ccTLD) domain name corresponding to a website and will thus be directly intelligible to the relevant public as referring to the address of a German internet site or having a link with Germany. In addition, since this element is generic and technical, such a suffix is generally required in the context of the normal address structure of an internet site of German origin. Moreover, this element is not unusual in designating goods and services, since it is considered by the relevant public as referring to an internet address to which they may be offered or purchased. Indeed, it refers to the idea that the products and services concerned can be accessed or purchased via the internet. Therefore, the Court considered that both the elements “suchen” and “.de” are devoid of any distinctiveness with regard to the goods and services concerned. As regards the overall examination of the sign “suchen.de”, it was considered that there is no appreciable difference between the sign applied for and the sum of the two elements constituting it. In addition, the sign

⁴⁶⁵ Yarg. 11. HD. 2015/2854 E. 2015/7855 K. 05.06.2015 T. (dartsip)

⁴⁶⁶ T-117/06, DeTeMedien Deutsche Telekom Medien GmbH v. OHIM (“DeTeMedien”), 12.12.2007

⁴⁶⁷ T-338/11, Getty Images (US) Inc. v. OHIM (“Getty Images”), 21.10.2012

⁴⁶⁸ T-805/14, Stagecoach Group plc. v. EUIPO (“Stagecoach”), 25.05.2016

applied for does not show any noticeable deviation from the generic designation of a domain name corresponding to a website of German origin. Therefore, due to its structure, the absence of distinctive character of its components and the fact that it is a word mark, the sign applied for will be perceived from the outset by the relevant public as being the domain name corresponding to a website of German origin, and not as designating the commercial origin of the products and services concerned⁴⁶⁹.

Similarly, in “*photos.com*” case, the Court assessed the elements of the sign separately and then as a whole. Taken separately, since the term “photos” stands for the abbreviation of the word “photography” or “photograph”, it indicates the subject matter of the goods or services in question. Moreover, since the term “.com” is the extension of a domain name, namely the gTLD, it refers to a domain name from where the goods or services in question may be obtained. In that regard, it was considered by the court that the elements of the sign at issue, taken separately, do not have any distinctiveness. On the other hand, considered as a whole, it was held that the use of these term together does not add any distinctiveness to the sign so that the relevant public would not be able to distinguish the goods or services under this sign from those having different commercial origin⁴⁷⁰.

Again, the registration application of “*megabus.com*” had been rejected. With regards to the meaning of the sign, the Board of Appeal considered that the word ‘mega’ meant ‘very large, great, excellent’, that the word ‘bus’ designated a ‘large motor vehicle carrying passengers by road’ and that those two words would be immediately seen by the relevant public as a reference to a very large or excellent bus, a motor vehicle carrying passengers by road. Furthermore, the Board of Appeal stressed that the element ‘.com’ was a common domain name denoting commercial entities, which was widely used and known throughout the entire European Union. Therefore, it concluded that that element would be recognized promptly by the public concerned as referring to a website. In this respect, the Court found that the Board of Appeal was correct in finding that that sign would be perceived from the outset by the relevant public as being directly descriptive of

⁴⁶⁹ T-117/06, DeTeMedien, 12.12.2007, par.26-39

⁴⁷⁰ T-338/11, Getty Images, 21.10.2012, par.20-28

the services in Class 39 and as describing the subject matter and intended purpose of the goods in Class 16 and services in Class 35⁴⁷¹.

On the other hand, a sign constituting a domain name can acquire distinctiveness through use and thereby can be entitled to the registration. For a mark to have acquired distinctiveness through use, according to the CJEU's case-law, it is necessary that *“at least a significant proportion of the relevant public can, by virtue of that mark, identify the goods or services concerned as originating from a particular undertaking. In that regard, account must be taken of, in particular, the market share held by the mark; how intensive, geographically widespread and long standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, by virtue of the mark, identify the goods or services as originating from a particular undertaking; statements from chambers of commerce and industry or other trade and professional associations; and opinion polls”*⁴⁷².

On this point, the question is whether the online environment can constitute an appropriate medium to acquire distinctiveness through use. In my opinion, since the online environment is a medium that is used by everyone at any time, there is any difference between the physical and virtual environment. On this point, for instance, the application of domain name www.sahibinden.net for trademark registration is rejected by the TPTM and again by the court on the basis of art. 5/1-c of the IPL and on the ground that the sign did not acquire distinctiveness through use⁴⁷³. However, these decisions had been reversed by the Turkish Supreme Court⁴⁷⁴ which considered that the sign “Sahibinden” is not open to everyone's use as it is not descriptive directly for services in class 35, nor is of nature to deceive the public. Moreover, it had been found that the sign has distinctiveness⁴⁷⁵ as the applicant have operated in the e-commerce sector under the domain name with the essential element “Sahibinden” since 1999. However, it should be noted that the mere fact that the website under a domain name is accessible to the internet

⁴⁷¹ T-805/14, Stagecoach, 25.05.2016, par.31-32

⁴⁷² T-262/04, BIC v. OHIM, 15.12.2005, par.61-64

⁴⁷³ Ankara 4. FSHHM, 2009/265 E. 2011/73 K. 23.02.2011 T.

⁴⁷⁴ Yarg. 11. HD. 2011/13756 E. 2013/14368 K. 05.07.2013 T.

⁴⁷⁵ ÇOLAK states on this point that the protection of a such trademark will be relatively weak and for example the use of an expression such as “sahibinden otomobile” (automobile from the owner) on a website under a different domain name would not infringe the trademark “sahibinden” Uğur ÇOLAK, Türk Marka Hukuku, p.133, footnote.515

users from anywhere in the world does not mean that this sign comprising the domain name has a distinctiveness in the sense of trademark law. In any case, this sign should be perceived as indicating a commercial origin of the goods or services in question by the relevant public⁴⁷⁶.

Finally, it should be noted that the top-level domain can be used with different generic top-level domain. When these domain names with different generic top-level domains are applied for trademark registration, the part which should be evaluated is the second-level domain name. In other words, the part of a domain name which should meet the criteria of registration is the second-level domain name. In this regard, the registration of domain names with the same second-level domains but different top-level domains result in the same way. For example, the application of the sign “Sahibinden” is registered as www.sahibinden.net, but also as www.sahibinden.com, www.sahibinden.cc, www.sahibinden.tv, www.sahibinden.biz⁴⁷⁸. In the “Sahibinden.biz” case, the first instance court held that the distinctiveness acquired for “sahibinden.com” cannot be deemed to be a use for “sahibinden.biz”, therefore registration obstacles cannot be overcome for the domain name “sahibinden.biz”⁴⁷⁹. However, the Turkish Supreme Court reversed this decision by holding that the sign applied for has gained distinctiveness as the applicant had been operating under the domain name with the dominant element “sahibinden” for many years⁴⁸⁰. Therefore, here, the part of the domain name which acquired distinctiveness through use is the second-level domains “Sahibinden”, and the distinctiveness of a domain name which contains the same second-level domain, but different top-level domains should be assessed only on the basis of the second-level domain.

bb. Registration of a Domain Name as a Trademark by Third Parties

The allocation of a domain name from authorized institutions does not provide trademark protection on the sign constituting the domain name. However, registering a domain name as a trademark by person other than the domain name owner may result in

⁴⁷⁶ T-338/11, Getty Images, 21.10.2012, par.58

⁴⁷⁷ Yarg. 11. HD. 2013/12097 E. 2014/2208 K. 10.02.2014 T.; 2012/16047 E. 2013/15100 K. 05.09.2013 T.

⁴⁷⁸ Ibid.

⁴⁷⁹ Ankara 3. FSHM, 2009/295 E. 2011/171 K. 29.09.2011 T.

⁴⁸⁰ Yarg. 11. HD. 2012/16047 E. 2013/15100 K. 05.09.2013 T.

taking unfair advantage from the domain name in question. Indeed, domain names obtain reputation in a very short time as a result of the rapid expansion of electronic commerce. In this respect, a domain name which functions as a distinctive sign may be registered by third parties and this registration and use of third parties may be prevented by the domain name owner.

In fact, domain names are not trademarks literally. However, in some circumstances, they may grant the rights of registered trademarks to their owners. Under the IPL, the trademark rights are acquired by registration. On the other hand, although it is accepted the “registration system” under the IPL, this latter is closer to the “use system” due to the exceptions it brings.

While the right on the trademark in the registration system is acquired through the selection of the trademark and the use of the trademark in a manner specific to the trademark law, the person who uses this trademark before registration and gives it a distinctive character shall have the right on that trademark⁴⁸¹. As a matter of fact, in accordance with Article 6/3 of the IPL, if a right for an unregistered trademark or any other sign used in the course of the trade has been obtained before the application date or priority date, the trademark application has to be rejected upon the objection of the owner.

The same regulation exists in the European Trademark Law in the art. 5/4-a of the Trademark Directive and in art.8/4 of Trademark Regulation. According to the case law of the CJEU, *“the proprietor of a sign other than a trade mark may oppose the registration of a Community trade mark if that sign satisfies four conditions. The sign relied on must be used in the course of trade; it must be of more than mere local significance; the right to that sign must have been acquired in accordance with the law of the Member State in which the sign was used prior to the date of application for registration of the Community trade mark; and, lastly, the sign must confer on its proprietor the right to prohibit the use of a subsequent trade mark”*⁴⁸².

⁴⁸¹ Hamdi YASAMAN, Marka Hukuku, p.181

⁴⁸² T-344/13, Out of the blue KG v. OHIM – Frédéric Dubois (“Out of the blue”), 19.11.2014, par.20; T-321/11, T-322/11, Raffaello Morelli v. OHIM (“Raffaello”), 14.05.2013, par.29-30

In this respect, if the sign in question had been used as a domain name and if a right had been obtained through this use before the registration application of a third party for this sign, the domain name owner can prevent such registration on the basis of this use or render the trademark revoked. However, it is necessary to obtain a right on the domain name, thus to use the domain name as a distinctive sign in the course of trade beyond its use merely as an address. Indeed, the use of the domain name only as an address on the internet does not constitute an exception to the registration principle⁴⁸³. In that regard, it is necessary to prove the existence of actual and sufficient business activities in order to demonstrate the fact that an earlier sign is actually used in a sufficiently significant manner in the course of trade. Accordingly, as the mere presence of a website does not show whether or to what extent, that site has been visited by third parties, the owner of a domain name cannot rely on such right⁴⁸⁴.

Indeed, as stated in a French court decision in 1999⁴⁸⁵, a domain name registered and used prior to the registration application of a trademark may constitute a prior opposable right. Although not expressly mentioned in the list of rights enforceable against a trademark in the Intellectual Property Code, the domain name has been considered as a valid prior right in the same way as a trademark⁴⁸⁶. However, for a domain name to be eligible for protection, three conditions should be reported : a right acquired legitimately, anteriority of its use with respect to the contested sign and a likelihood of confusion⁴⁸⁷.

In addition, in order to prevent the registration of such domain name as a trademark by third parties, beyond its use as an address, the domain names should be used for commercial activities. Otherwise, uses of domain names for non-commercial activities cannot be prevented by the trademark proprietor⁴⁸⁸. Likewise, in the event where the content of the website under the domain name is empty or the website is under

⁴⁸³ Sevilay EROĞLU, *İnternette İşaretten Yararlanma*, p.475

⁴⁸⁴ T-344/13, *Out of the blue*, 19.11.2014, par.26

⁴⁸⁵ It is a decision in France that protects for the first time directly the domain name by making prevail the rights of its beneficiary on those acquired later by the applicant of a mark. Céline CASTETS-RENARD, *Droit de l'Internet*, p.252, footnote 9

⁴⁸⁶ TGI Le Mans, 1er ch. 29.06.1999, *Microcaz v. Océanet*, PIBD 1999, III, 91; Natalie DREYFUS, p.236

⁴⁸⁷ CA Paris, 4e ch. 18.10.2000, *Virgin Interactive v. France Télécom*; Natalie DREYFUS, p.236

⁴⁸⁸ See to that effect, *EVH Promotions v. VBA Events B.V.* (2013) ecli:nl:rbobr:2013:6092 (Rechtbank Oost-Brabant); Stefan KUIPERS, "The Relationship between Domain Names and Trademarks/Trade Names", Master Thesis, Lund University Faculty of Law, 2015, p.31-32

construction, if this website redirects users to another website, it does not indicate that that domain name is in use in the course of trade and cannot be claimed as a right against trademark registration application. For instance, in a case before the CJEU⁴⁸⁹, while the sign applied for trademark registration was “Partito della Liberta”, the plaintiff had objected to this application on the basis of its domain name “partitodellaliberta.it” pursuant to the art.8/4 of the Regulation. However, the objection was rejected on the ground that the domain name owner could not prove that s/he used the domain name in the course of trade before the application date. Thereupon the matter came before the CJEU which defined the use in the course of trade as a use within the scope of a commercial activity aimed at making an economic gain. The plaintiff argued that the facts that the domain name “partitodellaliberta.it” was acquired from a competent authority for the allocation of Italy’s domain names, so that it had visibility on the internet indicate that the domain name is used in the course of trade. However, this allegation was not accepted by both the EUIPO and the Court. Indeed, even though a domain name used in the course of trade may be a valid basis for objecting to a trademark registration application as long as it satisfies also other requirements of the art.8/4 of the Regulation, this domain name should be used as a part of a commercial activity for economic gain and the mere allocation of the domain name, which is only a technical operation, is not enough to prove this kind of use⁴⁹⁰. In addition, the web site under the domain name “www.partitodellaliberta.it” was under construction, thus had no content on the date of trademark application and was redirecting automatically to another website under the domain name “www.liberali.it”. In this respect, the Court has not accepted this redirection as a use in the course of trade. Indeed, this redirection mechanism tends to show that the website “www.liberali.it” was the only one actually operational when application for registration were filed, since, unlike the website “www.partitodellaliberta.it”, it had a content. It follows that, at the time when the registration application were filed, the redirection mechanism was not suitable to demonstrate the use of the domain name “www.partitodelleliberta.it” in the course of trade⁴⁹¹.

⁴⁸⁹ T-321/11, T-322/11 Raffaello, 14.05.2013

⁴⁹⁰ Ibid., par.38-40

⁴⁹¹ Ibid., par.43-44

Moreover, the goods or services provided in the website under the domain name are also important in order for the domain name owner to prevent the registration or use of a trademark identical with or similar with the domain name. Indeed, the domain name owner can prevent the registration of a trademark or claim its revocation only in respect of the goods or services provided under its domain name. For example, in a case before a Turkish first instance and supreme court, the plaintiff was working as an internet journalist by publishing news on the website www.efestehaberler.com since 2005 and the defendant applied for registration of the same sign as a trademark in 2012 and registered it in 2013. The plaintiff claimed the invalidity of the trademark “efestehaberler.com” on the basis of its domain name. It was held by the Court that the plaintiff has prior rights on the sign “efestehaberler.com” through its use as domain name, that the sign has distinctive character for being qualified as trademark and does not describe directly the services in question, and that the party who used this sign is the plaintiff, therefore the plaintiff has priority for the use of this sign on the field that he proved its use under this sign. However, the defendant’s trademark was also registered in the class 16. In this regard, as the plaintiff could not prove its prior uses on the goods covered in class 16, and as there were not any similarity between the goods in class 16 and 38 in which the plaintiff had proved its prior uses, the defendant’s trademark had been revoked only in respect of services in class 38⁴⁹².

Lastly, it should be noted that the person who applies to register as trademark the sign used as domain name may have rights on this sign, for example on the basis of his unregistered mark or trade name. This issues will be examined in the following sections.

b. Registration and Use of a Trademark as a Domain Name

Nowadays, domain names are of great importance for trademark owners. Indeed, when an internet user makes a search on the internet about a trademark, s/he makes this search by typing the trademark into the address bar or into the search engine. In order to ensure that the internet user finds the right website belonging to the owner of the trademark searched for, companies prefer using domain names identical with their

⁴⁹² İzmir FSHHM 2013/115 E. 2013/165 K.; Yarg. 11. HD. 2014/4694 E. 2014/10520 K. 04.06.2014 T.

trademarks. In this regard, it is important for companies to use their trademarks in their domain names. However, the domain name in question may be allocated by third parties before the trademark owners.

Registering a trademark as a domain name is much easier than registering a domain name as a trademark. Especially in the countries or systems where the right ownership is not required with regard to the sign used on the domain name, registration of a sign which constitutes a registered trademark as a domain name by third parties who has no right on the sign is much more frequent. Therefore, a sign constituting a registered trademark may be allocated as a domain name by the trademark owners, but also by third parties.

aa. Registration and Use of the Trademark as a Domain Name by the Trademark Owner

It cannot be as natural as the proprietor of a trademark has this sign as a domain name. However, what will happen if two owners of the same two trademarks registered in different goods or services apply to register their marks as domain name? Here, both parties have rights arising from the registration of their marks which are sought also to be registered as domain names. However, there is only one domain name with a specific top-level domain. In this case, by application of the “first come first served” principle under the non-documentary allocation system, the party who applies first will be the owner of the domain name. Likewise, under the documentary allocation systems, the first applicant will obtain this domain name as it can prove its right ownership by its trademark registration. In such a case, since there is only one domain name with a specific top-level domain, the owner of the trademark registered in another class can obtain a domain name with a different top-level domain. In other words, in case where the trademark “X” is registered by two different people in two different classes, if the first applicant had the domain name “x.com.tr”, other trademark owner can have the domain name for example “x.com”. However, in such a case, disputes can also arise between these two trademarks and domain name owners due to the use of the sign in the second-level domains. In this situation, as it will be examined in detail below, it is important whether the uses made on the websites under the domain names relate to the goods or services for which the trademarks in question are registered.

However, what will be the case if both parties have the same sign as registered trademark in different classes, but one of them is reputed mark and the other one is less reputed or not at all? Should the reputed mark be prioritized in the allocation of the domain name? In my opinion, the principle of “first come first served” will be applied in such a situation and if the less reputed trademark owner applies first, it will be the owner of the domain name. However, the limit here is that the use of the relatively less reputed trademark in the domain name should not be in a manner to take unfair advantage of the reputation of the other mark⁴⁹³.

Another question about whether the use of the trademark owner of the sign corresponding to its trademark constitutes a genuine use for this trademark. Indeed, both under the European and Turkish Trademark Law, if a trademark had not been put to genuine use in an European Member State and/or in Turkey in connection with the goods or services for which it is registered within a continuous five year period following the date of registration or if such use has been interrupted during five continuous year, this trademark is liable to revocation, unless there are proper reasons for non-use (art. 16/1, 19/1 of the Trademark Directive; art.9/1, 26/1-a of the IPL). Therefore, if the trademark is used only in the domain name, the question is whether this use constitutes a genuine use within the meaning of these provisions. The answer of this question depends on whether or not the web site under this domain name is actively used. In this regard, the use of a website for advertising without sale of goods or services may not be considered as a genuine use⁴⁹⁴, especially if the site is not active or is under construction. However, it would be different if it is possible to obtain the service or the product through this site. In this case, the use of the trademark as a domain name of e-commerce sites is certainly a genuine use⁴⁹⁵.

In addition, if the trademark owner who uses its trademark in the domain name, uses this trademark on its website in a different way than it is registered, does this use still constitute a genuine use of the trademark? In such a situation, if the use made on the

⁴⁹³ Alper SARGIN, “İnternet Alan Adları ve Haksız Rekabet”, Fikri Mülkiyet Hukuku Yıllığı, 2013, p.354

⁴⁹⁴ EROĞLU assimilated this kind of use to the display of a product on a prospectus for the preparation of commerce. See Sevilay EROĞLU, İnternette İşaretten Yararlanma, p.478

⁴⁹⁵ Céline CASTETS-RENARD, Droit de l’Internet, p.258

website of the trademark proprietor is such a way to alter the distinctive character of the mark and therefore does not fall within the scope of « use of trademarks »⁴⁹⁶, the mere use of domain name corresponding to the trademark is not sufficient to establish the genuine use of this trademark. Indeed, in this case, the trademark of the goods or services sold or promoted on the website under the domain name would be different than the trademark used in the domain name itself and therefore such use would not support the use on the domain name. For instance, in a case before the CJEU⁴⁹⁷, where the trademark “Fruit” registered in classes 18, 24 and 25 was sought to be revoked for non-use in classes 18 and 25, the Board of Appeal of EUIPO considered that none of the figurative marks owned by the applicant or the word mark “Fruit Of The Loom” constitute use of the mark “Fruit” as registered or in a variation acceptable under Article 18/1-a of the Trademark Regulation (art.16/5-a of the Trademark Directive, art.9/2-a of the IPL). To prove genuine use of the mark “Fruit”, the applicant tried to prove the use of the trademark “Fruit” in and by the website www.fruit.com. However, the page reproduced by the applicant had been found by the court as insufficient to prove that the web site www.fruit.com has a marketing or advertising function in connection with the products of the trademark “fruit”. Rather, the internet site had been found as a means of marketing and advertising the products of the trade mark “Fruit of The Loom” and not the trade mark “fruit”⁴⁹⁸. In consequence, the applicant could not prove genuine use of the trademark “fruit”⁴⁹⁹.

bb. Registration and Use of a Trademark as a Domain Name by Third Parties

As indicated above, the “first come first served” principle applies in domain name allocations, especially under the non-documentary allocation system where the proof of right ownership on the sign is not required unlike the documentary allocation system. In this regard, domain names corresponding to trademarks may be easily registered by third parties who was no right on the sign at issue under the non-

⁴⁹⁶ Pursuant to art.9/2-a of the IPL, “*using the mark with different element without altering the distinctive character of the mark is considered as a use within the meaning of the first paragraph*”. Equally, pursuant to art.16/5-a of the Trademark Directive, “*use of the trademark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, (...) shall constitute use within the meaning of paragraph 1*”. (Regulation 2017/1001, art.18/1-a)

⁴⁹⁷ T-514/10, Fruit of the Loon, Inc. v. OHIM – Blueshore Management SA (“Fruit”), 21.06.2012

⁴⁹⁸ The Court found that the addition of “of the loom” and the figurative elements alters the distinctive character of the trademark “fruit”. par.40

⁴⁹⁹ T-514/10, Fruit, 21.06.2012, par.62-68

documentary allocation system, whereas this is not possible under the documentary allocation system⁵⁰⁰.

Moreover, a domain name corresponding to a trademark may be registered by a third party who has not a registered trademark, but has a right or legitimate interest on the sign anyway. In such a situation, the party who registers the sign as domain name should use it in the field on which s/he has acquired rights. Otherwise, if this person uses the domain name for goods or services on which s/he has no rights, but for the goods or services covered by the registration of the trademark proprietor, s/he will infringe the rights of this trademark proprietor. If both parties have rights on the same goods or services, one arising from registration, one from use, then the party who prove the prior right ownership on the sign would be entitled to have the domain name.

In cases where the party having prior rights on the sign at issue on the basis of rights other than trademark rights, had applied also for trademark registration, s/he cannot prevent use of the sign in domain names by third parties on the basis of his trademark application, but on the basis of this rights other than trademark rights. For instance, in a case, while it had been found that the use of the sign “Tustime” which was applied for trademark registration during the court proceeding by the defendant in the domain name www.tusttime as an infringing use of trademark rights of the plaintiff, the Supreme court did not found this assessment correct. Indeed, the finding of the court regarding the prior rights of the plaintiff on the basis of a trademark application has been found as contrary to the art. 7/4 of the IPL pursuant to which “the court may not decide upon the validity of claims raised before the registration had been published”⁵⁰¹. On the other hand, as the plaintiff had a trade name registered previously, it was found that the use of “Tustime” by the plaintiff in the domain name as constituting an unfair competition and the court’s decision on the cancellation of the domain name was found to be correct.

⁵⁰⁰ For instance, pursuant to the ODTU’s “.tr” Domain Name Policies, applicants for “.com.tr” domain names should provide a trademark registration certificate or trademark registration application. However, this has changed with the new regulation which requires any document for the domain names with “.com.tr”.

⁵⁰¹ Yarg. 11. HD. 2012/13245 E. 2013/11329 K. 31.05.2013 T.

cc. Protection of the Domain Name against a Trademark Registered in Bad Faith

A trademark may be registered in bad faith and then the proprietor of this trademark may threaten unfairly the owners of domain names which are identical with or similar to this trademark. This is especially the case where the trademark is not used for its intended purposes, but for threat purposes. In such cases, for example, German courts reject the infringement claims of the trademarks for abuse of rights, where the owner of this trademark does not have a normal use of its trademark other than the use for threatening others to obtain unfair economic advantages⁵⁰².

When the trademark registered in bad faith is used against a domain name, this situation is also called “reverse domain name hijacking”. In such a situation, the domain name owner does not have any bad faith when registering the domain name and s/he does not infringe any trademark rights while using this domain name and thus holds the domain name in a legitimate way. However, in reverse domain name hijacking, trademark owner tries to allocate the legitimately used domain name on his behalf by using the existing regulations on domain names and/or trademarks through alternative dispute resolution centers or courts⁵⁰³. According to the definition given in the Rules for UDRP, “Reverse Domain Name Hijacking” means “*using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name*”. Moreover, in cases where the Panel finds that the complaint was brought in bad faith, “*for example in an attempt at Reverse Domain Name Hijacking, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding*” (Rules art.15/e)⁵⁰⁴. For instance, in a case where the domain name was allocated before the registration of the complainant’s trademark and where the complainant knew the respondent’s domain name use as part of a bona fide business, the reverse domain name hijacking was upheld by WIPO panels⁵⁰⁵. In addition to filing before the alternative dispute resolution centers or courts on the basis of trademarks registered in bad faith in

⁵⁰² Fatih BİLGİLİ, Marka Hukukunda Hakkın Kötüye Kullanılması, Ankara 2006, p.184

⁵⁰³ Abdülkadir GÜL, “İnternet Alan Adları Uyuşmazlıkları Alternatif Çözüm Mekanizmasında Dünya Uygulamalarının İncelenmesi ve Türkiye için Öneriler”, Bilgi Teknolojileri ve İletişim Kurumu Bilişim Uzmanlığı Tezi, Haziran 2015, Ankara, p.29

⁵⁰⁴ For more information, see Sefer OĞUZ, Alan Adı, p.327- 330

⁵⁰⁵ WIPO Case No. D2000-1202, Deutsche Welle v. DiamondWare Limited,

order to grab the domain name, this method is also used to increase the bargaining power in the negotiations with the domain name owner for the transfer of this domain name⁵⁰⁶.

c. Use of Trademarks in the New gTLDs

With the new gTLDs program introduced by ICANN, the signs comprising the generic top-level domains are now unlimited and it is now possible to use trademarks in the generic top-level domain names. For example, until now it was possible for Nike to use the domain name such as “nike.com”, “nike.org” etc., from now it is possible to use domain names such as “clothes.nike” or “sneakers.nike”.

As explained below, signs constituting trademarks can be registered as domain names, and signs constituting domain names can be registered as trademarks. This interaction between trademarks and domain names has been of greater significance with the ICANN’s new gTLD program, as roughly 650 application out of 1930 have been filed for what could be regarded as brand-related string⁵⁰⁷. Therefore, the New gTLD Program have the potential to exacerbate trademark infringements.

The allocation of new gTLDs is not realized under the “first come first served” principle. Indeed, it is sought first that the applicant meets the technical, financial and operational requirements during the application of the new gTLD. In this regard, applying for a new gTLD is not the same as buying a domain name. Therefore, it is not possible for individuals, but for entities that meet certain criteria to apply and to have been allocated new gTLD.

This program has both advantages and disadvantages for trademark owners. Regarding the advantages of this program, with the domain names created in the form of “.trademark”, trademark owners will be able to control their trademark under a single gTLD on the internet and will not have to buy domain names with various gTLDs such as .com, .net, .org. In this way, the internet user will also know with certainty that a domain name with “.trademark” belongs to the trademark owner. In addition, as the

⁵⁰⁶ For instance, see WIPO Case No. D2015-0202, Nova Holding Limited, Nova International Limited, and G.R. Events Limited v. Manheim Equities, Inc. and Product Reports, Inc; WIPO Case No. D2016-0653, Patricks Universal exports Pty Ltd. v. David Greenblatt,

⁵⁰⁷ Amer RAJA, p.26

registries of these domain names with “.trademark” gTLDs are the trademark owners, meaning that the allocation of SLD with these gTLDs will be done by these trademark owners, the domain names with the “.trademark” gTLDs will not be infringing or cybersquatting sites. Internet user will understand that the domain names which does not have “.trademark” gTLD does not belong to the trademark owner and thus will not confuse it with other domain names.

On the other hand, regarding the disadvantages of this program, while before this program the trademark owners had to protect their trademarks against the infringing uses made on the second-level domain names, with this system, they should protect them against both the uses made on the first and second level domain names. Indeed, under the new gTLD program, one possible infringing use may occur from the use of the gTLD itself and the another one from the use of second-level domain under a given gTLD. In other words, this program has created a new venue for people with bad faith to cybersquat and a new situation for the trademark owners to protect their trademarks from.

Infringement of trademarks through new gTLDs requires both a very costly and technically demanding process and can be prevented by ICANN’s right protection mechanisms (described below). On the other hand, infringement of trademarks is easier by second-level domains under a given new gTLD as it is sufficient to apply to the registry of a new gTLD and pay the fee. In cases where the registry of the new gTLDs are the trademarks owners, it does not seem possible to use infringing second-level domain names under these new gTLDs. However, in my opinion, the problem arises with the use of second-level domain names under the new gTLDs consisting of generic or geographic words. For example, even though Nike may have registered the new gTLD “.nike” and thereby can control the second-level domains under this new gTLD, it will not be able to control the domain name registration under the new gTLD for example “.clothes” or “.shoes”. In this case, for instance, the trademark “Nike” can be used unfairly under the domain names such as “nike.clothes” or “nike.shoes”. On this matter, in a case before WIPO, even though the complainant, the owner of the famous mark “WalMart”, had registered the new gTLD “Walmart”, the respondent’s domain names were

“walmart.beer” and “walmart.vodka”⁵⁰⁸. Therefore, the alleged infringing use was not in the new gTLD, but in the second-level domains under this new gTLD. Again in another case before WIPO, the complainant was the owner of the famous newspaper trademark “Le Figaro” and the respondent registered the domain name “le-figaro.paris” and “lefigaro.paris”. Therefore, again, the trademark was not used in the new gTLD, but in the second-level domain under this new gTLD “paris”. As the domain names have been found confusingly similar to the complainant mark, the respondent does not have any rights or legitimate interests in the domain names and was in bad faith, the Panel ordered that domain names be transferred to the complainant⁵⁰⁹.

To prevent trademark infringement on the new gTLDs and on the second-level domains linked to these new gTLD, some right protection mechanisms have been established by ICANN. In this context, three separate stages have been envisaged regarding trademark infringement claims. These are pre-delegation dispute resolution procedures before the allocation of the new gTLDs; objection procedure for the allocation of second level top level domains under a given new gTLD and the last one is foreseen for post-delegation dispute resolutions.

Regarding the claims against the new gTLDs prior to the delegation, the program provides four grounds for objection, namely “the string confusion”, “legal rights”, “limited public interest” and “community” objections⁵¹⁰. Of the four, the most relevant objection for trademark proprietors are “*the string confusion objection*” which may be asserted when a new gTLD is identical or confusingly similar to an existing TLD or to a proposed new gTLD; and “*the legal right objections*” which may be asserted when one

⁵⁰⁸ WIPO Case No.D2015-1126 and D2015/1127, Wal-Mart Stores, Inc. v. Minds and Machines Limited/Maurice Stephens, DataCol Technology

⁵⁰⁹ WIPO Case no.D2015-0094, Société du Figaro SA. V. Micheal Ehrhardt/Mike Hard; See to that effect, WIPO Case No.D2018-0961, Servicemaster Brands, LLC v. Scott Rosenbaum; WIPO Case No.D2015-0690, Solvay SA v. Long-Van Nguyen-Sauvage

⁵¹⁰ These are not administered by ICANN, but Independent Dispute Resolution Service Providers, such as the International Center for Dispute Resolution for “string confusion”, the Arbitration and Mediation Center of WIPO for “legal rights objections”, the International Center of Expertise of the International Chamber of Commerce for “limited public interest” and “community objections”.

party has legal rights over a string in a proposed gTLD and the applicant intends to use the gTLD inappropriately⁵¹¹.

The part that is important for the subject-matter of this thesis is the stage after the pre-delegations of the new gTLDs⁵¹². Once the new gTLDs are allocated, the second-level domain names under these new gTLDs are allocated by the respective registries. These allocated SLDs are much more likely to create infringement than TLDs since the registration of these SLD is much cheaper than the new gTLDs and as easy as the current SLDs in most cases. In this regard, the ICANN created rights protection mechanisms (RPMs) such as “Trademark Clearinghouse” and “Claims Service” and “Sunrise Period”⁵¹³.

*The Trademark Clearinghouse*⁵¹⁴ is a global verified trademark database. It is in fact a central repository for information to be authenticated, stored and disseminated, pertaining to the rights of trademark holders. It has two main functions, which are authentication and validation⁵¹⁵ of the trademarks in the Clearinghouse on the one hand, and serving as a database⁵¹⁶ to provide information to the new gTLDs registries to support pre-launch Sunrise or Trademark Claims Services. Owners of trademarks registered with the Clearinghouse has access to Sunrise registration with new gTLD registries and are notified when a domain name identical to their trademark has been registered⁵¹⁷.

⁵¹¹ Other objections such as “limited public interest objection” is filed when “*the applied for gTLD string is contrary to generally accepted legal norms of morality and public order that are recognized under principles of international law*”. On the other hand, “community objection” is made where “*there is substantial opposition to the gTLD application from a significant portion of the community to which the gTLD string may be explicitly or implicitly targeted*” (ICANN New gTLDs – Applicant Guidebook, version 2012-06-04, Module 3 – Dispute Resolution Procedures, p.4); Dennis S. PRAHL, Eric NULL, p.1772-1776

⁵¹² The objection period started on June 2012 and ended on 13 March 2013

⁵¹³ ICANN New gTLDs – Applicant Guidebook, version 2012-06-04, Module 5 – Trademark Clearinghouse, p.6; Dennis S. PRAHL, Eric NULL, p.1778-1779

⁵¹⁴ <http://trademark-clearinghouse.com> ; as of 15.05.2019, 45.154 trademark records are submitted, available at <http://trademark-clearinghouse.com/content/tmch-stats-may-2019>

⁵¹⁵ Trademark Clearinghouse does not make legal determination on trademark rights, but serves only as a repository of verified trademark database. ICANN, Rights Protection Mechanisms Review, Revised Report, 11.09.2015, p.24

⁵¹⁶ Under contract with ICANN, the verification services had been provided by Deloitte, technical database administration and support serviced by IBM. ICANN, Rights Protection Mechanisms Review, Revised Report, 11.09.2015, p.18

⁵¹⁷ ICANN, New Generic Top-Level Domains, Trademark Clearinghouse, available at <https://newgtlds.icann.org/en/about/trademark-clearinghouse> (last accessed on 21.05.2019)

The data on the trademarks submitted to the Trademark Clearinghouse is, firstly, used to support *Sunrise Registration Services* which must be offered by each new registry for a minimum of 30 days during the pre-launch phase. This gives trademark proprietors a prior chance to obtain domain names corresponding to their trademarks before they become available to the general public⁵¹⁸.

This Sunrise Registration Period is followed by the Trademark Claims period, which runs for at least the first 90 days of general registration⁵¹⁹. In this regard, new gTLD Registry Operators must provide “*Trademark Claims Services*” during an initial launch period for trademarks registered in the Trademark Clearinghouse. A Trademark Claims Service provide notice to the applicant of the domain name about the trademark holder’s rights on the sting at issue. Therefore, if someone attempts to register a domain name corresponding to a trademark registered in the Trademark Clearinghouse, this person is notified of this situation. If the applicant acknowledge the notice and proceeds to the registration, trademark owner(s) whose trademarks correspond to the applied domain is notified that someone has registered the domain name⁵²⁰. However, it should be noted that the Trademark Clearinghouse Database report to registries when someone attempts to register a domain name which is an “Identical Match” with the mark in the Clearinghouse⁵²¹. Therefore, the Claims Service do not prevent properly potential infringements, but simply notifies parties about potentially “obvious” cases of infringement⁵²².

After the completion of the procedures foreseen for the allocation of the above mentioned new gTLDs and the allocation of STLs under these new gTLDs, a number of right protection mechanisms have been established. One of these is “*the Uniform Dispute Resolution Policy*” (*UDRP*)⁵²³ already available to victims of cybersquatting. In addition to this, ICANN imposed “*the Uniform Rapid Suspension System*” (*URS*) which is a

⁵¹⁸ ICANN, Rights Protection Mechanisms Review, Revised Report, 11.09.2015, p.4

⁵¹⁹ Ibid., p.5

⁵²⁰ ICANN New gTLDs – Applicant Guidebook, version 2012-06-04, Module 5 – Trademark Clearinghouse, p.6, par.6.1

⁵²¹ Ibid., p.7, par.6.1.5

⁵²² Dennis S. PRAHL, Eric NULL, p.1781

⁵²³ See “Infringement in ADR Cases” below at the subsection II/1-C under the Second Section

lower-cost, faster process for trademark owners having *clear-cut* cases of infringement⁵²⁴. The trademark holder claimant should prove with clear and convincing evidence that “the registered domain name is identical or confusingly similar to a word mark”, that “the registrant has no legitimate right or interest to the domain name”; and that “the domain name was registered and is being used in bad faith”⁵²⁵. In cases where the complaint is successful, the only remedy is the suspension of the domain name until the expiration of the current registration period. Therefore, there is no transfer of the domain to the successful complainant⁵²⁶. This means that the suspended domain name will be available again at the end of the registration period, and therefore it will be possible for cybersquatters to register again the same domain name. On this point, it should be noted that simultaneous application to both URS and UDRP is possible. In this way, the domain name in question can be suspended by applying to the URS and then the domain name can be cancelled or transferred to the right owner by the decision of the panel applying the UDRP.

Therefore, if a new gTLD is the source of infringement, the right holder can object to this registration based on “legal rights” or “string confusion”. However, if the TLD has already been delegated, there are post-delegation protective measures, such as UDRP and URS. Besides all this, it is also possible to action against registries for infringing TLDs and SLDs under their control⁵²⁷ through “*Trademark Post-Delegation Dispute Resolution Procedure*” (PDDRP)⁵²⁸.

As of May 2019, 1232 of the 1930 new gTLDs applications to ICANN were concluded, delegated and introduced into the internet. 637 of the 1930 applications were withdrawn, 44 of them were not approved and 17 of them are in progress. In this regard, the allocation process of the second level domains under the 1232 new gTLDs delegated

⁵²⁴ ICANN, New Generic Top-Level Domains, Right Protection Mechanisms Review, available at <https://newgtlds.icann.org/en/reviews/cct/rpm> (last accessed on 21.05.2019)

⁵²⁵ Uniform Rapid Suspension System (“URS”), 01.03.2013, art.1.2.6.1 – 1.2.6.2 – 1.2.6.3

⁵²⁶ Dennis S. PRAHL, Eric NULL, p.1782-1784

⁵²⁷ Ibid., p.1788-89

⁵²⁸ ICANN, “Three Ways to Protect Your Trademark During the Top-Level Domain Expansion”, available at <https://www.icann.org/news/blog/three-ways-to-protect-your-trademark-during-the-top-level-domain-expansion> (last accessed on 20.05.2019); for the registry’s liability, see “New gTLD Registries” at the subsection III/1-c under the Third Section

as of May 2019 has started⁵²⁹. From September 2013 to May 2019, about only 993 URS cases⁵³⁰ have been filed, covering approximately 1800 domain names. On the other hand, no PDDRP have been bought to date⁵³¹.



⁵²⁹ ICANN, Program Statistics, available at <https://newgtlds.icann.org/en/program-status/statistics> (last accessed on 20.05.2019)

⁵³⁰ See <https://www.adrforum.com/domain-dispute/search-decisions> (last accessed on 21.05.2019)

⁵³¹ Brian J. WINTERFELDT, “Rights Protection Mechanisms Review: the Future of Enforcement?”, World Trademark Review, 14.03.2019, available at <https://www.worldtrademarkreview.com/brand-management/rights-protection-mechanisms-review-future-enforcement> (last accessed on 20.05.2019)

B. Infringement of Trademarks in Domain Names

Thousands of domain names are allocated every day. While on the one hand, domain names constitute an important part of branding strategies for companies, on the other hand it is a very lucrative business for people in bad faith to make money through these domain names. Indeed, while in some of these allocated domain names, the domain name owner has the rights on the sign that constitutes the domain name, some of the domain names are allocated by persons who do not have any rights on the sign.

As explained above, principles of the trademark system and the domain name system are different. This difference lies at the source of the problems arising between trademarks and domain names⁵³². Especially, due to the principle of “first come first served”, the allocation of domain names by those who do not have rights on the sign constituting the domain name creates a major problem in terms of infringement of trademark rights. As a result of the allocation of domain names by these non-right owners, companies are prevented from using their trademarks in their domain names. If the trademark owner does not choose to go before the courts or buy the domain name at high prices, s/he will have to use a similar sign by making some additions to its trademark or a totally different sign as domain name. However, this situation would put it a competitive disadvantage as many consumers are in the habit of searching initially by typing in the trademark of the company⁵³³.

There are various ways to obtain unfair advantage or to infringe trademark rights through domain name allocations made in bad faith⁵³⁴. The most basic and common of these is the “*cybersquatting*”. Cybersquatting consists of reserving domain names identical with or similar to a domain name or a trademark, to the detriment of the legitimate owner of the domain name or the trademark concerned⁵³⁵.

⁵³² Tekin MEMİŞ, Alan İsmi, (accessed on <http://www.geocities.ws/hukukakademisi/Alan.htm>) (last accessed on 30.11.2018)

⁵³³ Graeme B. DINWOODIE, p.505-506

⁵³⁴ These are for example, dotsquatting, dashesquatting, tldsquatting, pornsquatting, mailsquatting, celebrity squatting, cybergripping, cyberfying, news squatting, domain tasting, cloaking, position squatting, slamming, phishing, pharming, affiliation, cyberjacking, doppelganger domains, bitsquatting. For detailed information See Nathalie DREYFUS, p.102-108

⁵³⁵ Christiane FERL-SCHUHL, *Cyberdroit, le Droit à l'Épreuve de l'Internet*, 7eme édition, 2018 Paris, p.1028-1029

Cybersquatting involves the activities of more than two parties: the entity registering the domain name, the entity that has rights in a trademark and other entities involved in the registration process (e.g. the domain name registrar or a domain name broker⁵³⁶)⁵³⁷. The person who registers the trademark of another person as a domain name is called “cybersquatter”. These persons can use the domain names they have registered for different purposes, mostly for profit. These purposes may include selling the domain name corresponding to a trademark to the trademark proprietor or to a third party at a high price; redirecting internet users to the web site under this domain name and thereby taking unfair advantage from the reputation of the trademark; preventing the trademark owners or others from using this domain name⁵³⁸. In other words, it can be said that cybersquatting is online version of a land grab⁵³⁹.

Cybersquatting has then refined with the practice of *typosquatting*, which consists of registering domain names confusingly similar to trademarks or other widely used domain names by integrating typing errors most often committed⁵⁴⁰. For example, the famous social media Facebook is a domain name preferred by typosquatters. In fact, in a case where Facebook had filed a lawsuit against typosquatters before the US courts, these are sentenced to pay 2.795.000 US dollar⁵⁴¹ for 105 typosquatted domain names, such as facefacebookk.com, faceboom.com, facefook.com, fcebookk.com, fecebool.com, facenooik.com, faceboak.com etc.⁵⁴².

In addition to the infringement of trademark rights by using the trademark in the domain name in these above mentioned manners, infringement of trademark rights can also occur by the use of the trademark on the website under a domain name. This is particularly relevant for websites selling counterfeit goods.

⁵³⁶ For their liability, see “Liabilities in Domain Name Uses” at the subsection III/1 under the Third Section

⁵³⁷ Steven WRIGHT, p.197

⁵³⁸ Abdülkadir GÜL, p. .24-25

⁵³⁹ US Court of Appeal 9th Circuit, *Interstellar Starship Services, Ltd. v. Epix, Inc.*, (2002) 304 F 3d 936, 946; James PLOTKIN, “The Model for a Path Forward. A Proposal for a Model Law Dealing with Cyber-Squatting and Other Abusive Domain Name Practices”, *Denning Law Journal*, 2015 Vol. 27, p.207

⁵⁴⁰ Céline CASTETS-RENARD, *Droit de l’Internet*, p.260

⁵⁴¹ Ranging from \$5000 for one defendant to \$1.3 million for another defendant.

⁵⁴² US District Court of Northern District of California, *Facebook Inc. v. Banana Ads LLC, et al.*, Case No.: CV 11-03619-YGR (KAW), 30.04.2013

On this point, I would like to tell about a research conducted by a Danish cybercrime specialist Henrik Bjorner and by the EUIPO. The Danish researcher detected a use pattern of domain names with Danish country code top level domain “.dk” and found that e-shops suspected of marketing goods which infringe trademark rights systematically re-registered domain names had previously directed internet traffic to popular websites unrelated to the current use⁵⁴³. Based on this, the EUIPO decided to look further into this specific issue focusing on four European countries having developed e-commerce sectors and the research made by EUIPO had clearly shown that the same phenomenon previously documented in Denmark is also taking place in Sweden, Germany, the United Kingdom and Spain. The research found that out of 27 870 e-shops suspected of marketing goods which infringe trademark rights in Sweden, Germany, the UK and Spain, 21 001 of them (75.35 %) were using domain names that had previously been used to direct internet traffic to websites that were unrelated to their prior use. The sole reason for re-registration of them is to benefit from the popularity of the website that was previously identified by the domain name, even though their prior use was completely unrelated to the goods being marketed on the suspected e-shops. The benefits include search engine indexing, published reviews of services and/or products and links from other websites that have not yet taken the current use into consideration⁵⁴⁴.

As can be seen, domain names are very important in attracting and directing traffic on the internet. However, in spite of this, there is no specific regulation to be applied to domain name disputes in the world, except the United States⁵⁴⁵ and some European Member States⁵⁴⁶. This is mostly due to the diversity of domain name allocation systems and of situations that creates trademark infringement through domain names. In general, the UDRP rules⁵⁴⁷ apply to the domain names with generic top-level domains,

⁵⁴³ <http://cybercrime.eu/published-analyzes/analysing-registration-of-previously-used-danish-domain-names/> (last accessed on 01.12.2018)

⁵⁴⁴ EUIPO, “Research on Online Business Models Infringing Intellectual Property Rights – Phase 2. Suspected trademark infringing e-shops utilizing previously used domain names”, 2017. Accessible at https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/Research_on_Online_Business_Models_Infringing_IP_Rights.pdf (last accessed on 01.12.2018)

⁵⁴⁵ “*Anticybersquatting Consumer Protection Act*” (ACPA) for abusive domain name registration practices; See James PLOTKIN, p.205

⁵⁴⁶ France, Denmark, Finland and Belgium. For detailed information see Pantov VENTSISLAW, p.42-49

⁵⁴⁷ UDRP is a set of rules established by ICANN for resolution of disputes between domain names and trademarks.

while it is also possible to go before the national courts for these type of domain names. Disputes arising from the use of domain names with ccTLDs are resolved within the scope of each country's own legislation (such as trademark law or unfair competition provisions) or by the Alternative Dispute Resolution (ADR) Mechanism⁵⁴⁸ provided in these countries. In this regard, as there are various ways to resolve a dispute arising out of a domain name use, the rules of these ADR mechanisms, such as ICANN's UDRP and .eu and .tr ADR, will be taken into account, within the scope of this thesis, in addition to the European and Turkish Trademark Law.

Under the European Trademark Law, infringement of trademark rights through the use of the sign in domain names is not explicitly regulated and the general principles of trademark law apply to the infringing domain name uses. On the other hand, under the Turkish Trademark Law, this issue is clearly regulated and accordingly the use of a sign identical with or similar to a trademark in a domain name can be prevented by the trademark owner as long as such use is made in the course of trade and produces a commercial effect and the person using the sign does not have a right or legitimate interest in such use (art.7/3-d).

Therefore, the mere use of the trademark in a domain name does not constitute a trademark infringement. In order to find such an infringement, some conditions should be met⁵⁴⁹. In that regard, in the first place, a sign identical with or similar to a trademark should be used "in the course of trade". This requirement applies to both the European and Turkish Trademark Law. Another requirement stipulated in the IPL is that the domain name should be used in a manner to create a commercial effect. As explained in previous chapters, this requirement is clearly stipulated in the Turkish Trademark Law for uses on the internet; on the other hand, while such requirement does not exist explicitly in the European Trademark Law for uses on the internet, it is applied in the European case-law. Moreover, another requirement of infringement is that the alleged infringing use should be made in relation to goods or services. In this regard, after having examined the

⁵⁴⁸ For the ADR of domain names with ".eu" and ".tr" ccTLDs. See "Infringement in ADR Cases" below at the subsection II/1-C under the Second Section

⁵⁴⁹ Yarg. 11. HD. 2015/2275 E. 2015/7934 K. 08.06.2015 T. "Pursuant to art.9/e of the Decree Law no.556, the use of the trademark as a domain name in a manner to create a commercial effect will create an infringement of trademark rights *as long as it satisfy the criteria for this*", BATİDER, No. 3, September 2015, p. 152

requirements of “use in the course of trade” (1), “use with commercial effect” (2), and “use in relation to goods or services” (3) with regard to domain name uses, infringing types of uses such as uses of identical, similar and reputed marks in domain name will be analyzed (4).

1. Use in the Course of Trade

According to the case-law of the CJEU, for the use to be considered to be in the course of trade, it must take place “*in the context of commercial activity with a view to economic advantage and not as a private matter*”⁵⁵⁰.

On this point, it should be pointed out that the CJEU qualified the use of a domain name as « *advertising* » within the meaning of misleading and comparative advertising Directive 2006/114. Pursuant to the art.2/1-a of the said Directive, “advertising” is “*the making of a representation in any form in connection with a trade, business, craft or profession in order to promote the supply of goods or services*”. In this context, after having recalled that the forms which advertising may take is not limited to traditional forms of advertising, the Court considered that the use of a domain name is covered by the term “advertising” of the comparative advertisement Directive as such use intends to promote the provision of the domain name owner’s goods or services⁵⁵¹. In that regard, the use of a domain name is undoubtedly a use in the course of trade.

In general, “use in the course of trade” encompasses putting the marks on goods or on their packaging, offering for sale or services bearing the mark, and so on. Undoubtedly maintaining a website which offers goods and services under a domain name, identical or similar to the trademark would constitute such a use⁵⁵².

In order a domain name to be considered as a use in the course of trade, it must be used with the aim to obtain an economic gain within the scope of a commercial activity. For example, if a trademark is used in a domain name of a website in which art

⁵⁵⁰ C-206/01, Arsenal, 12.11.2002, par.40; C-17/06, Céline, 11.09.2007, par.17; C-62/08, UDV North America, 19.02.2009, par.44; C-245/02 Anheuser-Busch, par. 62; C-487/07 L’Oréal, par. 57. For detailed information, see the subsection I/1-B above under the First Section

⁵⁵¹ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.45-51

⁵⁵² Pantov VENTSISLAW, p.28

products are exhibited for a noncommercial purpose, such use cannot be prevented on the basis of the IPL⁵⁵³. On this point, it should be noted that while the aim should be the obtention of an economic gain, it is not necessary to obtain it in the result. In other words, in order to find a use in the course of trade, the domain name owner does not have to obtain any concrete gain as a result of this domain name use. In this regard, it does not mean that the domain name use is not in the course of trade⁵⁵⁴ if any product are offered for sale on the website under the domain name, but only they are advertised or promoted⁵⁵⁵. For instance, in a case before the Turkish Supreme Court, the plaintiff, owner of the trademarks “Ekol” and “Ekol Lojistics”, brought an infringement proceeding against the defendant for the use of his trademarks in the domain name www.ekollojistik.com. However, the first instance court rejected the infringement claims on the ground that the defendant use was not in the course of trade as the content of the website under the domain name was empty⁵⁵⁶. This decision had been reversed by the Supreme Court. In fact, before the access to the website under this domain name had been blocked, there were a statement such as “this domain name belongs to Şah Lojistics”. On the website under the domain name www.sahlojistik.com belonging to this third party Şah Lojistics, it was mentioned the name of the defendant as the general manager and Central Asia responsible of the company. In this respect, the Supreme Court found a connection between the domain name in dispute and the third party Şah Lojistics, thereby a use in the course of trade⁵⁵⁷ and a likelihood of confusion⁵⁵⁸.

Equally, if the domain name is redirected to a site and the content of that site is somehow associated with commercial activities, or there is a promotional purpose, it

⁵⁵³ Tekin MEMİŞ, Alan İsmi, (accessed on <http://www.geocities.ws/hukukakademisi/Alan.htm>) (last accessed on 30.11.2018)

⁵⁵⁴ In the decision, it is used the expression of “use with commercial effect” instead of “use in the course of trade”. In my opinion, this is incorrect. See “Use in the Course of Trade” and “Use with Commercial Effect” at the subsection I/1-B and D under the First Section

⁵⁵⁵ Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T. (www.kazanci.com)

⁵⁵⁶ İst. Anadolu 1. FSHHM 2011/183 E. 2013/335K. 19.12.2013 T.

⁵⁵⁷ In my opinion, even though the First Instance and Supreme court referred to the condition of “use with commercial effect” in their decisions, they used it in the meaning of “use in the course of trade”. Indeed, as there were not a provisions stipulating the “use in the course of trade” condition before the IPL, the conditions of “use in the course of trade” and “use with commercial effect” are used confusingly. For detailed information, see “Use with Commercial Effect” at the subsection I/1-D under the First Section

⁵⁵⁸ Yarg. 11. HD. 2014/10178 E. 2014/18794 K. 02.12.2014 T. (www.kazanci.com)

means that there is a use in the course of trade⁵⁵⁹. Again in a case before the Turkish Supreme Court, the defendant had registered the plaintiff's trademark "buttim" as domain name "buttim.com", the Court ruled in favor of the plaintiff on the grounds that there was a photo of the plaintiff's shopping center on the website under the domain name "buttim.com" and it was possible for shop owners to advertise therein⁵⁶⁰.

The use of a domain name with ".com" gTLD, which is primarily intended for commercial organizations, does not imply that the domain name is used in the course of trade. However, given the nature of the internet, it is also argued that the use of domain names with "com" gTLDs should be considered as being used in the course of trade⁵⁶¹. Likewise, in the Supreme court decisions, domain names with ".com" gTLDs are considered to be used for commercial purposes⁵⁶². However, in my opinion, as the domain names with ".com" gTLD are allocated within the framework of non-documentary allocation system to everyone regardless of commercial institutions, it is not possible to associate each domain name with ".com" gTLD with an activity in the commercial domain.

On the other hand, the mere fact that the trademark is registered as a domain name does not imply that it has been used in the course of trade. Indeed, the mere registration of a domain name, which is a technical operation intended solely to allow its holder to use it on the internet for a certain period of time, cannot in itself constitute proof of such use on the internet⁵⁶³. Similarly, the CJEU who found the use of a domain name as « advertising », reached to the same conclusion when it is a mere registration of a domain name. According to the Court, the mere registration of a domain name did not fall within the concept of "advertising" "*as being a purely formal act which does not necessarily imply that potential consumers can become aware of the domain name and which is therefore not capable of influencing the choice of those potential consumers,*

⁵⁵⁹ Savaş BOZBEL, "Markanın Alan Adı, Yönlendirici Kod (Metatag) ve Anahtar Kelime (Keywords) Olarak Kullanılması" ("Alan Adı, Yönlendirici Kod, Anahtar Kelime"), Konuralp Anısına Armağan, V.III, 2009, p.230

⁵⁶⁰ Tamer SOYSAL, Alan Adları Hukuku, p.806-807 (Yarg. 11. HD. 09.02.2008 T. 2007/12215 E. 2009/1382 K.)

⁵⁶¹ Ibid., p.805-806

⁵⁶² Yarg. 11. HD 2014/10178 E. 2014/18794 K. 02.12.2014 T.

⁵⁶³ T-321/11, T-322/11, Raffaello, 14.05.2013, par.38-40

cannot be considered to constitute a representation made in order to promote the supply of goods or services of the domain name holder”⁵⁶⁴.

Traditionally, domain name abuse involves the registration of domain names by persons aiming to sell the “squatted” names. However, nowadays, there is a practice of registering domain names in an automated manner and “park” them on pay-per-click portal sites⁵⁶⁵. Domain name parking takes place when a domain name owner places its domain name with a parking service provider who creates reserved pages and then calls for internet advertising networks to fill in ads rather than creating a functional website. When an internet user arrives on such site and clicks on the advertisement, the internet advertising networks receive payment from the advertisers and return part of the income to the domain name owner⁵⁶⁶. For instance, in the below example⁵⁶⁷, the domain name “airline.com” is a parked domain name, not associated with a functional page, but filled in several ads.



⁵⁶⁴ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.42-44

⁵⁶⁵ WIPO, “Trademarks and the Internet”, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Twenty-Fourth Session, Genova, November 1 to 4, 2010, Annex III, p.4

⁵⁶⁶ Elizabeth M. FLANAGAN, “No Free Parking: Obtaining Relief from Trademark-Infringing Domain Name Parking”, Trademark Reporter, Vol.98, No.5, 2008, p.1161

⁵⁶⁷ accessed on 31.08.2019

In this regard, in certain cases, while the websites under a given domain name are not actively used, these domain names may be parked on parking pages and thereby receives payments. Therefore, if the domain name is registered but not used, it should be determined case-by-case whether there is a commercial use or not. If the domain name is parked on a parking page and the owner of this domain name is payed per click (pay-per-click), then it is obvious that the owner of the domain name uses this domain name in the course of trade. Indeed, receiving advertising revenues from the websites operating under a domain name is accepted as commercial use, thus use in the course of trade⁵⁶⁸.

Moreover, even if the domain name is solely registered and not used, it is also considered use in the course of trade to offer the domain name for sale to the trademark owner. For instance, in the case of *One in a Million* before the English Court, according to the Judge, the use of a domain name corresponding to a trademark with the aim to extract money from the trademark proprietor amounts to “use in the course of trade”⁵⁶⁹. In the same way, the Turkish Supreme Court considered sending e-mails in order to sell the domain name www.boschelaletleri.com to the dealers of this company as commercial use⁵⁷⁰.

As indicated, the mere registration of a trademark as a domain name does not constitute a use in the course of trade, therefore cannot constitute a trademark infringement. However, the mere registration of *reputed marks* as a domain name is considered as damaging the reputation or the distinctiveness of the reputed mark and thereby a use in the course of trade⁵⁷¹. For instance, even though the website under the disputed domain name was under construction and there were no sale of product or service, or any advertisement or promotional activities therein, it was held by the Turkish first instance and supreme court⁵⁷² that these facts did not alter the fact that the domain name infringed the trademark. Indeed, as the trademark of the plaintiff was a reputed mark and was identified with the plaintiff company, in the case where this sign is used by

⁵⁶⁸ Kemal ŞENOCAK, p.806

⁵⁶⁹ EWCA Civ 1272, British Telecommunications Plc & Ors v. One in a Million Ltd & Ors, 1998

⁵⁷⁰ Sefer OĞUZ, Alan Adı, p.321; Yarg. 11. HD 2013/11855 E. 2014/1986 K. 05.02.2014 T.

⁵⁷¹ Tamer SOYSAL, Alan Adları Hukuku, p.806

⁵⁷² İst. 4. FSHM 2013/141 E. 2013/161 K. 27.09.2013 T.; Approval Yarg. 11. HD. 2014/249 E. 2014/7355 K. 14.04.2014 T. (www.kazanci.com)

another person in the domain name, there would be an immediate link between the site and the plaintiff company in the mind of the internet user who visits this site, and in consequence, the domain name owner will take an unfair advantage as the traffic to its website will increase because of the reputation of the sign used in the domain name and thereby the reputation of this mark will be damaged. In the same way, the mere registration of a domain name containing the well-known mark “Rolls-Royce” had been found by the higher regional court of Munich as infringing⁵⁷³.

In this regard, the mere registration of the reputed marks as domain name is deemed sufficient to constitute a trademark infringement even if these domain names are not actively used in the course of trade. However, on the other hand, for ordinary marks, there should be an active use of the domain name and the mere registration of the trademark as a domain name does not meet the condition of the use in the course of trade, therefore the conditions of trademark infringement⁵⁷⁴. In such a situation, in my opinion, the more appropriate way that a trademark owner can resort to is the alternative dispute resolution mechanisms as s/he cannot find a satisfying solution before the courts. This is because the rules of ADR mechanisms do not require the alleged infringing domain name to be used in the trade and regardless of the reputation of the alleged infringed trademark, the mere registration in bad faith is deemed to be sufficient. However, there are differences in ADR mechanisms rules in terms of the proof of bad faith. In fact, under both the “eu.” and “tr.” ADR Rules, the complainant should prove only the bad faith either in registration or subsequent use of the domain name. On the other hand, under the UDRP, the complainant has to prove both elements, meaning that the domain name at issue has been both registered and used in bad faith by third person. These are conjunctive requirements; both must be satisfied for a successful complaint⁵⁷⁵

2. Use with Commercial Effect

The proprietor of a registered trademark has the right to prevent the use in the course of trade of a sign that is identical to or similar to that mark in relation to identical

⁵⁷³ Stefan KUIPERS, p.35-36

⁵⁷⁴ TGI Paris, 16 avr.2010, 3e ch., Medicis Technologies Corporation / Tosca International

⁵⁷⁵ WIPO Case No. D2010-0470., Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd. See “Infringement in ADR Cases” at the subsection II/1-C under the Second Section

or similar goods or services. Therefore, the sign in question must be used in relation to identical or similar goods or services for which the trademark is registered and that use must be in the course of trade. However, there is another question to be solved, which is whether the use of the sign in a domain name or on a website is use in a trademark sense within the relevant jurisdiction⁵⁷⁶, which could be prevented by the trademark proprietor in that jurisdiction. Indeed, although trademark law is subject to the principle of territoriality, the domain name has a transboundary character which makes it impossible to apply this principle of territoriality⁵⁷⁷. In other words, while pursuant to the territoriality principle of the trademark law, an identical sign can be registered and used for identical goods or services by different people in different countries, on the other hand, as the internet is borderless, the problem is how a use in a domain name which is open to the access of everybody in the world can be prevented by a trademark proprietor in a given country/territory.

On this point, the notion of “use with commercial effect” within the meaning of the Turkish Trademark Law, and the notion of “targeting” within the meaning of European case-law shall apply. Equally, according to the WIPO’s “Joint Recommendation Concerning Provisions on The Protection or Marks and Other Industrial Property Rights in Signs on The Internet”, use of a mark on the Internet should be regarded as use in a particular country *only if the use had “commercial effect” there*. Therefore, a trademark proprietor can allege trademark infringement claims as long as the alleged infringing domain name is used in a manner to produce commercial effect in the country/territory where its trademark is registered⁵⁷⁸.

It is possible to register a domain name and set up a website under this domain name from anywhere in the world and this website under this domain name is accessible to everybody located in different places of the world. However, the fact that the domain

⁵⁷⁶ David BAINBRIDGE, p.124

⁵⁷⁷ Christiane FERAL-SCHUHL, p.1071

⁵⁷⁸ Berkay KIRCA, Markanın İnternet Yoluyla Haksız Kullanımı, Ankara 2009, p.91; in the same way Sefer OĞUZ, Alan Adı, p.149; With regard to domain names used in two different countries, the author states that the person who owns the domain name in accordance to the law of a country cannot be prevented from using the same or confusingly similar domain name even if it creates a likelihood of confusion in another country; this is only possible if the person who owns the domain name is involved in activities that have a commercial impact on the country in which protection is requested.

name and the website under this domain name are accessible from the country/territory where the alleged infringed trademark is under protection is not sufficient for that domain name to produce a commercial effect in that country/territory, thus is not sufficient to constitute a trademark infringement within this country/territory. To infringe a trademark in a particular country or territory, the person using the sign in question in a domain name or on a website should carry out a commercial activity through this domain name or website in the country or territory where the alleged infringed trademark is registered. Indeed, identical or similar signs may be registered by different persons in different countries. So, admitting the mere accessibility to these domain names or website as infringing would cause to infringement claims from trademark proprietors of these signs⁵⁷⁹.

On this point, we can give an example: while a company A is the proprietor of the trademark “X” in Turkey, a company B may be the proprietor of the same trademark “X” for the same goods/services in Italy. Each company may use their trademark in their domain names such as www.X.tr and www.X.it. In such a case, does the use of the Italian company constitute an infringement of the Turkish company’s trademark rights? The answer to this question depends on whether the use of the Italian company in its domain name creates a commercial effect in Turkey. The accessibility to this Italian domain name and website from Turkey does not mean that such use creates a commercial effect in Turkey⁵⁸⁰. Moreover, if this Italian company operates, through its website, only in Italy or in countries other than Turkey, therefore if it has not a commercial activity in Turkey, there would not be an infringement of Turkish company’s trademark rights as there is not a commercial effect through the use of the domain name by the Italian company in Turkey. However, on the other hand, if the Italian company, through its website under this domain name, targets the Turkish public or offers for sale products or services to the Turkish public, there would be a commercial effect in Turkey and thereby a trademark infringement unless other infringement requirements are also satisfied⁵⁸¹.

⁵⁷⁹ David BAINBRIDGE, p.125

⁵⁸⁰ See to that effect, C-324/09, eBay, 12.07.2011, par.64; Joined Cases C-585/08 and C-144/09, Pammer, 07.12.2010, par.74-75

⁵⁸¹ Except for reputed marks, in cases of different goods or services, there would be no infringement even it has a commercial effect in Turkey.

For instance, whether internet use of the mark (1-800 Flowers) constituted use of that mark in the UK, the British Judge considered that “the mere fact that websites can be accessed anywhere in the world does not mean, for trademark purposes, that the law should regard them as being used everywhere in the world”. In order to determine whether such use constituted use in the UK, one should take account the circumstances, particularly “the intention of the website owner and what the reader will understand if he accesses the site”⁵⁸². Equally, this reasoning is confirmed by the appeal court whereby the Judge considered that the internet website is not sufficient to justify the conclusion that “accessing the website amounts to use of the mark at the point of access”⁵⁸³. Similarly, again in the UK, in a case where the claimant was an American company which registered the trademark “Create and Barrel” in the UK and as a Community trademark brought an action against the defendant who had a shop in Dublin and used the claimant’s mark in a web site, the defendant had been found as not having used the trademark in the course of trade in the UK due to the short of evidence of commercial activity in the UK⁵⁸⁴.

On the other hand, in a relatively recent UK case where the well-known “Yellow Pages” mark was at issue, the defendants had registered domain names “www.zagg.eu” and “www.transport-yellow-pages.com” under which they were operating a business directory service and a database relating to transport services and transport companies. The claimant who is the owner of “Yellow Pages” marks and “walking fingers” logo in the UK complained of the name of the latter site itself and the use on both sites of the words “Yellow Pages” and the walking fingers logo. On the other side, the defendant’s principal defense was that the websites are not UK based and therefore are not within the jurisdiction of UK courts. However, these defenses had not been accepted by the Judge as it considered that “the fact that a website may be owned or controlled from outside the United Kingdom is not determinative, nor is the fact that the counterparty to a financial transaction taking place via the website may be abroad”. Rather, the fundamental question is “whether or not the average consumer of the goods or services in issue within the UK

⁵⁸² 1-800 Flowers 2000, FSR 697, P.705

⁵⁸³ EWCA Civ 721, 1-800 Flowers Inc. v. Phonenames Ltd., 07.05.2001, par. 100-101; the case concerned an opposition to a trademark registration application. According to the UK law, in order to constitute itself the proprietor of the mark, “the Applicant has to establish use or proposed use, of the mark in the UK” (par.96)

⁵⁸⁴ David BAINBRIDGE, p.125

would regard the advertisement and site as being aimed and directed at him”. In this regard, all material circumstances must be considered, such as “*the nature of the goods or services, the appearance of the website, whether it is possible to buy goods or services from the website and whether or not the advertiser has in fact sold goods or services in the UK through the website or otherwise*”⁵⁸⁵. What matters is how the site looks and function when someone in a jurisdiction interacts with it. The fact that the site adjusts itself to the location of the person interacting with it and acts accordingly reinforces the infringement claims. Consequently, by taking into considerations the facts that a UK based customer accessing either website is given a directory of UK transport businesses, the directory service is a UK directory service, the businesses advertised on it are themselves offering services which are linked to the UK, the services which can be bought via the site, like advertising services, can be bought from the UK (even though the payments go abroad), these services are supplied in the UK irrespective of the intended nationality of the potential customers, the “Terms of Use” states that “the terms and conditions are governed by English Law and subject to the exclusive jurisdiction of the English Courts”, the Judge concluded that British average consumers would think about the sites as being directed at them. The fact that neither domain names included “.uk” suffix was not determinative for the Judge as the other elements in the web pages had a strong UK flavor. Therefore, the defendants have been held as using the signs at issue in the UK and infringed the claimed trademarks⁵⁸⁶.

In this regard, in order a use in a domain name to constitute a trademark infringement, the website under this domain name should produce some commercial effect in the country/territory where the alleged infringed trademark is under protection. The determination of such commercial effect depends on the specific characteristics of the case at hand, especially on whether the website in question targets the public in the country/territory where the trademark is registered. Even there is not any actual purchase of this public from that website, the offers for sale or advertisements targeting this public are sufficient to establish the commercial effect on this country/territory. However, the mere accessibility of this website under the alleged infringing domain name by the public

⁵⁸⁵ EWPC 9, Yell Limited v. Louis Giboin, Zagg Limited, Zagg Global Limited, 04.04.2011, par.54-55

⁵⁸⁶ Ibid., par.163-170

of the country/territory where the trademark is registered is not sufficient to constitute a commercial effect therein.

3. Use in Relation to Goods and Services

Pursuant to the European Trademark Law and case-law, in order to find a trademark infringement, the alleged infringing use should be made “in relation to goods or services”, in other words, should be used as a trademark. However, as it is accepted under both EU and Turkish case-law, trademark use is not limited to uses for distinguishing goods bearing it from those of other trademarks⁵⁸⁷.

It is a controversial issue whether the sign used in the domain name should be used as a trademark. Indeed, for example, the German and English courts are not unanimous on the use as a trademark requirement⁵⁸⁸.

Determining whether the domain name use is a use as trademark is important in determining the situation of domain names used on the basis on the trade names. Indeed, if the use of a domain name on the basis of a trade name is considered as a lawful trade name use, this would not constitute a trademark infringement. In such a case, only use of the trade name in a different manner than it is registered would constitute an infringement. On the other hand, if domain name use is considered as a use as trademark, using a trade name in a domain name would constitute a trademark infringement. As it is examined in detail below, it is accepted that using a trade name in a domain name constitutes a use as trademark. In that regard, the person who uses his trade name in his domain name would infringe the trademark consisting of the same sign.

An analogy can be made from the relationship between trademarks and trade names. In fact, as the basic purposes of a trademark and trade name are different from each other, this difference, in principle, makes it possible to use a trade name identical with a trademark within its “purpose”. On the contrary, if these signs are not used in accordance with their purposes and functions, there would be an infringement⁵⁸⁹. In parallel to this, the following question may come to mind: since the domain names are

⁵⁸⁷ Özgür ARIKAN, p.145

⁵⁸⁸ Fatih BİLGİLİ, p.186-187; Pantov VENTSİSLAW, p.28

⁵⁸⁹ Hamdi YASAMAN, Makaleler, Mütalaalar, Bilirkişi Raporları III, 2008, p.284

considered as distinctive signs (provided that they do not function only as internet addresses), is it possible to use them without causing any infringement if they are used within the scope of their purposes? In other words, as trade names do not constitute trademark infringement when used for their purposes, does using domain names for their purposes prevent trademark infringement? For this, it is necessary to determine here what is the use falling within the purpose of domain names. Domain names are not signs which are affixed on the goods or services, thereby they do not function as signs to distinguish goods or services from others. Rather, they are names of the websites on which information, promotions and sales related to goods or services are displayed. The names of these websites, namely domain names, may be the same as the trademarks of the goods or services displayed on the website, or may be different from them.

On this point it should be noted that it is well accepted that when a third party put the sign at issue on the goods which it markets, there is use “in relation to goods”. However, even where the sign is not put on the goods, there is use “in relation to goods or services” when the third party uses the sign in such a way as to establish “*a link*” between the sign at issue and the products marketed or the services provided by the third party⁵⁹⁰. In my opinion, the use of domain names falls exactly into this latter category as there is a link between the domain name and the goods or services displayed on the website under this domain name. This is because, a domain name is a sign that plays a role in the internet user’s access to the goods or services on the website under this domain name. In this regard, since there is a connection between the sign used as the domain name and the goods or services displayed under this domain name, such use is a use in relation to goods or services, thus as a trademark. In other words, except the non-commercial uses, the use of domain names constitutes a use as trademark.

Moreover, as stated above, the use of a domain name which intend to promote the provision of goods or services had been qualified as « *advertising* » within the meaning of misleading and comparative advertising Directive 2006/114 by the CJEU. Indeed, it is not only through a website under a domain name that that owner of that

⁵⁹⁰ C-206/01, Arsenal, 12.11.2002, par.41; C-17/06, Céline, 11.09.2007, par.21-23; For detailed information, see “Use in Relation to Goods and Services” at the subsection I/1-C under the First Section

website seeks to promote its products or its services, but also by means of a domain name, it intends to have the greatest possible number of internet users to visit his web site and to take an interest in its offer⁵⁹¹. From this, it can be concluded that the requirement of use in relation to goods or services is fulfilled by domain name uses.

4. Infringing Types of Uses

As long as an alleged infringing domain name use is made without the consent of the trademark proprietor, in the course of trade in relation to goods or services and in such a manner to produce commercial effect on the country/territory in which the alleged infringed trademark is registered, the proprietor of this trademark may prevent third parties from using the sign identical with or similar to his trademark in the domain name under certain conditions.

The use of signs identical with or similar to a trademark on the internet is regulated in Turkey in the art.7/3-d of the IPL. While there is no specific provision under the European Trademark Law on the uses made in domain names, the general principles of trademark law apply to them. In this regard, infringement of identical (a), similar (b) and reputed marks (c) when they are used in domain names will be examined below.

a. IDENTICAL Use of the Trademark

aa. Identity between Trademark and Domain Name

In double identity situation, in order for a use in the domain name to constitute an infringement, it should consist of a sign or signs identical with the alleged infringed trademark and it should be used for the same goods or services for which this trademark is registered.

As explained before, the criterion of identity between the signs must be interpreted restrictively, meaning that the signs at issue should be identical in all respects. However, the average consumer rarely has the opportunity to make a direct comparison between the signs and must rely on the non-perfect image he has kept in memory. Therefore, since all the elements of the signs at issue cannot be compared directly,

⁵⁹¹ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.46-48, 61

insignificant differences between the signs may not be perceived by the consumer. In those circumstances, a sign is considered to be identical to the trademark “*where it reproduces, without any modification or addition, all the elements constituting the trademark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer*”⁵⁹².

However, domain names should technically contain some elements such as the prefix “.www” and the extensions such as “.com”, “.com.tr”. On the other hand, the trademark consists, in general, of the second-level domain name. In such a situation, the question is whether there is an identity or a similarity between the trademark and the domain name, for example between the trademark “X” and the domain name www.X.com. Below will be examined the distinctiveness of these additional elements in domain names and how they are considered in the comparison with the trademarks.

i. Distinctiveness of the Prefixes and of Top-Level Domain Names

In the determination of the identity or similarity between a trademark and a domain name, the comparison is made between the trademark, for example, “XYZ” and the domain name www.xyz.com. The rightmost part of the domain name, such as “.com”, is the top-level domain name and is a technically necessary part of the domain name. Trademarks are generally used on the second-level domain names (except the new gTLDs). It is clear that the trademark “XYZ” and the domain name www.xyz.com are not identical, as the domain name consists of, in addition to the sign constituting the trademark “XYZ”, the prefix “.www” and the TLD “.com”.

However, according to the dominant view, the distinctive part of a domain name is the second-level domain and both the gTLDs and ccTLDs do not have any distinctive characters as they are technically mandatory elements in the domain names and this fact is known by the internet users. For this reason, they may go unnoticed by the internet users. In this regard, these mandatory elements of domain names should not be taken into consideration in the determination of identity or similarity between trademarks and

⁵⁹² C-291/00, LTJ, 20.03.2003, par. 52-54. See “Identity between the Signs” at the subsection I/2-A-1 under the First Section

domain names. In consequence, not similarity but identity should be held where the word mark is used as such in the second-level domain⁵⁹³. For instance, the trademark “KLAUS KOBEC” and the domain name “klauskobec.com” are found by the English court as identical. The fact that the lower case is used in the domain name and the two words have been elided, these differences have been considered as will not be noticed by the average consumer. Moreover, it was held that the addition of “.com” has no trademark significance, so it has to be ignored⁵⁹⁴. Equally, the CJEU considers that the distinctive part of a domain name is not the top level domain, but the second-level domain⁵⁹⁵.

On the other hand, according to the other view, when comparing a trademark and a domain name, identity can never be retained. Indeed, the presence of the prefix www and the addition of the extensions such as “.com”, “.fr” or “.eu” imply necessarily to characterize an imitation and not an identical reproduction⁵⁹⁶. According to this view, even though the compared elements are weak, they cannot be ignored in the assessment, therefore the domain name as a whole should be compared with the trademark. Accordingly, the identity between a domain name and trademark can only be found if the trademark is in the form of domain name and if this trademark is used by the third party as a domain name⁵⁹⁷⁵⁹⁸. For example, a German Court in 2005 held that there was no identity between the sign “soco” and the domain name “soco.de”, but confusingly similarity⁵⁹⁹.

There is no doubt that there is an identity between the trademark and the domain name where the trademark is in the form of a domain name, namely when the trademark contains also the prefix and the gTLD and ccTLD of the domain name. However, in reality the situation is different as the usual situation is the use of the registered trademark

⁵⁹³ İsmail KIRCA, p.528

⁵⁹⁴ EWHC 350 (ch), Antoni Fields v. Klaus Kobec Limited – Michael Cohen (“Klaus Kobec”), 02.03.2006, par.70-71

⁵⁹⁵ T-338/11, Getty Images, 21.10.2012, par.26

⁵⁹⁶ Natalie DREYFUS, p.205

⁵⁹⁷ Guşan SÖYLEYENSOY, “Tescilli Markanın İnternette Alan Adı Olarak Kullanılarak Tecavüze Uğraması”, Istanbul Commerce University Institute of Social Sciences International Trade Law and European Union Master's Program, Master's Thesis, İstanbul February 2011, p. 45

⁵⁹⁸ In the Doctrine, *MEMİŞ* is of the opinion that if the same or similar name is used under different top-level domain names (eg www.xyz.com and www.xyz.org), it is not possible for the likelihood of confusion to occur. The author is of the opinion that top-level domain names are technically distinguishing elements and they prevent likelihood of confusion. Tekin MEMİŞ, Alan İsmi, (accessed on <http://www.geocities.ws/hukukakademisi/Alan.htm>) (last accessed on 30.11.2018)

⁵⁹⁹ Kemal ŞENOCAK, p.114

by third parties in the second-level domains⁶⁰⁰. If the aforementioned opinion is accepted, even if a sign identical to the trademark is used in the second-level domain, the presence of elements such as “www”, “.com”, or “.net” will constitute an obstacle for a finding of identity. For this reason, the conflicts between a domain name and a trademark will always be subject to the art.10/2-b of the Trademark Directive and art.7/2-b of the IPL⁶⁰¹.

Under the UDRP, the top-level domains in a domain name is considered as “a standard registration requirement” and therefore disregarded in the assessment of identity or similarity⁶⁰². For example, the Panel found that the trademark “AIRBNB” and the domain name “airbnb.eu” as identical by disregarding the ccTLD “.eu”⁶⁰³.

Equally, the TPTI considers the top-level domains such as “.com”, “.net” and the prefixes such as “www” and “http” as not making distinctive the sign with which they are used and makes the assessment based on the other elements of the signs compared⁶⁰⁴.

According to *KIRCA*, there is no significant difference in terms of the legal consequences between the dominant view according to which the comparison should be made by taking into account the second-level domain name as distinctive element and the minority view according to which the domain name should be compared as a whole with the trademark. This is because, even though not an identity but a similarity is found when the trademark is used in the second-level domain name, this similarity would be so strong and clear that there would be no need to make further assessment whether this causes a likelihood of confusion⁶⁰⁵.

In my opinion, the distinctive part of domain names is their second-level domain names and there is an “identity” and not “similarity” when a sign identical to the trademark is used in the second-level domain name. Indeed, the elements such as “www” and “com” are technically necessary elements in the domain names and this fact is known by everyone in today’s world. In this regard, the part which should be taken into

⁶⁰⁰ İsmail KIRCA, p. 530

⁶⁰¹ Kemal ŞENOCAK, p.116

⁶⁰² WIPO Overview of WIPO Panels Views on Selected UDRP Questions, Third Edition (“WIPO Overview 3.0”), par.1.11.1 – 1.11.2

⁶⁰³ WIPO Case No. DEU2018-0009, Airbnb, Inc. v. Domain Admin, Claim.Club

⁶⁰⁴ TPTI Trademark Examination Manual 2011, p. 69

⁶⁰⁵ İsmail KIRCA, p. 530-531

consideration when comparing the signs is the second-level domains, except the cases examined below.

ii. Using a Part of the Trademark in the Second-Level Domain, the Other Part in the Top-Level Domain

As explained above, in principle, the generic top level domain names are not taken into consideration in the identity or similarity assessment between the signs. However, in cases where the second and top level of the domain name are perceived as having a meaning, the assessment is made by taking into account the domain name in integrity⁶⁰⁶.

WIPO panels have generally found that the top level gTLD extension is generally irrelevant for considering confusing similarity, as these extensions are only necessary functional components of a domain name⁶⁰⁷. However, in some cases, the domain name *as a whole* can be taken into consideration in the determination of identity and similarity. This is especially the case where the generic top level domain is identical or confusingly similar to a portion of the trademark, so that it may be perceived as such by internet users and is therefore relevant in considering the elements of identity or similarity⁶⁰⁸. For instance, in a case where the respondent's domain name is "at.properties", the Panel considered the gTLDs as a part of the trademark and found the domain name as confusingly similar to the complainant's trademark "@propties" which is read as "at properties"⁶⁰⁹. In another case where the well-known trademark "BMW" is used by the defendant in the domain name "b.mw", the Panel indicated that while ".mw" is the TLD, this part of the domain name may be taken into account where necessary for the determination of identity or confusing similarity⁶¹⁰.

Similarly, when the sign "dal" is used with the ccTLD of India, this domain name "dal.in" may be confused with the trademark "Dalin" which is well-known for baby products. Equally, in the domain names such as "bay.com", "tele.com", "pla.net",

⁶⁰⁶ TPTI Trademark Examination Manual 2011, p.69

⁶⁰⁷ WIPO Overview 2.0., par.1.2.

⁶⁰⁸ WIPO Case No. D2016-0440, At World Properties, LLC v. Whois Agent, Whois Privacy Protection Services, Inc./Whois Agent, Profile Group

⁶⁰⁹ Ibid.

⁶¹⁰ WIPO Case No. DMW2015-0001, Bayerische Motoren Werke AG v. Masakazu/Living By Blue Co., Ltd.

“turkuaz.su”, “kadın.ca”, as the domain name has a meaning as a whole, these gTLDs will be taken into account in the identity and similarity assessment⁶¹¹.

iii. Use of the Trademark in the Third-Level Domains and Sub-Directories of a Domain Name

It is possible to use the sign constituting the trademark in the third-level domain names. These third-level domains are not considered as having distinctive characters on their own as they do not have a technical function of identifying a particular domain on the internet. However, these third-level domains, together with the second-level domains, may have to distinguish a person, a company or a good/service. For example, in the domain name www.philip.morris.com, the second and third level domain names constitutes together the trademark “Philip Morris”. Moreover, in cases where the second-level domain is a generic term, the third-level domain may constitute the distinctive part of the domain name. For instance, in the domain name www.capris.otel.com.tr, the second-level domain is a generic sign, namely “hotel” and the sign “capris”, thus the third-level domain name is the distinctive part of this domain name⁶¹².

In this regard, the hierarchy of the elements comprising the domain name is not decisive in determining the identity or similarity between the trademark and the domain name. In particular, this is the case where the sign identical with or similar to the trademark is in the third-level domain name and the second-level domain name is comprised of generic or descriptive sign. For example, the fact that the trademark “universum” is in the third-level domain name such as www.universum.gofret.com.tr and not in the second-level domain, would not prevent the confusion between the sign and the domain name. Moreover, even if the second-level domain name is comprised of a distinctive sign, the outcome would not change, but in this situation likelihood of confusion may be offset by another factors specific to the case⁶¹³.

Regarding the use of the trademarks in the subdirectories of the domain name, it is stated by the American courts that the sub-directories of a domain name do not have

⁶¹¹ Tamer SOYSAL, Alan Adları Hukuku, p.791

⁶¹² Sefer OĞUZ, Alan Adı, p.67

⁶¹³ İsmail KIRCA, p.534-535

any distinctiveness. In these decisions, it was held that only domain names can indicate origin, whereas sub-directories show only how the website content is compiled. Moreover, it was stated that when an internet user wishes to access to a web site, s/he types in only the domain name and not the sub-directories of this domain name. However, on the other hand, it was decided by a German court that the sign “/nautilus” in the domain name www.bunchhannedel.de/nautilus constitutes one of the distinctive elements of this domain name⁶¹⁴.

iv. Use of the Trademark as an E-Mail Address

Sending e-mails is one of the most widely used online communications means. There are two kinds of e-mail addresses. The first one is the e-mails such as hotmail.com or gmail.com. The other one is the e-mails comprising the domain name associated. For example, for the domain name www.yasaman.av.tr, one of the e-mail addresses associated with this domain name is zeynep@yasaman.av.tr. For these types of e-mail addresses, the part which may cause problems with regard to trademarks is the part after the sign @ that comprises the SLT of the domain name⁶¹⁵. However, for there being a trademark infringement because of such e-mail addresses, such use must meet some conditions. For instance, in a case where the plaintiff’s trademark is used in the e-mail address of the defendant, the Dutch Court analyzed whether the sign in the e-mail address was used for similar purposes as the trademark and whether it had resulted in likelihood of confusion⁶¹⁶.

On the other hand, the part which comes before the sign @ (log-in name) can be freely selected by the e-mail address owner. For this reason, when a domain name which seems not causing a problem in terms of trademark law, is combined with this log-in name may form a sign which is identical with or similar to a trademark. For instance, in case where a person registers the domain name www.morris.com, may use an e-mail address such as Philip@morris.com, which would cause a likelihood of confusion with the well-known mark Philip Morris⁶¹⁷.

⁶¹⁴ Sefer OĞUZ, Alan Adı, p.69

⁶¹⁵ Stefan KUIPERS, p.42

⁶¹⁶ Ibid., p.43

⁶¹⁷ Savaş BOZBEL, Alan Adı, Yönlendirici Kod, Anahtar Kelime, p. 237

Moreover, it is also possible to use a trademark, not in the e-mail address, but in the content of the e-mails send through this e-mail address. For instance, in a case before the English courts, the subject matter was use of the sign in “internal company emails” referring the company name. Indeed, the employees of a company called “OCH Capital” did not use the company name by its full name but only “OCH” in their e-mails. On the other hand, the owner of the trademark “OCH” alleged trademark infringement for this use. However, the Judge found that the use made of the sign in internal staff emails was a private matter and not use in the course of trade. Therefore such use did not fall within the scope of trademark law so that the trademark owner can prohibit⁶¹⁸. However, such use would not be internal and would be prevented by the trademark owner if it is included in the e-mails used in communication with customers.

v. Use of the Trademark in a Slightly Different Form than the Registered One

Using trademarks consisting of more than one word in domain names is possible only writing them adjacently as it is technically not possible to leave spaces between words in domain names. In this respect, the fact that the trademarks consisting of more than one words are used in domain names adjacently does not prevent the finding of identity. Similarly, if the lower case is used instead of the capital letter in the trademark, the internet user will perceive these letters as identical⁶¹⁹. For example, in the example given above regarding the trademark “KLAUS KOBEC” and the domain name “klauskobec.com”, the English Judge found that the differences arising from the the facts that the lower case is used in the domain name and the two words have been elided, would not be noticed by the average consumer⁶²⁰.

Again similarly, using the sign (-) between the words forming the trademark does not eliminate the identity. Equally, using the letters “u-o-g” instead of Turkish letters “ü-ö-ğ” does not eliminate the identity between the signs compared.

Similarly, the omission of the exclamation mark can be disregarded in a comparison with the trademark because domain names cannot include exclamation marks

⁶¹⁸ EWHC 2599 (ch.), Och-Ziff, 20.10.2010, par. 66

⁶¹⁹ See WIPO Case No. DEU2017-003, Instagram, LLC v. Jan Wegener, where the owner of “Instagram” sued the defendant who registered the domain name Instagram.eu (first letter being the lower case “L”)

⁶²⁰ EWHC 350 (ch), Klaus Kobec, 02.03.2006, par.70

for technical reasons. For instance, when comparing the trademark “Yahoo!” and the domain name comprising the sign “yahoo”, it has been decided by the Panel that the domain name comprised the complainant trademark even though the sign (!) was missing⁶²¹.

Moreover, using a trademark with different signs in different alphabets (transliteration) is accepted as identical use of the trademark. For example, the term “קוקהקולה” is a word written in the Hebrew language and is a transliteration of the English sound of the COCA-COLA trademark. In a case before the WIPO, the Panel has found that “קוקהקולה.com” domain name is phonetically the same with the trademark COCA-COLA and equivalent to the English words COCA-COLA. Thus the disputed domain name is considered to be identical to the complainant’s trademark COCA-COLA⁶²².

bb. Identity between the Goods and Services

Pursuant to both art. 10/2-a of the Trademark Directive and art.7/2-a of the IPL, there should be an identity between goods or services in addition to the identity between the signs at issue. The use of the trademarks belonging to third parties is only infringing, even on the internet, insofar as it concerns goods or services identical with or similar to those for which the alleged infringed trademark is registered⁶²³.

The assessment of the identity between the goods or services for which the trademark is registered and those for which the domain name is used is conducted in the light of the general principle of trademark law⁶²⁴.

An average internet user hopes to find information about a company or this company’s goods or services on the website accessed through the domain name. In this regard, the domain name provides access to the goods or services offered on a website. For this reason, it is necessary to consider whether the goods or services offered on a website accessed through a domain name are identical with or similar to the goods or services for which the trademark is registered⁶²⁵. In other words, in the determination of

⁶²¹ WIPO Case No. DAU2017-0008, Yahoo! Inc. v. Mac Patchers, Ravi Singh / Dayzed Pty Ltd, Ravi Singh

⁶²² WIPO Case No. D2008-1852, The Coca-Cola Company v. Keren, Chen

⁶²³ Jacques AZEMA, p.885

⁶²⁴ Tamer SOYSAL, Alan Adları Hukuku, p.795; İsmail KIRCA, p.540

⁶²⁵ Kemal ŞENOCAK, p.128-129

identity or similarity between the goods or services, it should be taken into account “the content” of the website under the domain name and the goods or services displayed on this website should be compared with those for which the trademark is registered⁶²⁶. For instance, in a case before the Turkish Supreme Court, the owner of the trademark “elemanonline” registered in class 35 brought an infringement proceeding against the defendant for its use of this trademark in the domain name. While the first instance court ruled in favor of the plaintiff, the Supreme Court reversed this decision as the plaintiff’s trademark registration was not covering recruitment services for which the defendant’s domain name was used⁶²⁷. Again in a case before the Turkish Supreme Court, the mere use of the trademark in the domain name had not been found sufficient for trademark infringement. In fact, it has to be determined whether the activities on the defendant’s website are identical with or similar to the goods or services covered by the plaintiff’s trademark⁶²⁸.

Therefore, in order to find an infringement by the use of a trademark in the domain name, the assessment of identity or similarity of the goods or services should be made between the goods or services protected by the trademark on the one hand, and the goods or services contained in the contentious web site⁶²⁹.

On the other hand, there are some exceptions to the rule that there should be an identity between the goods or services compared. These are the use of reputed marks in the domain names and the registration of domain names in bad faith. In the event where the use of a reputed mark in a domain name causes a detriment to the reputation or distinctiveness of the mark or the domain owner takes an unfair advantage from this, such use may be prevented by the trademark proprietor regardless of the identity or similarity of the goods or services at issue. Similarly, in the cases of bad faith, the alleged infringed trademark should be protected to a large extent regardless of the identity or similarity of goods or services⁶³⁰.

⁶²⁶ Ibid., p.494

⁶²⁷ Yarg. 11. HD. 2015/12854 E. 2017/1276 K. 06.03.2017 T. (www.kazanci.com)

⁶²⁸ Yarg. 11. HD. 2017/2017 E. 2018/8162 K. 24.12.2018 T. (www.kazanci.com)

⁶²⁹ Céline CASTETS-RENARD, Droit de l’Internet, p.258

⁶³⁰ Mehmet Emin BİLGE, p.186

Accordingly, the use of an identical or similar sign in the domain name for identical or similar goods or services for which the trademark is registered, may be prevented by the trademark proprietor. However, on the other hand, unless the alleged infringed mark is a reputed mark and unless the registration of a domain name is made in bad faith, the trademark owner cannot prevent the use of domain name for different goods or services than those for which its trademark is under protection⁶³¹.

As explained before, except for reputed marks, the mere registration of a domain name which is not actively used does not constitute a use within the meaning of the trademark law. Moreover, as the domain name is not actively used, it is not possible to determine the goods or services for which it is used, therefore to compare them with the goods or services for which the trademark is registered. In such a situation, what can a trademark proprietor can do? On this point, the commercial activities of the domain name owner may give an idea about the goods or services for which this domain name may be used. On the contrary, if the domain name owner does not have any commercial activity or operates in a different field, it would be difficult for the trademark proprietor to object to such domain name. However, if the domain name owner starts to use subsequently the domain name, it cannot allege its acquired rights or loss of rights of the trademark owner due to acquiescence⁶³².

Besides the determination of the goods or services offered on the website under a domain name, it is also important to determine the class(es) and its content of the registered trademark. At this point, it is worth to mention an interesting practices of the trademark owners in France. These latters got into the habit of registering their marks for telecommunication services in class 38 in order to claim rights on the domain names containing their trademark. In this way, they tried to protect and defend their marks against attacks on the internet. As a consequence, a number of decisions held trademark infringement where the trademark registered in class 38 was included in the domain name⁶³³. However, this reasoning had been strongly criticized because although class 38 includes telecommunication services in general, these services include, for example, the

⁶³¹ Yarg. 11. HD. 2009/11948 E. 2011/5267 K. 02.05.2011 T.

⁶³² Mehmet Emin BİLGE, p.189

⁶³³ See to that effect, TGI Nanterre, France Manche v. Georges I et SA Free, 13 nov. 2000

activity of internet access providers and not services of marketing or presentation of the goods or services through Internet. In this context, the French Supreme Court in 2005, has restrained this practice by holding that registration in class 38 does not protect anymore the corresponding domain name⁶³⁴. Now, the judges check the content of the website to which the disputed domain name points and compare it with the goods or services for which the trademark is registered⁶³⁵.

Therefore, even if a trademark is registered for telecommunication services in class 38, the use of domain names does not imply the use of such services. The telecommunication services referred to in class 38 cannot be assimilated to the actual services used, since the internet is only a means of communication⁶³⁶. In order to a domain name to infringe a trademark, the goods or services on the website should be identical with or similar to the goods or services for which the trademark is registered.

Lastly, it should be pointed out that it is possible to provide a link from a website under a domain name to other websites through linking and framing practices. In such cases, the identity or similarity of the goods or service will be evaluated by taking into account the websites in question, since the likelihood of confusion can also occur through the linked websites. However, if it is clearly understood that the linked site is different than the website from which the link is provided, then the goods or services on this linked site would not be taken into account in determining the identity or similarity between the goods or services⁶³⁷.

cc. Infringing Cases of IDENTICAL Uses

Allocation of domain names which are identical with or similar to the registered trademarks may be done for obtaining some unfair advantages. One of this type of domain name registrations is the one with the purpose of selling the domain name to the right owner at high prices. On the other hand, a domain name which is identical with or similar to a registered trademark may also be allocated by person who does not act in bad faith. In such a case, the domain name owner may have registered the domain name on the basis

⁶³⁴ Cass. Com., 13 déc. 2005, no 04-10.143

⁶³⁵ Natalie DREYFUS, p.200-204

⁶³⁶ TGI Nanterre, 2e ch., Société Publications Bonnier v. Société Saveurs et Senteurs Créations, 21 janv. 2002

⁶³⁷ Kemal ŞENOCAK, p.797

of its trademark, trade name or any other rights. However, in any case, disputes arise between them when the signs used are identical or similar. Resolution of disputes between a trademark and a domain name often depends on the priority. However, that cannot always be the case⁶³⁸. In the following, different cases of identical trademark uses in the domain name will be examined.

i. Cases where the Domain Name Owner has or has not the Same Sign as a Registered Trademark

a. *When the Domain Name Owner has the Same Sign as a Registered Trademark*

Except for the reputed marks, a same sign can be registered as a trademark by different persons in different classes. In such a situation, they are two or more trademark proprietors of the same trademark, although registered and used for different goods or services. It happens that these proprietors of an identical trademark registered in different classes, use their trademarks in their domain names. For example, a company in the textile industry and another company in the iron and steel sector can register and use lawfully their trademark “X” in their respective domain names. However, a domain name under a specific TLD is unique, meaning that if the textile company wants to use the domain name www.X.com.tr, he would be able to use it only if it applies first for the domain name registration. In other words, irrespective of the date of registration or protection of the trademarks, the party who applies first for the domain name will obtain the domain name.

However, what is important here is that the party who uses the sign identical with its trademark in the domain name, should use it for the goods or services for which its trademark is registered. In the case where this person uses the domain name for the goods or services other than those covered by the registration, it may infringe another trademark registered in these goods or services. In this regard, in the determination of the infringement, account should be taken on the class of goods or services for which the trademark is registered and the domain name is used. Therefore, in order to find an infringement of a trademark previously registered to the domain name, it is still necessary

⁶³⁸ Loic ANDRE, *Le Droit des Marques à l’heure d’Internet*, lextenso éditions, 2012, p.44

that the mark is registered in the classes of goods or services attached to the domain name⁶³⁹.

For instance, in a case before the Turkish Supreme Court, the trademark “Sera” was registered by both parties in different classes. While the defendant’s classes were 29, 30 and 32, the plaintiff’s was 39. Therefore, there were not an identity or similarity between the goods or services. However, even though the food services were not included in the defendant’s registration, he was using the domain name www.seragida.com.tr, on which were displayed goods such as mineral waters, spring water and other food products, for which the plaintiff’s trademark was registered. In this respect, the use of the defendant had been found infringing the plaintiff’s trademark as it was used beyond the scope of its registration⁶⁴⁰.

Trademarks may also be infringed by another registered trademark proprietor’s failure to use his trademark in its registered form in the domain name, for example, by adding additional elements to it. For instance, in a case before the Turkish Supreme Court, it was held that the trademark “Cihan” proprietor’s use of the domain name “cihan-etiket.com.tr” has amounted to an infringement of the plaintiff’s trademark “Cihan Etiket” and domain name “cihanetiket.com.tr”⁶⁴¹. Equally, using its own trademark by making appear similar to another’s trademark, for example, by putting forward the distinctive part of this trademark on the website constitutes an infringement of trademark. In this case, infringement occurs not because of the use of the sign in the domain name, but on the content of the website.

It is not possible to register as a trademark an identical sign in identical goods or services. However, identical word marks may be differentiated by figurative elements. In such cases, although not identical, similar signs can be registered in identical or similar classes. When these two trademark proprietors use the word element of their marks in their domain name (as it is not possible to use figurative elements in the domain name), an identical sign will be used in the domain name for identical or similar goods. In this

⁶³⁹ Céline CASTETS-RENARD, *Droit de l’Internet*, p.258

⁶⁴⁰ Yarg. 11. HD. 2014/5332 E. 2014/11891 K. 23.06.2014 T.

⁶⁴¹ Yarg. 11. HD. 20.09.2011 T. 2010/1287 E. 2011/10610 K., Tamer SOYSAL, *Alan Adları Hukuku*, p.809

situation, such use would be lawful as it grounds on the use of registered trademark. For example, in a case before the Turkish Supreme Court, the plaintiff, operating in the marketing of stationery products, was the owner of the registered trademark “Ak Ofis”, on the other hand, the defendant, also operating in the same field, was the owner of the figurative trademark “Ak Ofis”. The plaintiff was using the domain name “akofis.net”, the defendant the domain name “akofis.com.tr”. It was held by the Court that the defendant domain name use was lawful and thereby not infringing as it was using its registered trademark⁶⁴².

On the other hand, this issue needs also to be examined with regard to the class 35, namely retailing services, as websites under the domain names mostly operate as virtual stores where goods or services are offered for sale. In this regard, the question is whether a trademark registered for example in class 25 for clothes, can be used in the domain name under which the website operates as a virtual store for these clothes. On this matter, in *Libas Bebe* case before the Turkish courts, the plaintiff, Libas Giyim Mağazaları Tic. Ltd. Şti., was the owner of the trademark “Libas” registered in class 35 for retailing services, on the other hand, the defendant Mustafa Özdoğan – Libas Bebe Giyim was the owner of the trademark “Libas Bebe” registered in classes 18, 24 and 25. Moreover, the defendant was also operating under the domain names www.libasbebe.com and www.libasbebe.com.tr. The court noted that the parties’ trademarks were registered in different classes, that the defendant can also sell goods produced by him and that selling goods belonging to others would constitute “retailing services” in the meaning of the class 35. In this regard, it accepted the claims partially, meaning that the defendant was prevented from selling goods produced by others, thus providing retailing services under the domain names www.libasbebe.com and www.libasbebe.com.tr as it constitutes a use in the class 35 for which the plaintiff’s trademark was registered. On the other hand, the defendant’s sale of its own products on the website under these domain names were not considered as using the signs in the retail services, thus not constituting an infringement of the plaintiff’s trademark⁶⁴³.

⁶⁴² Yarg. 11. HD. 2011/1566 E. 2012/8620 K. 23.05.2012 T.; See to that effect also Yarg. 11. HD. 25.04.2011 T. 2009/12353 E. 2011/4966 K.; Tamer SOYSAL, Alan Adları Hukuku, p.789, 809

⁶⁴³ Yarg. 11. HD. 2009/106 E. 2010/8500 K. 20.07.2010 T.; Tamer SOYSAL, Alan Adları Hukuku, p.886-890

From this decision, it is understood that it is possible for the defendant, who operates in the textile industry and who has a registered trademark for these goods, to sell *its own products* in both physical and virtual stores named after its trademark, without the need to register it for the retail services in class 35. On the contrary, the sale of other branded product falls within the scope of retailing services in class 35 and such use is not possible for those who have not trademarks registered in class 35.

The question of whether different branded products should be in question in terms of retailing service in class 35 is controversial in the Turkish doctrine. While the dominant view is in the direction of the above-mentioned Supreme Court's decision⁶⁴⁴, on the other hand *YUSUFOĞLU* does not agree with this point of view⁶⁴⁵. According to the author, even though, the trademark proprietor does not need to take further action, such as registering its trademark also in class 35, to sell the goods under a registered trademark; in the event that the trademark owner opens a store to sell his own products, it has to register its trademark also in class 35 as it will provide a service which brings the goods together so that the customers can see and buy them in a convenient way⁶⁴⁶. Therefore, the Author, without doing a distinction between the trademark proprietor's own goods and other trademarked goods as in the Supreme Court's decision, is of the opinion that the sign used as a physical or virtual store name should be registered not only as a trade mark but also service mark in class 35. This is due to the fact that the retailing service is nowhere defined as requiring the sale of different trademarked goods and the opposite view does not reflect today's international practice and definition of "retailing" service⁶⁴⁷.

As mentioned above, except for reputed marks, a same sign can be registered in different classes, so that different persons may have rights on the same sign. In such situation, the use of this sign by different persons in domain names will not cause a trademark infringement as long as this use stays within the scope of the registration,

⁶⁴⁴ For detailed information See Ali PASLI/Cem SOYKAN, "Marka Tescilinde 35.08. Sınıfın Anlamı ve Kapsamı", *Fikri Mülkiyet Hukuku Yıllığı* 2010, İstanbul 2011, p.441 et. al.; Sevilay UZUNALLI, *Malların ve Hizmetlerin Benzerliğinin Tespiti*, p.694

⁶⁴⁵ For detailed information See Fülürya YUSUFOĞLU, "Perakendecilik Hizmeti Sınıfı (35.05. Sınıf) ile Ürün Sınıfı Arasındaki İlişkilen Marka Hukukundaki Etkisi", *GSÜHFD* 2018/1, p.335 et al.

⁶⁴⁶ *Ibid.*, p.347-352

⁶⁴⁷ *Ibid.*, p.353

meaning that the sign is used in the registered form and in goods or services for which it is registered. On the other hand, registration of a sign identical with or similar to a reputed mark depends on certain conditions, such as not having unfair advantage from the mark, not damaging the reputation or distinctiveness of the mark⁶⁴⁸. If these conditions are met, it is possible to register a sign identical with or similar to the reputed mark in different classes. In such situation, the domain name owner who uses its trademark identical with or similar to the reputed mark in its domain name for different goods or services than those for which the reputed mark is registered, should use this domain name within the scope of its registration, meaning that using the sign in its registered form and in goods or services for which it is registered.

Lastly, it should be pointed out a novelty of the IPL. Pursuant to the art.155, “a trademark owner cannot allege its trademark rights as a defense in an infringement proceeding that has been brought by the rights owners who have an earlier priority or application date than his own right”. Consequently, in infringement cases, even if the alleged infringing sign is a registered trademark, it can no longer be asserted the use of a registered trademark as a lawful use defense. This matter is also indicated in the case-law of the CJEU which held that the trademark proprietor’s rights to prohibit third parties from using any sign identical or similar to its trademark include subsequently registered marks, without it being necessary that the invalidity of the latter mark be declared beforehand⁶⁴⁹.

b. When the Domain Name Owner has not the Same Sign as a Registered Trademark

In the cases where the domain name owner has not registered the sign used in the domain name as a trademark, the priority date between the domain name and the alleged infringed trademark is of importance in the determination of the trademark infringement. In other words, even if the domain name owner does not use its domain name on the basis of its trademark rights, if s/he has started to use the domain name before

⁶⁴⁸ For detailed information, see “Types of Injuries” at the subsection I/2-C-4 under the First Section

⁶⁴⁹ C-561/11, Fédération Cynologique Internationale v. Federacion Canina Internacional de Perros de Pura Raza, 21.02.2013, par.52

the registration of the trademark, then s/he would have acquired rights on this sign from use and allege them against infringement claims.

The domain name owner's prior use may be grounded for instance on its trade name, but also only on its domain name use. For example, in a case where a French court, for the first time, had recognized the priority of a domain name on a trademark, the subsequent trademark (Océanet) owner's claims with regard to the defendant's use of the domain name www.oceanet.fr had been dismissed and the subsequent trademark had been revoked⁶⁵⁰. In this case, the plaintiff Microcaz applied for trademark registration on 2 September 1996, but the defendant had been using the sign "Océanet" on the internet since mid-July 1996. The court then found that the plaintiff is the one who infringes the defendant's rights and annulled the mark. Therefore, it was considered that the use of the sign "Océanet" as a domain name was creator of rights which can be asserted against an identical sign subsequently registered as a trademark⁶⁵¹. Under the French Law, it is regulated in art.L.711-4 of the Intellectual Property Code that signs which violate anterior/prior rights cannot be registered⁶⁵². Although the art.L.711-4 which enumerates prior rights which can be asserted against the trademark proprietor, does not mention the domain names, it is accepted by the case-law that a domain name may constitute such anteriority⁶⁵³.

However, the limit of the acquired rights of the domain name owner is the fields of activity where the domain name is used. For instance, in *HT* case, the plaintiff was the owner of the trademarks « Habertürk » and its abbreviation « HT » and the domain names www.htgazete.com.tr, www.htgazete.com, www.htradyo.com.tr. On the other hand, the defendant was operating a web site named "Haber Türkiye" under the domain name www.ht.com.tr. While the defendant had registered its domain name www.ht.com.tr in 2005, the plaintiff's trademark "HT" is registered after 3 years, in 2008. In this regard, it was held that the defendant had acquired prior right on the sign in question due to its

⁶⁵⁰ TGI Mans, 29.06.1999, Microcaz v. SDFI Océanet

⁶⁵¹ Christiane FERAL-SCHUHL, p.1048

⁶⁵² https://www.legifrance.gouv.fr/affichCode.do;jsessionid=589C20FFB55D9E5BA4BB67464E0DD943.tplgfr23s_1?idSectionTA=LEGISCTA000006161690&cidTexte=LEGITEXT000006069414&dateTexte=20180815

⁶⁵³ TGI Le Mans, Microcaz v. Océanet, 29 juin 1999; David FOREST, Droit des Marques et Noms de Domaine, Lextenso éditions 2012, p.130

domain name use since 2005. However, this prior rights of the defendant were only related to website design, website hosting and digital advertising services, thus services other than the internet journalism. In this regard, the domain name use of the defendant for the internet journalism was found to be infringing the plaintiff's trademarks as its acquired rights before the plaintiff's trademarks registration has not covered internet journalism. On the other hand, the defendant's uses for activities other than internet journalism was found as not infringing⁶⁵⁴.

However, what will be the situation if the acquired rights obtained through use of the domain name include the goods or services for which the subsequent trademark is registered? In my opinion, in such a situation, the prior right owner can defeat infringement claims by alleging its prior right ownership. Moreover, it can also make revoked the subsequent trademark.

At this point, it should be noted that, the mere registration of a domain name does not confer rights on the sign to its owner. In other words, unless the domain name use is not based on a prior right such as trademark or trade name rights, the domain name owner cannot ground its prior rights on the mere registration of the domain name. In order for the domain owner to acquire rights on the sign used in the domain name, the domain name should function as an identifying sign and should have distinctive character. For this to happen, the domain name should be used in the course of trade after registration and the relevant public should perceive it as a sign indicating the source of origin and not as a mere internet address⁶⁵⁵. As indicated in French decisions, a domain name is opposable on the condition of being effectively exploited. In this situation, it is considered as an enforceable right in France⁶⁵⁶. Indeed, the protection of a domain name arises from registration, but acquired through use on the internet, meaning that, if the right on the domain name does exist upon registration, its protection is only materialized from the moment it is actually used on the internet, that is to say that it leads to an active site. For the exploitation of a domain name to be considered effective, it is necessary that the site is active and that it does not only consist of a "under construction" or "coming soon"

⁶⁵⁴ Yarg. 11. HD. 2013/15742 E. 2014/4787 K. 12.03.2014 T.

⁶⁵⁵ Kemal ŞENOCAK, p.105-107

⁶⁵⁶ David FOREST, p.121 and the case-law cited therein

page. For example, the effective use allegation of the domain name was refused when there was only a homepage where it was indicated that the site was under construction. Similarly, the mere posting of the contact information of the domain owner or hyperlinks do not amount to an effective use of the website and thus of the domain name⁶⁵⁷.

When there is no prior right acquired through use on a sign, the party who makes first the registration of the domain name or of the trademark will be entitled to use the sign. For example, in a case before the Turkish Supreme court in 2014 where the parties had no priority rights on the sign, in the evaluation of priority between the trademark and the domain name, the court gave precedence over the historical priority of the defendant who registered the domain name shortly before the plaintiff's trademark application⁶⁵⁸. Therefore, in the event where there are no priority rights on the trademark applied for registration after the domain name registration, even if the domain name is only registered and not actively used yet, the domain name owner who applied first for domain name registration will have the right owner on the sign.

Last but not least, the question is whether the domain name owner who acquired the domain name which is registered before the registration of the trademark, can allege after the registration of the trademark the priority rights based on the first registration date of the domain name by a third party. In other words, for example, if a domain name is registered in 2004 and the second owner of this domain name acquired it in 2010, but in the meantime an identical sign is registered as a trademark in 2006 by a third party, in this case, can the second owner of the domain name can allege its priority right ownership based on the registration of the domain name in 2004 against the trademark registered in 2006? In my opinion, there may be three situations. One of them is the situation where the domain name is merely registered and not actively used by the first owner and then transferred to the second owner. In such a case, as the mere registration of a domain name does not confer rights to its proprietor on the sign constituting the domain name, it is possible for the transferee to claim right ownership on this sign only as of the date when it starts to use actively the domain name in question. The second situation is where the

⁶⁵⁷ Céline CASTETS-RENARD, *Droit de l'Internet*, p.259, 262

⁶⁵⁸ Yarg. 11. HD. 2014/6959 E. 2014/13704 K.; Erdal NOYAN, İlhami GÜNEŞ, *Marka Hukuku*, Ankara 2015, p.663, footnote.380

second domain name owner uses the domain name in different fields of activity than those of the domain name owner who first registered it. In this case too, since the rights arising from the registration and use of the domain name is limited to the goods or services for which the domain name in question had been used, such prior registration and use would not confer prior rights to the subsequent domain name owner as the domain name is used for different goods or services. Finally, the third situation is where the subsequent domain name owner maintains the use of the first the domain name owner and continues to use the domain name for the same goods or services as the first domain name owner. In my opinion, it is only in this situation possible for the subsequent domain name owner to allege its prior right ownership on the sign constituting the domain name, as it continues to use the domain name for goods or services on which rights acquired priorly.

ii. Cases where the Domain Name Owner has or has not the Same Sign as a Trade Name

a. When the Domain Name Owner has the Same Sign as a Trade Name

The purposes of trademarks and trade names are different. Indeed, a trademark aims to distinguish the goods or services of an undertaking from those of others, where are a trade name aims to distinguishes a commercial entity from other entities. This purposive difference, as a rule, permits the existence of a trade name identical with a trademark provided that it is used within the scope of its purpose. However, if these signs are not used in accordance with their purpose and functions, there may occur an infringement⁶⁵⁹.

Using a trade name within its purpose means using it only in trade documents and beyond that, such as using it on products, catalogs, documents other than commercial ones or promotional materials in order to distinguish goods or services would constitute a trademark use. Indeed, in such a case, it would not distinguish commercial entities but goods or services. Moreover, if the trade name is not used as a whole as it is registered in the trade registry, but if the core element is used in different colors or font sizes, such use would not be a trade name use, but a use of trade name as a trademark and would

⁶⁵⁹ Hamdi YASAMAN, Makaleler, Mütalaalar, Bilirkişi Raporları III, p.284

constitute a trademark infringement which can be prevented by the trademark proprietor⁶⁶⁰.

At this point, the following questions come to mind: does the use of the core element of a trade name as a domain name constitute trademark infringement? Can the domain name owner who uses its trade name in the domain name can eliminate the trademark infringement claims? On this point, it should be determined whether the use of the sign constituting the trade name is a trade name use or a trademark use. In fact, as stated above, using a trade name within its purpose does not constitute a trademark infringement, whereas only using it as a trademark can be prevented by the trademark proprietor.

When old-dated Turkish court decisions are examined, it is seen that the use of the trade name in the domain name is considered as a trade name use. For example, in a decision dated 2007, the use of the trade name Alkan Otomotiv Emlak İnşaat Turizm San. ve Tic. Ltd. Şti. in the domain name www.alkanotomotiv.com.tr had been considered as a trade name use and according to the court, it is possible for the legal person to engage in promotional and advertising activities related to the services in its field of activity by using its trade name. This included registering and using a domain name and performing these activities therein⁶⁶¹.

However, this reasoning has not been followed in the following years as the Turkish Supreme court reversed the decisions of this kind. For instance, in *Favori* case⁶⁶², while the plaintiff was the proprietor of the trademark “Favori”, the defendant’s trade name’s core element was “Favori”. The plaintiff claimed trademark infringement and cancellation of the defendant’s trade name from the register. After having found that the plaintiff’s trademark and the defendant’s trade name’s core element were confusingly similar, that the registration of the plaintiff’s trademark predates the defendant’s trade name, that both parties operate in the same field of activity and thus target the same

⁶⁶⁰ Uğur ÇOLAK, Türk Marka Hukuku, p.353

⁶⁶¹ Ankara 2. FSHHM 2006/302 E. 2007/37 K. 15.02.2007 T. (the decision had not been appealed); Tamer SOYSAL, Alan Adları Hukuku, p.876-878

⁶⁶² İstanbul 1. Anadolu FSHHM 2010/97 E. 2012/192 K. 07.06.2012 T.; Reversal Yarg. 11. HD. 2013/527 E. 2013/17672 K. 07.10.2013 T.

consumer group, and therefore there would be a likelihood of confusion between the signs, the first instance court only cancelled the defendant's trade name and rejected, however, trademark infringement and unfair competition claims as the use of the trade name does not constitute trademark infringement or unfair competitions until the cancellation. The Supreme Court reversed this first instance court decision since it considered the defendant's use of its trade name's core element in the domain names www.favoriboya.com.tr and www.favoriboya.com as a trademark use within the meaning of the art.7/3-d of the IPL. In this respect, the Supreme Court considered the use of a trade name in the domain name not as a trade name use, but as a trademark use, and thereby overturned the decision of the first instance court which did not make such an assessment.

Similarly, in *Intelnet* case, the plaintiff who is the proprietor of the well-known trademark "Intel", brought an infringement proceeding against the defendant for its use of the trade name "Intelnet" in the domain name. The first instance court, even though it found that there is similarity between the signs at issue and this would create a likelihood of confusion in the mind of the consumer, it rejected the infringement claims as the defendant's use was not a trademark use⁶⁶³. However, this decision is also reversed by the Supreme Court⁶⁶⁴, as it did not find correct to reach a decision without discussing whether a use made on the internet violates trademark rights.

Again in another *Intel* case, the plaintiff, operating in the information technology sector, was the proprietor of the well-known "Intel" trademark and the defendant, operating in the construction sector, was the owner of the trade name "Intel-Anka". The defendant was using its trade name in the domain name www.intelanka.com. The court, even though it rejected the cancellation claims with regard to the defendant's trade name as the plaintiff remained silent for this trade name for 18 years, held that the defendant's use of its trade name in the domain name as infringing the plaintiff's trademark rights as it considered such use as a trademark use⁶⁶⁵.

⁶⁶³ İstanbul 2. FSHHM 2011/204 E. 2013/290 K. 19.12.2013 T.

⁶⁶⁴ Yarg. 11. HD. 2014/10502 E. 2014/18202 K. 24.11.2014 T.

⁶⁶⁵ İstanbul 3. FSHHM 2012/71 E. 2014/12 K. 28.01.2014 T.; Approval Yarg. 11. HD. 2014/11791 E. 2014/18640 K. 01.12.2014 T.

In this regard, it is accepted that the use of the trade name in the domain name is a trademark use which exceeds the limit of trade name use⁶⁶⁶. Therefore, the use of a trade name identical with or similar to a trademark may constitute a trademark infringement⁶⁶⁷. However, even if the use of the trade name in the domain name is a trademark use, thus may constitute a trademark infringement, in order to find an infringement, such use should be made “in the course of trade”, “in relation to goods or services” and produce “commercial effect” on the country/territory where the alleged infringed trademark is registered.

Equally, in order to find an infringement because of the use of trade name identical with or similar to a trademark in the domain name, except for reputed-marks, the website under the domain name in question must be related to the goods or services for which the trademark is registered. For example, in *Kalite Sistem* case before the Turkish Supreme Court, the plaintiff Kalite Sistem Laboratuvarları A.Ş. which had been established in 1991, was the owner of the figurative trademark “Kalite Sistem Laboratuvarları” and the domain name www.kalitesistem.com since 2000. On the other hand, the defendant had been established in 1994 under the trade name Kalite Sistem Danışmanlık Ltd. Şti. and used the domain name www.kalitesistem.com.tr since 2001. The plaintiff had brought a trademark infringement proceeding against the defendant. After having stated that the trade name confers its owner the right to register and use it pursuant to art.41 of the Turkish Trade Law and that the use of the sign in the form of trade name cannot be prevented until it has decided on its cancellation, the court indicated the matters which should be investigated, namely whether the sign “Kalite Sistem” had been used as a trademark, if this sign is used as such, whether this use stays within the scope of the plaintiff’s trademark registration. In the present case, the plaintiff was operating in the food safety sector whereas the defendant was operating in the management consultancy services. In this context, after having stated that the mere use of the trademark, totally or partially, in a domain name is not sufficient for a finding of an infringement, the court held that the defendant’s use did not infringe the plaintiff’s

⁶⁶⁶ Yarg. 11. HD. 2016/7499 E. 2018/1183 K. 19.02.2018 T.; 2016/3941 E. 2017/6177 K. 14.11.2017 T. (www.kazanci.com)

⁶⁶⁷ In the same way, see İstanbul BAM 16. HD. 2017/1978 E. 2018/2426 K. 12.11.2018 T. (www.kazanci.com)

trademark since the services for which the plaintiff's trademark was registered were not provided on the defendant's website and any other service was not provided in a manner to constitute an infringement of the plaintiff's trademark. Moreover, while the plaintiff's figurative trademark was "Kalite Sistem Laboratuvarları", the sign used on the website by the defendant was "Kalite Sistem Danışmanlık". Therefore, not an identical, but a similar sign had been used by the defendant, and this sign "Kalite Sistem" was found not to be protectable as it is a descriptive sign⁶⁶⁸.

It is also necessary to mention the cases where the trade name owner uses the sign constituting its trade name not in the domain name, but on the content of the website under a domain name. In this situation also, the use of the trade name may exceed its limits, especially when it is used in large font sizes as a trademark and then may constitute infringement of the corresponding or similar trademark. For instance in a case before the Turkish Supreme Court⁶⁶⁹, while the trade name of the plaintiff was "Akenenerji Elektrik Üretim A.Ş.", the defendant's was "Aken Enerji ve Çevre Teknolojileri San ve Tic. Ltd. Şti.". The trademarks "Aken" and "Akenenerji" were registered for the plaintiff. The defendant had not a registered trademark, but a domain name www.karakasgroup.com. The plaintiff brought an infringement action against the defendant for the use of the sign "Aken" on its website. The court found the use of the sign "Aken" on the defendant's website under the domain name www.karakasgroup.com as a trademark use and not a trade name use since the defendant used this sign in large font sizes and beyond the scope of trade name use. In this regard, as the plaintiff's trademark and trade name registrations predate the defendant's trade name registration made in 2009, it was held that the sign "Aken" constituted infringement of both trademark and trade name rights of the plaintiff. According to the court, when encountered with the plaintiff's earlier trademark and trade name and the defendant's subsequent trade name and use on its website, the relevant public which consists of potential buyers in the energy production and distribution sector and companies in this sector, would be confused about these two companies.

⁶⁶⁸ Yarg. 11. HD. 2008/8834 E. 2010/4168 K. 13.04.2010 T.; Tamer SOYSAL, Alan Adları Hukuku, p.873-874

⁶⁶⁹ İstanbul 4. FSHHM 2013/167 E. 2014/227 K.; Approval Yarg. 11. HD. 2015/27 E. 2015/9206 K. 14.09.2015 T.

In the light of the above-mentioned, it can be concluded that the use of the trade name in the domain name constitutes a trademark use and can be prevented by the proprietor of the trademark which is identical with or similar to this trade name, as long as this use constitutes a use within the meaning of the trademark law (such as use “in the course of trade” and “in relation to goods or services”) and relates to the goods or services for which the trademark is registered.

However, what will happen if the trade name used in the domain name is earlier than the registered trademark which is alleged being infringed? In such a case, the domain name consisting of the earlier trade name would confer to its owner priority rights before the registration of the trademark. However, as stated above, a domain name cannot constitute anteriority against a later mark unless it has been exploited effectively⁶⁷⁰. Moreover, in such a situation, in my opinion, it is necessary to make a distinction between the cases where, even if the trade name is earlier than the corresponding trademark, the use of the tradename in the domain name is made either before or after the registration of the trademark in question. In fact, the person who has registered a trade name which is identical with or similar to a trademark before the registration of this trademark, may not start to use its trade name in the domain name at the same time with its trade name use and it may begin to use it in the domain name at a later stage, even after this sign is registered as a trademark by a third party. In such a case, the use of the earlier trade name in the domain name is only possible in relation to the goods or services other than those for which the subsequent trademark is registered. Otherwise, it would infringe the subsequently registered trademark. For instance, in *Litera* case before the Turkish Supreme Court, the plaintiff’s trade name was Rant Bilgisayar ve Elektronik Ltd. Şti. and registered the sign “Litera” as a trademark in 03.09.2001. On the other hand, the defendant had been established under the trade name Litera Eğitim Dan. ve Reklam Hizm. Ltd. Şti. in 30.03.2001 and started to use the domain name www.litera.com in 28.12.2001. Therefore, even though the defendant’s trade name “Litera” is earlier than the plaintiff’s trademark registration of “Litera”, the defendant had started to use its trade name in the domain name after the registration of the plaintiff’s trademark. As the domain name use

⁶⁷⁰ Christiane FERAL-SCHUHL, p.1049

of the defendant was related to different area than that of the plaintiff, the defendant's use of the trade name and domain name was not found as being unlawful⁶⁷¹. On the other hand, the use of the earlier trade name in the domain name may be made before the registration of the trademark. In this situation, the domain name owner will be entitled to use the sign in the domain name for goods or services for which it acquires rights through use before the registration of the subsequent trademark. Otherwise, it would ruin the economic value obtained by the person using the domain name before the registration of the subsequent trademark⁶⁷².

While the use of the sign in the domain name before the registration of the same sign as a trademark confers to that person acquired rights through use for the goods or services for which the domain name is used, that person should not modify its use after the registration of the subsequent trademark in a manner to infringe this subsequent trademark. For instance, in a case where a company founded under the trade name "HT Bilişim İnternet Çözümleri Yavuz Sultan Selim Yüksel" in 2004, was operating in 2005 under the domain name www.ht.com.tr in the information Technologies, but started to provide services in internet journalism under that domain name in 2010. On the other hand, the plaintiff's trademark "HT" had been registered in 2008 for internet journalism services. Therefore, while the defendant was operating in the information technologies which is neither identical with nor similar to the services for which the subsequent trademark is registered, after the registration of this trademark, the defendant started to use the domain name for the services identical with those for which the subsequent trademark is registered. Therefore, by changing its fields of activity in which it used the domain name, it infringed the subsequent trademark. In this context, it was held by the court that, even though the defendant had acquired rights on the sign used in the domain name prior to the registration of the subsequent trademark, as it had used the sign on the identical goods or services as those for which the plaintiff's mark was registered, such use constituted an infringement of the plaintiff's trademark⁶⁷³.

⁶⁷¹ Yarg. 11. HD. 2007/11547 E. 2009/308 K. 19.01.2009 T., Tamer SOYSAL, Alan Adları Hukuku, p.942

⁶⁷² See to that effect, Yarg. 11. HD. 2016/416 E. 2017/3406 K. 05.06.2017 T. (www.kazanci.com)

⁶⁷³ Yarg. 11. HD. 2013/15742 E. 2014/4787 K. 12.03.2014 T.; Tamer SOYSAL, Alan Adları Hukuku, p.943

It is also possible to use the abbreviations of trade names as domain names. In the event where the abbreviation of different trade names is the same, the party who registers first the domain name will be entitled to use it in its domain name⁶⁷⁴. In fact, a trade name does not confer automatically rights for its abbreviation. For instance, in a case before the Turkish Supreme Court, the plaintiff's trade name was Yatırım Gayrimenkul Değerleme A.Ş., the defendant's was Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş., both operating in the same field of activity. Therefore, the abbreviation of these two trade names was the same, namely "YGD". The plaintiff company had been found in 2005 and registered the sign "YGD" as a trademark in 15.11.2007. On the other hand, the defendant company, found in 24.10.2007, had registered the domain name www.ygd.com.tr in 01.11.2007, therefore before the trademark registration of the plaintiff. The plaintiff claimed that the domain name in question constitutes an infringement of his trademark rights and unfair competition. However, the Court, after having determined that the sign "YGD" constituting the domain name in question is different than the trade name of the plaintiff, stated that the plaintiff does not acquire rights automatically on the abbreviation of its trade name, namely "YGD" due to its trade name. Moreover, the plaintiff could not prove its use of this sign as a trademark until its trademark application date⁶⁷⁵.

b. When the Domain Name Owner has not the Same Sign as a Trade Name

Even if the owner of the domain name does not have a trade name on the basis of which it uses the domain name, this domain name owner is entitled to use it if it had used this domain name even before the establishment of the subsequent company. For example, in *Spordünyası* case where the plaintiff Spor Dünyası Dış Ticaret Ltd. Şti. claimed the prevention of the defendant's use of the domain name www.spordunyasi.com, the Court rejected the claims as the defendant started to use the disputed domain name in 2003, so before the establishment date of the plaintiff company, 2005⁶⁷⁶.

⁶⁷⁴ Tamer SOYSAL, Alan Adları Hukuku, p.937

⁶⁷⁵ Ankara 3. FSHHM 2011/23 E. 2013/198 K. 05.11.2013 T.; Approval Yarg. 11. HD. 2014/6959 E. 2014/13704 K. 15.09.2014 T.

⁶⁷⁶ İstanbul 11. Asliye Ticaret Mahkemesi 2012/110 E. 2014/001 K. 09.01.2014 T.; Approval Yarg. 11. HD. 2014/6743 E. 2015/4635 K. 02.04.2015 T.

Similarly, in the cases where the person using the sign in the domain name does not have a trade name, but a company name used in the trade as a trademark before the trademark registration of a third party, the person who uses the sign first as a trademark will be entitled to use it in the domain name. For example, in a case before the Turkish Supreme Court, while the defendant had been operating under the company name “W..w T...” since 1998, the plaintiff registered the sign “W... w” as a trademark in 1999. With regard to plaintiff’s trademark infringement claims, the court held that the party who used first the sign at issue as a trademark was the defendant party and therefore it cannot be prevented to use it in the domain name⁶⁷⁷.

iii. Cases where the Trademark Used in the Domain Name is a Generic/Descriptive Term

Signs which can be registered as a trademark should consist of signs enumerated in the art.3 of the Trademark Directive and art.4 of the IPL and this selected sign should have a distinctive character⁶⁷⁸. Distinctiveness of a sign is determined according to the nature of the goods or services for which the registration is sought. In this regard, a commonly used word may be distinctive for a specific good or service. For example, while the word “apple” is a generic terms and open to the use of everybody, it can be distinctive and even well-known for products such as computers or mobile phones. In this situation, the proprietor of such a sign can, in addition to preventing others using it as a trademark, also prevent others using it as a domain name.

In many cases where the UDRP is applied, the cases have been rejected if the complainant mark consists of generic or descriptive signs unless the complainant proves the secondary meaning of the sign at issue⁶⁷⁹. Similarly, in Germany, for example, the infringement claims of the proprietor of the trademark “online” which is registered with graphic and figurative elements, regarding the domain name www.online.de, had been rejected due to the lack of distinctiveness of the sign and likelihood of confusion between the signs at issue. Likewise, it has been decided that the “T-Online” trademark of the

⁶⁷⁷ Yarg. 11. HD. 2012/10868 E. 2013/9975 K. 15.05.2013 T.; Ali KARAGÜLMEZ “İnternet Alan Adları ve Bazı Hukuki Sorunlara İlişkin Yargı Kararları” Terazi Hukuk Dergisi, Sayı:97, Eylül 2014, p.48-55

⁶⁷⁸ Hamdi YASAMAN, “Marka Olabilecek İşaretler”, Makaleler, Mütalaalar, Bilirkişi Raporları II, 2005, p.3 et. al

⁶⁷⁹ Emrah ÖNGÖREN, p.119

Germany's largest service provider is unlikely to be confused with the domain names "R-Online", "L-Online.de" and "DB-Online.de"⁶⁸⁰.

Equally, in a case before the Turkish Supreme Court where the plaintiff brought an infringement action on the ground of its registered trademark "Açık MR" against the defendant's use of the domain name "acikemar.net", the court rejected the case by holding that the signs "Açık MR" and "açık emar" (open mri) indicate the name and genre of the service provided in the medical sector so that no one can be given a monopoly to use them, therefore the use of that sign in the domain name does not constitute an infringement of the plaintiff's trademark⁶⁸¹.

Therefore, even if a generic name is registered as a trademark, the use of this sign in the domain name does not, in general, constitute a trademark infringement. However, if the domain name is used in relation to goods or services for which the trademark is registered, such use can infringe the registered trademark. For instance, no one can be prevented from using the sign "orange" which is a generic term as a domain name, although it is a registered well-known trademark of a telecommunication company. However, this use cannot be in relation to the goods or services for which the trademark "orange" is registered, namely telecommunication services.

iv. Cases where the Domain Name Consists of the Domain Name Owner's Name

In principle, no one should be deprived of the use of his name. However, what would be the situation in the case where the domain name use is based on use of a personal name whereas the same sign is a registered trademark of a third party? Can the trademark owner prohibit such use? For example, in a case before the German Court, the oil company Shell sued a person whose name is Andreas Shell and who had registered and used the domain name "shell.de" for his own translation firm. The Court stated that while the basic principle for the allocation of domain names is the first come will be the first served, the application of this principle without exception would not provide justice in some cases. According to the court, in the case of contest of rights, a decision should be taken by taking into account the interest of both parties in the use of the domain name

⁶⁸⁰ Kemal ŞENOCAK, p.120-124

⁶⁸¹ Yarg. 11. HD. 2011/12475 E. 2012/19289 K. 27.11.2012 T; Tamer SOYSAL, Alan Adları Hukuku, p.995

and the public interest. In this regard, the court considered that the expectation of the internet users who type the domain name “shell.de” into the browser would be to find the activities of the well-known Shell company on this domain name; in the event where the Shell company does not operate under this domain name, it will not be easy for this company to explain this situation to its customers whereas this is not the case for the defendant. For these reasons, the court ruled in favor of the plaintiff and ordered the cancellation of the domain name in question⁶⁸².

Again in another German case involving a surname and a trade name, it was held that in case of similarity between the names, a fair solution should be taken by adjustment of conflicting rights and not by the principle of “first come first served”. In this case, the plaintiff company was known under the name “Krupp” on the one hand, and the defendant was operating an online agency under its surname “Krupp”. The court held that the defendant’s use infringed the plaintiff’s trademark rights since it considered that it is the plaintiff who made famous the sign “Krupp”, and that the facts that the defendant registered the domain name “krupp.de” and it has a surname “Krupp” do not confer him a superior right on the sign⁶⁸³.

Does make a difference the use of a name or a surname in the domain name? According to French judges, “unlike the patronymic name, the first name does not confer ... any private rights” unless the person who use it in domain name had gained celebrity status in the society under his first name⁶⁸⁴. For instance, in a case where the domain name milka.fr was registered by a person named Mrs. Milka Budimir, the Court concluded that due to the notoriety of the brand Milka, the trademark holder Kraft Foods could prohibit the reservation of the said domain name by another individual or entity. However, there was a special feature in this case, such as the defendant presented her website in the color mauve, the color famously associated with the Milka brand. Therefore, the Court found that the defendant undeniably attempted to take unfair

⁶⁸² Bundesgerichtshof (BGH), November 22, 2001, Bundesgerichtshof, Docket Nr. I ZR 138/99; Tamer SOYSAL, Alan Adları Hukuku, p.947-949

⁶⁸³ Regional Court of Appeal of Hamm, 13.01.1998, AZ 4 U 135/97, Tamer SOYSAL, Alan Adları Hukuku, p.949-950

⁶⁸⁴ Christiane FERAL-SCHUHL, p.1054; Pantov VENTSÍSLAW, p.50

advantage of the strong distinctive power of the trademark Milka and ordered transfer of the domain name to the plaintiff⁶⁸⁵.

In UDRP cases, in case where the domain name reflects the domain owner's name, it is held that h/she has a right or legitimate interest in that domain name. However, the site should not be used to capitalize on the reputation of the corresponding trade mark⁶⁸⁶.

b. SIMILAR Use of the Trademark

aa. Similarity between Trademark and Domain Name

Similarity between the signs can occur in various ways. Usually, the signs are compared visually, orally and conceptually in order to determine the similarity between them⁶⁸⁷. Domain names contains some technically mandatory elements. As explained above, these technically necessary elements are generally not taken into account in the assessment of similarity between the trademark and the domain name as “they do not serve to identify a specific enterprise as a source of goods or services”⁶⁸⁸. Therefore, the comparison between a trademark and a domain name is made, in general, between the trademark and the second-level domain name. However, in certain cases, especially when the gTLD itself forms part of the trademark in question, the domain name has to be considered as a whole⁶⁸⁹. Even in certain cases, the gTLDs may increase the similarity. For example, in a case concerning the domain names “buyaphilips.tv” and “widescreenphilips.tv”⁶⁹⁰, the gTLD “.tv” had been found as increasing the similarity between the domain names and the trademark “Philips”. In fact, according to the Panel, the users would not be aware that the gTLD “.tv” refers to Tuvalu, but they will understand it rather as the abbreviation of the “television”⁶⁹¹. Likewise, in Sanofi case, the defendant use of the plaintiff's trademark “Sanofi” in the domain name “sanoficareers.com” had been considered as likely to suggest to most Internet users a site

⁶⁸⁵ CA Versailles, 12 e ch., 1st sect., 27.04.2006; Pantov VENTSISLAW, p.50

⁶⁸⁶ EUIPO, “Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes”, 2018, p. 49

⁶⁸⁷ For detailed information see “Similarity between the Signs” at the subsection I/2-B-2 under the First Section

⁶⁸⁸ WIPO Case No. D2001-0602, SBC Communications v. Fred Bell aka Bell Internet

⁶⁸⁹ WIPO Case No. D2017-0505, Virgin Enterprises Limited v. Ervin Remus Radosavlevici, Virgin Media Cloud

⁶⁹⁰ which were providing links to pornographic web sites

⁶⁹¹ WIPO Case No. DTV2002-0004, Koninklijke Philips Electronics N.V. v. Alan Horswill, see to that effect WIPO Case No. DTV2010-0012, CANAL + France v. Franck Letourneau

of or associated with the complainant and devoted to career opportunities at the complainant⁶⁹².

When evaluating the similarity between a trademark and a domain name, their visual, aural or conceptual similarity should be taken into consideration and this should be done from the point of view of the relevant average public of the goods or services in question⁶⁹³. In this context, different situations where similarities that may arise between trademarks and domain names will be examined below.

i. Similarity between a Trademark Consisting of a Descriptive Term and a Domain name

When a trademark forms the distinctive part of a domain name, there is confusingly similarity between the trademark and the domain name⁶⁹⁴. For instance, in a case before WIPO⁶⁹⁵, the complainant opposed to the defendant's domain name "cheekydevil.com" on the basis of its trademark "cheekylovers". The defendant claimed that the common element of these two signs, namely "cheeky" is a descriptive term, therefore the distinctive elements are "lovers" and "devils" and there is no similarity between the signs. However, the Panel did not agree with this assertion and held that the dominant element of both signs is the term "cheeky" and that the first part of the signs is the first perceived part by the consumer. Moreover, according to the Panel, the use of "cheeky" in conjunction with the words "lover" and "devil" will result in confusion for internet users as to whether the domain name is somehow related to the complainant. For these reasons, the Panel concluded that there is a confusingly similarity as the dominant element of the trademark is included in the domain name.

In cases where the domain name includes the trademark but also descriptive or generic terms, the presence of these terms does not prevent the similarity as long as the trademark is recognizable within the domain name⁶⁹⁶. For example, as regards to the

⁶⁹² WIPO Case No. D2014-0705, Sanofi v. Farris Nawas; see to that effet WIPO Case No. D2014-0393, Slide Mountain Acquisition Company LLC v. Simon Nissim, lipstick boutique

⁶⁹³ WIPO Case No. D2006-0885, Fujitsu Limited v. Tete and Lianqiu Li

⁶⁹⁴ WIPO Case No. D2008-1694, DHL Operations B.V. v. DHL Packers

⁶⁹⁵ WIPO Case No. D2016-1350, Together Networks Holdings Limited v. Admin Admin / MyPengo Mobile B.V.

⁶⁹⁶ WIPO Overview 3.0., par.1.8

similarity between the domain name “weekday-clothing.com” and the trademark “weekday” registered for clothes in class 25, the Panel noted that the relevant element of the domain name is the trademark “Weekday”, which is incorporated in its entirety, just adding the generic term "clothing" preceded by a hyphen, and the gTLD ".com". It is well established by panels applying the UDRP that the addition in a domain name of a trademark and a generic, descriptive or geographic term generally is inapt to distinguish the domain name from the trademark, while a hyphen and a gTLD are also irrelevant for the distinction. In fact, the addition of the generic term "clothing", which happens to be the line of goods covered by complainant's trademark registrations, rather reinforces the impression of association – and confusion – of the disputed domain name with complainant's marks. Therefore, the Panel concluded that the disputed domain name is confusingly similar to complainant's marks⁶⁹⁷. Likewise, in LinkedIn case where the defendant's domain name was “linkedInjobs.com”, the presence of the term “jobs” had been found even increasing the likelihood of confusion as it is descriptive of the complainant's services⁶⁹⁸.

In cases where the domain name contains a hyphen (-) between the elements of the trademark, this does not been taken into consideration in the assessment of similarity between the domain name and the trademark, since the presence of a hyphen does not prevent the similarity between the signs. For instance, in *Tesmer* case before the Turkish Supreme Court, the defendant was using the plaintiff's trademark “Tesmer” in the domain names www.tes-mer.gen.tr and www.tes-mer.com. As stated by the Court, even though the term “tes-mer” in the domain name is written separately, there is a likelihood that the normally informed and attentive consumer would be confused as all the letters of the plaintiff's trademark are used in the same order⁶⁹⁹. Likewise, the use of an apostrophe (‘) in the domain name does not make the domain name dissimilar from the trademark as it does not give any distinctiveness to the domain name⁷⁰⁰.

⁶⁹⁷ WIPO Case No. D2017-0580, *H & M Hennes & Mauritz AB v. Donnie Lewis*

⁶⁹⁸ WIPO Case No. D2015-1679, *LinkedIn Corporation v. Daphne Reynolds*; also see WIPO Case No. D2013-1226, *Mr. Ralph Anderl v. Yang Min*

⁶⁹⁹ Istanbul 1. FSHM 2013/212 E. 2014/81 K. 03.06.2014 T.; Approval Yarg. 11. HD. 2014/14352 E. 2015/179 K. 12.01.2015 T.

⁷⁰⁰ WIPO Case No. D2008-0437, *L'Oréal v. Lewis Cheng*

ii. Similarity Between a Figurative Trademark and a Domain Name

The assessment of similarity between two signs is made by comparing them as a whole, and not by cutting them into pieces. Trademarks may contain figurative elements in addition to the word element. However, it is not technically possible to use this figurative element of the trademark in the domain name. In such a case, how will be assessed the similarity between a semi figurative trademark and a domain name which contains only the word element of this trademark?

In principle, the assessment of identity or similarity between a trademark and a domain name is made by comparing the domain name and the word element of the trademark in question. Since figurative elements cannot be represented in domain names, these are not taken into consideration in the identity or similarity assessment. For this reason, the presence of a figurative element in a trademark does not constitute an obstacle for a finding of similarity. However, such figurative elements can be taken into consideration in certain circumstances, such as when a domain name comprises “a spelled-out form” of the figurative element⁷⁰¹, or when they constitute the distinctive part of the trademark as a whole⁷⁰².

In other words, in the assessment of similarity between a semi figurative trademark and a domain name, the figurative element in a trademark is of importance when the word element of this trademark has a weak distinctiveness and acquired protection due to its combination with the figurative element. Indeed, if the word element itself cannot be registered as a trademark but it had been registered because of the combination with the figurative element, the use of this word element of the trademark in the domain name cannot be prevented by the trademark proprietor. For example, in a German case, the plaintiff who is the owner of the semi figurative trademark “Schülerhilfe + device” which means the course given to students outside the ordinary course hours, claimed the prevention of the defendant’s use of domain name “schulerhilfe.de”. The court rejected this claim as it considered that the plaintiff could obtain trademark

⁷⁰¹ WIPO Overview 3.0., par. 1.10; WIPO Case No. D2001-0031, Sweeps Vacuum & Repair Center Inc. v. Nett. Corp; Case No.D2000-0036, EFG Bank European Financial Group SA v. Jacob Foundation

⁷⁰² WIPO Overview 2.0., par.1.11; WIPO Overview 3.0., par.1.10

protection particularly due to the presence of the figurative element and the term “Schülerhilfe” cannot be registered alone. In this regard, by holding that the defendant’s domain name use does not create a likelihood of confusion, the court took into account the world element of the trademark independently and refused to protect it as it has no distinctive character⁷⁰³.

Equally, the Panels applying the UDRP rules, consider that, in the cases where the complainant trademark is a semi-figurative mark and the world element of this trademark is a generic or descriptive term, the use of the domain name which does not contain the figurative element does not constitute a trademark infringement. Indeed, the ownership of a trademark proprietor on a trademark which consists of a generic word and a figurative element is related to the whole of this mark. If the world element cannot be registered in itself as a trademark, but with the combination of a figurative element, in such case, the trademark owner does not have a right on the world element of the trademark standing alone. Therefore, it cannot prevent third parties using this generic world element in the domain name⁷⁰⁴. For instance, in *Ville de Paris* case⁷⁰⁵ where the complainant, governorship of Paris, was the owner of the figurative trademark “Paris + device” and the defendant had registered the domain name “wifiparis.com, the Panel found that the complainant’s rights in a Paris-plus-logo mark (the Paris device mark) do not confer any rights in the word “Paris” alone. All that is common is the word “Paris”, a word which the Panel accepts is probably used by hundreds if not thousands of people as part of the names or descriptions of their businesses or other enterprises. In the Panel’s judgment that single element of commonality “Paris” between the domain name and the Paris device mark is too weak to find a confusing similarity. Likewise, in *Fine Tubes* case before WIPO⁷⁰⁶, the complainant was the owner of the figurative mark “Finetubes + device” and the defendant was the owner of the domain name “fine-tubes.com”. Trademark infringement claims of the complainant were rejected by the Panel which held that there is no identity or similarity between the trademark and the domain name as the

⁷⁰³ Kemal ŞENOCAK, p.122-123

⁷⁰⁴ WIPO Case No. D2003-0645, *Meat and Livestock Commission v. David Pearce aka OTC / The Recipe for BSE*; WIPO Case No. D2010-1239 *Infomedia v. Office-Mail processing center*

⁷⁰⁵ WIPO Case No. D2009-1279, *Ville de Paris v. Salient Properties LLC*

⁷⁰⁶ WIPO Case No. D2012-2211, *Fine Tubes Limited v. Tobias Kirch, J. & J. Ethen, Ethen Rohre GmbH*; see also WIPO Case No. D2003-0645, *Meat and Livestock Commission v. David Pearce*

word element comprising the domain name, namely “Fine Tubes” is a descriptive term and therefore the complainant does not have any right on this sign without the figurative element.

iii. Similarity When the Domain Name Consists of the Combination of Two Trademarks

Domain names may consist of two different trademarks registered on behalf of different persons. In this case, according to the panels applying the UDRP rules, as long as the trademark of the complainant is recognizable in the domain name in question, the presence of another person’s trademark does not prevent a finding of similarity between the trademark and the domain name in question⁷⁰⁷. For example, in a case where the disputed domain name included two famous cigarette brand, such as “Marlboro” which belongs to the complainant and “Pallmall” which belongs to another tobacco company British American Tobacco, the Panel found that although the disputed domain name “pallmall-malboro.com” incorporates another famous cigarette brand “Palmall”, the domain name at issue is nonetheless confusingly similar to complainant’s “Marlboro” mark⁷⁰⁸.

In such cases, some panels order the transfer of the domain name to the complainant party. However, here, domain name in question infringes two different trademarks and the complainant is in general one of the proprietor of these marks. Therefore, the complainant to whom the domain name is transferred is one of the proprietor of the two trademark included in the domain name, will be the infringing position when this domain name is transferred to him⁷⁰⁹. On the other hand, in certain circumstances, panels have also ordered the cancellation of the domain name in question⁷¹⁰. For instance, in a case where the disputed domain names were “rockvillebmwmini.com”, “rockvillebmw.com” and “rockvilleaudibmw.com”, the complainant was the owner of the trademarks “BMW” and “MINI”. One of the disputed domain names was comprising the trademark “AUDI” which belongs to a third party, in addition to the complainant’s trademarks. While the panel has found that the disputed

⁷⁰⁷ WIPO Overview 3.0., par.1.12; WIPO Case No. D2002-0793, Pfizer Inc v. Martin Marketing; WIPO Case No. D2003-0793, Hofmann-La Roche v. #1 Viagra Propecia Xenical

⁷⁰⁸ WIPO Case No. D2016-2194, Philip Morris USA Inc. v. Whoisguard Protected

⁷⁰⁹ Emrah ÖNGÖREN, p.120-121

⁷¹⁰ WIPO Overview 3.0., par.1.12

domain names are confusingly similar to the complainant's trademarks "BMW" and "MINI", he ordered the transfer of only two disputed domain names ("rockvillebmwmini.com" and "rockvillebmw.com") and cancelled the other one which include a third party's trademark "AUDI" such as "rockvilleaudibmw.com"⁷¹¹.

iv. Confusingly Similarity: Typosquatting

One of the most common practice for using unfairly a trademark in the domain name is the practice of "typosquatting" or "typo-piracy", which consist of the registration of domain names that consist of common or predictable misspellings of third-party trademarks in order to attract Internet traffic intended for a complainant⁷¹². Such a domain name is considered as "confusingly similar" to the trademark as it contains sufficiently recognizable aspects of the relevant mark⁷¹³.

One of the methods of typosquatting is the "*use of adjacent keyboard letters*". For example, in Sanofi case before WIPO, while the complainant mark was "Sanofi", the defendant registered the domain name "sanifi.com" by using the letter "i" instead of the letter "o". In such a case, the Panel held that the use of "o" instead of "i" does not preclude a finding of confusing similarity, since the letter "i" being next to the letter "o" in Q keyboard, a single slip of the finger may cause an internet user intending to visit the complainant's website to visit the respondent's website instead⁷¹⁴.

Another method of typosquatting is the "*substitution of similar-appearing characters (e.g., upper vs lower-case letters or numbers used to look like letters)*". For example, the complainant's trademark "Comerica" had been used by the defendant in the domain name "c0merica.com". Therefore, the defendant used the number "0" instead of the letter "O" in the domain name. Consequently, the Panel found that the disputed domain name is confusingly similar to the "Comerica" trademarks⁷¹⁵.

⁷¹¹ WIPO Case No. D2012-1937, Bayerische Motoren Werke AG v. Gary Portillo

⁷¹² see, inter alia, WIPO Case No. D2004-0150, Wachovia Corporation v. American Consumers First; WIPO Case No. D2001-1035, Red Bull GmbH v. Grey Design; WIPO Case No. D2001-0094, Playboy Enterprises International Inc. v. SAND WebNames – For Sale; WIPO Case No. D2000-1293, Telstra Corporation Ltd. v. Warren Bolton Consulting Pty. Ltd.

⁷¹³ WIPO Overview 3.0., par.1.9.

⁷¹⁴ WIPO Case No. D2013-0368, Sanofi v. Domains By Proxy, LLC

⁷¹⁵ WIPO Case No. D2014-1018, Comerica Bank v. Online Management

Likewise, it is also possible to use English characters instead of Turkish characters in a domain name or vice versa and thereby to cause confusingly similarity with the trademark. For example, in Twitter case before WIPO, a Turkish citizen had registered the domain name www.twitter.com, by replacing the letter “i” with the letter “ı” which is specific to the Turkish alphabet⁷¹⁶. Again a Turkish citizen registered the domain name “siemens.com” and the proprietor of the well-known trademark Siemens had opposed to such use. The Panel found that the domain name in question is confusingly similar to the complainant’s trademark and that internet users will have the false impression that the domain name “siemens.com” is an official domain name of the complainant⁷¹⁷.

Adding or deleting the plural "s" from a trademark is a common mistake that consumers make when searching on the internet. In this regard, it is common to use in the domain name the letter “x” instead of the letter “s” which is the plural suffix at the end of the trademark. In this case too, it is accepted that there is a confusingly similarity between the signs⁷¹⁸.

Another method of typosquatting is *the inversion of letters and numbers*. For example, in a case where the complainant’s trademark was “Genzyme”, and the defendant’s domain name was “genzyme.com”, the Panel considered that the inversion of two adjoining letters of the disputed domain name <genzyme.com> (in which “y” follows “z” in the sequence of the letters) as a common or obvious misspelling of the Genzyme trademark (in which “z” follows “y” instead). In fact, taking in consideration the English alphabet, the letter “y” typically follows the letter “z” and their inversion is a common typing mistake⁷¹⁹.

v. Conceptual Similarity

Even if there is no visual or oral similarity between a trademark and domain name, there may be a conceptual similarity between them. This is more likely to occur

⁷¹⁶ WIPO Case No. D2014-0469, Twitter Inc., v. Ahmet Özkan

⁷¹⁷ WIPO Case No. D2013-1318, Siemens AG v. Omur Topkan

⁷¹⁸ WIPO Case No. D2001-1033, Medtronic, Inc. v. Gotdomains4sale.com

⁷¹⁹ WIPO Case No. D2016-1193, Sanofi, Genzyme Corporation v. Domain Privacy

when the translation of a trademark having a meaning in a language, is used in the domain name. For example, the original name of the world known book “the Little Prince” written by the Antoine de Saint-Exupéry, is “Le Petit Prince”. This name was taken as a domain name by different people in different languages, such as “thelittleprince” in English and “ilpiccoloprincipe.com” in Italian. In the face of these domain names, the right owner on this mark had filed complaints before WIPO for the transfer of them and the Panels found that the disputed domain names which are the English / Italian translation of complainant’s trademark were confusingly similar to the complainant trademark⁷²⁰.

It is also possible for third parties to register the pronunciation of foreign trademarks as domain names. These domain names are considered as confusingly similar with the trademark in question. For example, in a case before WIPO, the defendant’s domain name “gamebukers.com” had been found confusingly similar with the complainant’s trademark “gamebookers”⁷²¹. Likewise, it is possible to use as a domain name trademarks consisting of foreign words with their Turkish readings. For example, the Arabic “Al Jazeera” is read as “elcezire” in Turkish and a third party had registered and the domain name www.elcezire.com.tr without the consent of the trademark owner. In the trademark infringement and unfair competition proceeding brought by the trademark owner, the court held that the defendant has used the domain name www.elcezire.com.tr within the meaning of the trademark law, that this use has created the impression that there is a connection between the website under this domain name and the trademark owner and that as this similar use had been made in the same sector, this increased the likelihood of confusion⁷²².

bb. Similarity between Goods and Services

Pursuant to the art. 10/2-b of the Trademark Directive and art. 7/2-b of the IPL, in order a similar use in the domain name to constitute a trademark infringement, it has to be used for similar goods or services for which the alleged infringed trademark is

⁷²⁰ WIPO Case No. D2005-1085 and No. D2011-1497, Société pour l’Oeuvre et la Mémoire d’Antoine de Saint Exupéry – Succession Saint Exupéry – D’Agay v. Perlegos Properties; and v. il piccolo Principe di laurora rossella ditta individuale

⁷²¹ WIPO Case No. D2008-1275, PartyGaming Plc., PartyGaming IA Limited v. Haary Thomas

⁷²² İstanbul 3. FSHHM 2011/124 E. 2013/139 K. 18.06.2013 T.; Approval Yarg. 11. HD. 2013/16657 E. 2014/6719 K. 07.04.2014 T.

registered. In this regard, in addition to the similarity between the domain name and trademark, the similarity between the goods or services for which the trademark is registered and those for which the domain name is used should be determined. For this, it should be compared the goods or services for which the trademark in question is under protection and those used in the website under the domain name in question. If these goods or services are different, there is no reason to separate from rules applying outside the online environment. For example, in *Alice* case before the French courts, despite the priority of the trademark owned by an advertising agency Alice, the domain name “alice.fr” is not found creating a confusion in the mind of the public as it is a common name and because of the different activities of the two companies⁷²³. Again in *Ze Bank* case before the French courts, the plaintiff was the owner of the trademarks « Ze Bank » and « Ze », on the other hand, the defendant had registered the domain name « zebanque.com ». After having examined the websites of the plaintiff and the defendant, the court found that there is no likelihood of confusion as the defendant’s site was aimed at an art exhibition venue whereas the plaintiff’s website was dedicated to online banking business⁷²⁴.

Another example is from a case before the Turkish Supreme Court, where the plaintiff alleged trademark infringement because of the defendant’s use of the domain name www.semscollections.com on the basis of its registered trademark “Sem Parke”. The defendant had the sign “Semsollection” registered in class 20. The first instance court, without taking into account the defendant’s registered trademark, found that the defendant’s use on the basis of its trade name infringed the plaintiff’s trademark. However, the Supreme Court reversed this decision as the defendant were using the sign on the basis of its registered trademark. Moreover, it was indicated by the Supreme Court that it is necessary to determine whether the commercial activity on the defendant’s website under the domain name in question is within the scope of the defendant’s trademark registration and a conclusion should be reached accordingly⁷²⁵. Therefore, even if a domain name is similar to a trademark, the subject of the activity carried on the

⁷²³ CA Paris, 14e ch., Sec. B, 4.12.1998, La SA Alice v. La SNC Alice

⁷²⁴ CA Paris, 12e ch., sect 1, SA ZeBank v. Sté Multimedia Canadia LTD et SA 123 Multimedia, 22.10.2001; Nathalie DREYFUS, p.203

⁷²⁵ Yarg. 11. HD. 2016/7502 E. 2018/1419 K. 26.02.2018 T. (www.kazanci.com)

website under the domain name should be determined and as long as the activities carried thereon are related to the goods or services for which the trademark is registered, then such use may constitute an infringement of the trademark.

However, it may not be necessary in some circumstances to compare the content of the website under the disputed domain name with the goods or services covered by the registered trademark in order to determine the likelihood of confusion. For example, as in the example given by *ÇOLAK*, if the trademark “papatya” registered in advertising services is used in the domain name www.papatyareklamcılık.com, it is not necessary to look at the content of the website under this domain name in order to determine whether it infringes the trademark “papatya”, as due to the domain name itself, there may be confusion with regard to the origin function in the mind of internet users⁷²⁶.

At this point, it is worth to mention about the panel decisions applying the UDRP rules. As will be explained in detail below, there are three condition for the trademark owner to be successful in its claims that its trademark is used unfairly by third parties in the domain name. In the first place the domain name should be “identical with or similar to” the trademark. In the second place, the domain name owner should not have “a right or legitimate interest” in using the domain name. And thirdly, the domain name owner should be registered or/and used the domain name in “bad faith”. Therefore, such conditions do not include a clear requirement that the domain name should be used in connection with the goods or services for which the trademark is registered. However, the Panels review the content of the website under these three conditions. Such content is usually taken into consideration in the assessment of the second and third element of UDRP, such as whether there may be an intent to create a confusion among users. For instance in BMW case⁷²⁷, the defendant who owned the domain names “bmdecoder.com” and “bmwdecoder” was sued by BMW. Regarding the domain name “bmdecoder.com” which omits the third letter of BMW mark, the Panel took into consideration of the content of the web site associated with that domain name and found that this content

⁷²⁶ Uğur ÇOLAK, Türk Marka Hukuku, p.524

⁷²⁷ WIPO Case No.D2017-0156, Bayerische Motoren Werke AG (“BMW”) v. Registration Private, Domains by Proxy, LLC – Armands Piebalgs

affirmed a finding of confusing similarity. Similarly, in EASTPAK case⁷²⁸, even though the complainant's EASTPAK mark is not as easily recognized in one of the disputed domain name “bagpakonline.com”, the Panel took into consideration the website associated with this domain name where the complainant EASTPAK logo and products bearing this trademark were displayed and concluded that this disputed domain name also is “confusingly similar” to the complainant's mark.

cc. Infringing Cases of SIMILAR Uses

In order to find an infringement in cases of uses of similar signs for similar goods or services, such use should create a “likelihood of confusion”, which includes also the “likelihood of association”. In such a case, it is not required that the consumer is actually confused between the signs but the possibility of this confusion or association between the sign is considered as sufficient. If the consumer thinks that there is a connection between the trademark owner and the domain name owner, then we can found a likelihood of confusion⁷²⁹. The fact that domain names provide access to different websites does not eliminate the likelihood of confusion⁷³⁰.

On the other hand, there is no certainty whether the initial interest confusion theory should be taken into account in the determination of an infringement by the use of an identical or similar sign for identical or similar goods or services in the domain name. This theory, which originate mainly from the American case-law, has not been applied by the CJEU in any case. Although some English courts tend to apply it, in a recent case namely in *Interflora* case, the judge rejected to apply this initial interest confusion theory to the case by considering it as “*an unnecessary and potentially misleading gloss on the CJEU’s test in the determination of whether the accused sign has an adverse effect on the origin function*”⁷³¹.

Initial interest confusion essentially involves the confusion of the consumer when encountered first with the similar sign, but this confusion is eliminated at the point

⁷²⁸ WIPO Case No.D2016-2650, VF Corporation v. Vogt Debra

⁷²⁹ Tamer SOYSAL, Alan Adları Hukuku, p.792; Canan KÜÇÜKALİ, Marka Hukukunda Karıştırma Tehlikesi, Ankara 2009, p.120-121

⁷³⁰ Mehmet Emin BİLGE, p.99, footnote.208

⁷³¹ EWCA Civ 1403, *Interflora*, 05.11.2014, par.155-158; For more information, see “Initial Interest and Post-Sale Confusion” at the subsection I/2-B-4 under the First Section

of sale or purchase. For the domain name uses, it is possible for the internet user to think that the domain name belongs to the trademark owner when s/he sees a sign similar to the trademark anywhere on the internet, such as on the search engine results, on the other websites content. However, when the internet user enters the relevant website by clicking on the domain name link, the user can understand that the domain name in question does not belong to the trademark owner. In such case, the initial confusion will be eliminated. However, even the consumer may notice that the domain name is not the site s/he is looking for, and may not buy any goods or services from this site, this kind of use would cause to damaging the distinctiveness and the reputation of the trademark concerned⁷³².

Returning to the likelihood of confusion which is required for a finding of an infringement under both the European and Turkish Trademark Law, in order to appreciate the likelihood of confusion in a case involving a domain name, the traditional method can be used by taking into account the overall impression produced by the signs at issue. For instance, in a case where the plaintiff whose trademark was “FactoFrance” brought an infringement action against the holder of the domain name “factor-france.com”, the French Court, after having in the first place, found that the signs had a strong similarity and that the services are identical, considered that the likelihood of confusion for the public concerned was certain⁷³³.

When the domain name includes additional elements such as descriptive, generic or geographical terms in addition to the trademark, as long as the trademark is “recognizable” within the domain name, the addition of these elements does not prevent to find a confusing similarity. For instance, in a case dealing with the “allianzkenya.com” domain name, the addition of “Kenya” to the complainant mark “Allianz” had been found as suggesting the respondent is the local provider of insurance and financial services under trademark ALLIANZ in Kenya⁷³⁴. Similarly, in a case before the Turkish Supreme Court, the use of the domain name www.fakirevaletleri.com with regard to the goods for which the plaintiff’s trademark was registered, had been considered as infringing the

⁷³² Sefer OĞUZ, Alan Adı, p.305

⁷³³ TGI Paris, 3eme chambre, 3eme section, 29.10.2008, GE Factorance v. Wellington (www.legalis.net)

⁷³⁴ WIPO Case No.D2017-0287, Allianz SE v. IP Legal, Allianz Bank Limited

plaintiff's trademark "Fakir"⁷³⁵.

Regarding the determination of the likelihood of confusion when a sign similar to a trademark consisting of generic or descriptive terms is used in the domain name, as explained above, the use of these generic or descriptive terms in the domain name is possible provided that such use does not relate to the goods or services for which the trademark is registered. For instance, in the example of "apple" and "orange", while these words are generic terms, they are world-wide known marks. In this regard, while it is possible to use for example the domain names www.apple.com or www.orange.com⁷³⁶, such use should not be made in relation to the goods for which these marks are registered.

In case of similar uses, according to *ŞENOCAK*, it is sufficient to have small differences in the domain name in order to eliminate the likelihood of confusion with the trademark consisting of generic or descriptive terms. Indeed, the scope of protection of these kind of trademarks should be kept narrow. Indeed, for example, the German courts considered the use of the domain name by replacing a letter of the trademark with weak distinctiveness as a use which eliminates the infringement, such as the use of the domain names pizza-direkt.de, seetour.de, bioviono.de despite the trademarks *Pizza-Direct*, *Seetours*, *Biovin*⁷³⁷. Similarly, a French first instance court rejected the likelihood of confusion claims under the unfair competition provisions between the domain names www.artisans-demenageurs.com and www.lesartisansdemenageurs.fr. According to the court, the terms necessary or useful for the description of the products, services offered belong to the public domain and must remain available to everybody, so that no one may be considered to be at fault for having used them⁷³⁸. Again according to WIPO panels, "where names consist of descriptive elements, small differences suffice to distinguish them"⁷³⁹.

⁷³⁵ İstanbul 4. FSHHM 2011/190 E. 2013/170 E. 03.10.2013 T.; Approval Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T.

⁷³⁶ These domain names are given as examples. In fact, they belong to Apple and Orange companies.

⁷³⁷ Kemal ŞENOCAK, p.120-122

⁷³⁸ TGI Rennes, 2e civ, 01.10.2018, *Ariase Group v. GV Communication, M. X et Picard Déménagement* (www.legalis.net)

⁷³⁹ WIPO Case No. D2003-0645, *Meat and Livestock Commission v. David Pearce*; Strength of the mark is taken into account by the Panels in assessing of the second and third elements of art. 4/a of UDRP, namely legitimate interest and bad faith. WIPO Jurisprudential Overview 3.0., par.1.7

Equally, in a case before the Turkish Supreme Court where the plaintiff brought an infringement action on the ground of its registered trademark “Açık MR” against the defendant’s use of the domain name “acikemar.net”, the court rejected the case by holding that the signs “Açık MR” and “açık emar” (open mri) indicate the name and genre of the service provided in the medical sector so that no one can be given a monopoly to use them, therefore the use of that sign in the domain name does not constitute an infringement of the plaintiff’s trademark⁷⁴⁰.

Even there is no confusingly similarity between the trademark and domain name, the trademark may be infringed by its use on the content of a website. For this reason, the content of the website should also be taken into consideration when necessary. For example, in a case before the Turkish Supreme Court, while the plaintiff was operating in the field of education and research under the trademark “Uyum”, on the other hand, the defendant was operating in the field of care and rehabilitation of children with disabilities under the trade name “Mutluyum”. However, the defendant used on the web page under the the domain name “mutluyum.com.tr” its trade name in the form of “MUTLuyum” by highlighting the letters “UYUM” in green colors. Such use had been found as infringing and damaging the plaintiff’s trademark⁷⁴¹.

For the determination of the likelihood of confusion, it is necessary to take into account the relevant public, which is the average consumer of the good or service concerned. At this point, the question is whether different criteria should be taken into account in determining the perception of the consumer in the internet environment. It is argued that, when assessing the likelihood of confusion between the domain names and trademarks, people who have nothing to do with the internet will not be taken into consideration; however, it cannot be assumed that the relevant public is an expert in using the internet. According to this view, an internet user who types the domain name into the browser is aware of the fact that there is only one of each domain names and s/he knows that a single letter change in the domain name will direct him/her to a different website⁷⁴².

⁷⁴⁰ Yarg. 11. HD. 2011/12475 E. 2012/19289 K. 27.11.2012 T; Tamer SOYSAL, Alan Adları Hukuku, p.995

⁷⁴¹ Yarg. 11. HD. 02.03.2012 T. 2010/11622 E. 2012/3053 K.; Tamer SOYSAL, Alan Adları Hukuku, p.794-795

⁷⁴² Tamer SOYSAL, Alan Adları Hukuku, p.799-800; İsmail KIRCA, p.538; Canan KÜÇÜKALİ, p.159

Apart from this, domain names are not limited to virtual environments, but they are frequently used in advertisement, on the products, packaging or business documents. For these reasons, in the assessment of the likelihood of confusion between trademarks and domain name, the average consumer's level of attention should be taken into consideration⁷⁴³. However, it should also be acknowledged that this average consumer has also some knowledge about the uses on the internet, even if s/he is not an expert on it. Indeed, as will be examined in the AdWords section, both the CJEU and the European Member States courts, such as English and French courts, state that the internet user knows the difference between the natural results and paid results (advertisements) and acts accordingly. In this regard, an internet user who is aware of such difference can also perceive differences in domain names.

c. Use of Marks with REPUTATION

The use of a sign identical with or similar to a reputed mark, regardless of whether in identical, similar or different goods or services, constitutes an infringement under certain conditions. These conditions are taking unfair advantage of the reputation of the mark or damaging the distinctiveness or reputation of the mark (art.10/2-c of the Trademark Directive, art.7/°-c of the IPL). For example, typosquatting a reputed mark is an obvious method which aims at taking unfair advantage of the reputation of the mark in question⁷⁴⁴.

Unlike the ordinary marks, in order to infringe a reputed mark, the domain name identical or similar to that reputed mark does not need to be used effectively. The mere registration of a reputed mark constitutes an infringement of this mark⁷⁴⁵. In other words, as soon as there is a simple registration of the domain name imitating a reputed mark, the lack of exploitation if the website is inoperative⁷⁴⁶. For instance, in *Vishy* case in France, it was held that the blocking registration of “vichy.com” was undue exploitation of the trademark's reputation to the detriment of L'Oréal. The Court said that, the consumers

⁷⁴³ Ismail KIRCA, p.538

⁷⁴⁴ Güzide SOYDEMİR, p.182

⁷⁴⁵ TGI Paris 20 janvier 2010; TGI Paris, 29 octobre 2010; David FOREST, p.130

⁷⁴⁶ TGI Paris, 3e ch. 2e sect. 29 oct.2010, SNCF v. Benoit M.

would not reach the website of Vichy under the *vichy.com* domain name and that would cause loss of image and opportunities for L'Oréal to market goods on the Internet⁷⁴⁷.

In addition, in order to find an infringement of a reputed mark through the use of a sign identical with or similar to with the reputed mark in a domain name, such use does not need to relate to the goods or services for which the reputed mark is registered. Indeed, there is no need to prove the likelihood of confusion in such situations. For instance, in *parcequejelevauxbien*⁷⁴⁸ case in France, the well-known mark L'Oréal sued the defendant for setting up websites under this name. Even though the websites of the defendant were devoted to coin collecting, thus completely different from the plaintiff's operations, it was held by the Court that the defendant deliberately exploited the fame of the trademark⁷⁴⁹. Similarly, in a case before the Turkish Supreme Court⁷⁵⁰, the use of the reputed mark "Eczacıbaşı" in the defendant's domain name www.eczacibasinakliyat.com had been found as an infringing use. The court after having established that the plaintiff's trademark "Eczacıbaşı" is a reputed mark in Turkey, stated that even the defendant's use was related to logistics activities, such use infringed the plaintiff's reputed mark which is also protected in other goods or services for which it is registered. In the same way, even though the domain name www.intelanka.com which contains the plaintiff's mark "Intel" reputed in the information technologies, was used in construction sector, it was held that such domain name use infringed the plaintiff's trademark⁷⁵¹.

On the other hand, since it is not possible to prevent a person's use of unregistered mark on which it has prior rights through use on the basis of a trademark registered at a later date, the use in the domain name of a sign which has started before the registration of a reputed mark cannot be prevented on the basis of this reputed mark. In other words, even if the plaintiff's trademark is a reputed mark, this reputation cannot eliminate the acquired rights of the defendant if it is acquired after the registration of the domain name⁷⁵². For instance, in a case before the Turkish Supreme Court, the Turkish

⁷⁴⁷ TGI Nanterre, 16.09.1999; Pantov VENTSISLAW, p.37

⁷⁴⁸ "Parce que je le vaux bien" / "Because I worth it" is a slogan used in commercial campaigns of L'Oréal.

⁷⁴⁹ CA Versailles, 14e ch, 08.01.2003; Pantov VENTSISLAW, p.36

⁷⁵⁰ Yarg. 11. HD. 2014/120 E. 2014/12653 K. 02.07.2014 T.

⁷⁵¹ İstanbul 3. FSHHM 2012/71 E. 2014/12 K. 28.01.2014 T.; Approval Yarg. 11. HD. 2014/11791 E. 2014/18640 K. 01.12.2014 T.

⁷⁵² Yarg. 11. HD. 2013/15742 E. 2014/4787 K. 12.03.2014 T. (www.kazanci.com)

well-known “Ülker” trademark proprietor claimed the prevention of the online publication of a newspaper which is first published under the name “Ülker” in Arabic alphabet before the foundation of the Republic and continued to be published under the same name in Turkish alphabet after 1928, but this claim had been rejected by the Supreme Court. Even though the first instance court held that the use of the defendant of the domain name www.ulkergazatesi.com may cause the internet user to think that the plaintiff is providing publishing services on the internet and therefore the internet user may be confused between these two companies, the Supreme Court reversed this decision by stating that the defendant had been using the sign “Ülker” in journalism long before the plaintiff’s trademark registration so that it has priority rights on the sign, and therefore such use cannot be prevented on the basis of a trademark registered subsequently. In this regard, as the defendant had prior rights on the sign “Ülker” for journalism services, the defendant provision of journalism services on the internet through the the domain name www.ulkergazatesi.com had been found as based on the priority rights of the defendant⁷⁵³.

Besides the use of reputed marks in the domain names, the slogans of these reputed marks can also be used unfairly by third parties in the domain names. For instance, “Technology for Life” is a slogan used by the well-known company Bosch and the sign “Bosh Technology for Life” is registered as a trademark by this company. On the other hand, a third party registered the domain name www.yasamicinteknoloji.com. Consequently, the company Bosch brought an infringement action against the domain owner and the court ruled in favor of the plaintiff by holding that the slogan “Technology for Life” is associated with Bosch company so that the use of this slogan by a third party on the internet, regardless of the goods or services for which it is used, constitutes an infringement of the plaintiff’s trademark. According to the court, anyone who finds out this website on the internet would establish an immediate link between this site and the plaintiff company and an internet user with an average level of attention and perception, who wishes to buy electronic products or household products would think that the owner of the domain name has an economic connection with the plaintiff company. In this

⁷⁵³ Yarg. 11. HD. 2015/3174 E. 2015/8074 K. 10.06.2015 T.; BATIDER, No:3, September 2015, p.149-151

regard, it was held that the defendant had taken unfair advantage from this use and damaged the reputation of the plaintiff's trademark⁷⁵⁴.

The well-known colors of the reputed marks can also be used on the websites. This creates a problem when these colors are used on the websites under the domain names which are identical with or similar to the reputed marks. For instance, the trademark "Milka", world-known chocolate trademark, is famous for its purple color and in a case before the French courts⁷⁵⁵, the defendant had registered the domain name www.milka.fr and used on the background of the website under this domain name the color purple. In such a situation, the court considered that the defendant sought to take an unfair advantage of the reputation of these trademarks by attracting and seeking to attract to its site a large number of internet user.

In some cases, reputed marks may consist of generic or descriptive terms. For instance, the trademark "Decathlon" is a world-renowned sporting goods trademark, but this sign means also an athletic competition. For this reason, the trademark owner of this reputed mark could not prevent the use of this sign in the domain name by a third party. Indeed, in a case, the domain name at issue led to a site featuring sexually suggestive cartoons, accompanied with captions in the Polish language by making fun of the decathletes. In this regard, the court considered that the ownership of a trademark, even a reputed one, constituted of a common sign does not prohibit the use of this sign in its usual sense⁷⁵⁶. Therefore, even if a trademark is a reputed mark, if it consists of common words, the use of this sign in the domain name in its usual sense does not constitute an infringement of trademark rights. However, if the aim is to take an unfair advantage from it, or to damage the distinctiveness or reputation of the mark, this use would constitute an infringement. For instance, it has been found that the use in the domain name of the sign "evkurun" which is in fact a descriptive phrase would create a likelihood of confusion

⁷⁵⁴ Istanbul 4. FSHHM 2013/141 E. 2013/161 K. 27.09.2013 T.; Approval Yarg. 11. HD. 2014/249 E. 2014/7355 K. 14.04.2014 T.

⁷⁵⁵ CA Versailles, 12e ch., 1re sect., Milka B. v. Kraft Foods Schweiz Holding AG, 27.04.2006

⁷⁵⁶ Cass. Com. 20 fevr. 2007, no. 05-10.319, D.2007, no.12

with the reputed mark “evkur”, even though the goods on the website were different than those for which the trademark was registered⁷⁵⁷.



⁷⁵⁷ Yarg. 11. HD. 2012/13312 E. 2013/11811 K. 0606.2013 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.523-524

C. Infringement in ALTERNATIVE DISPUTE RESOLUTION CASES

1. UDRP, “.tr” and “.eu” ADR Mechanisms

In previous sections, the identical, similar and reputed marks’ uses which can constitute trademark infringement in the context of European Union and Turkish Trademark Law has been examined. The legislations specific to these situations are taken into account by the national courts concerned. However, the facts that the registration of domain names is possible from all over the world, therefore the person who registers a domain name may be located in any country in the world, and that the legislation of each country is different from those of other countries, make it difficult for the trademark proprietors to get a satisfying result before national courts. Moreover, even though it is possible to get a blocking order, for example, for domain name with extension “.com”, before Turkish courts, this order is limited only for Turkey and it is not possible to get an order of cancellation or transfer of this type of domain name to the trademark owner before Turkish courts⁷⁵⁸. Indeed, it is possible that the alleged infringing domain name uses may be lawful according to the legislation of other countries where such use produces effect.

For these reasons, the disputes arising out of the use of domain names are resolved not only before courts, but also in the context of alternative dispute resolution procedures. In this regard, it is worth mentioning especially ICANN’s Uniform Dispute Resolution Policies (UDRP) and also the dispute resolution policies applied in the European Union and Turkey for domain names with the extensions “.eu” and “.tr”.

The UDRP, which has been developed by WIPO and adopted by ICANN in 1999, is a set of rules for resolution of disputes based on traditional national trademark law adapted for the needs of the Internet⁷⁵⁹. At the international level, the UDRP has become the most widely used dispute resolution mechanism for addressing, inter alia,

⁷⁵⁸ Even for domain name with “.com.tr” extension, it is not possible for the trademark proprietor to obtain the transfer of the domain name. See to that effect, Yarg. 11. HD. 2018/1275 E. 2019/3298 K. 30.04.2019 T. (www.legalbank.net)

⁷⁵⁹ Pantov VENTSISLAW, p.15

claims of trademark rights to domain names⁷⁶⁰. In that regard, it is said that the UDRP became “*the anti-cybersquatting law of the global internet*”⁷⁶¹.

The UDRP applies only to disputes related to generic top-level domain names⁷⁶² (including new gTLDs) and some country-code top-level domain names⁷⁶³. Therefore, for instance, it is not possible to refer to the UDRP for disputes concerning domain names with “.com.tr”. However, as will be explained below, there is an alternative dispute resolution procedure in parallel to that of ICANN, for domain names with “.com.tr”.

Regarding the UDRP, anyone, regardless of their nationality and geographical location, can file an UDRP complaint about a domain name that falls within the scope of the UDRP. This procedure may apply irrespective of the place where the registrar is established, regardless of the identity, the registered office or the domicile of the applicant or the domain name owner⁷⁶⁴.

The UDRP is a contractual covenant incorporated in domain name registration agreements, according to which the registrant accepts “jurisdiction” of one of the five Dispute Resolution Service Providers⁷⁶⁵. There are 5 dispute resolution services by the end of 2018. These are “Arab Center for Domain Name Dispute Resolution” (ACDR), “Asian Domain Name Dispute Resolution Center” (ADNDRC), “National Arbitration Forum” (NAF), “WIPO Arbitration and Mediation Center”, “The Czech Arbitration Court (CAC) - Arbitration Center for Internet Disputes”⁷⁶⁶. A complainant can select any of these Dispute Resolution Service Providers⁷⁶⁷.

⁷⁶⁰ Alex ANSONG, “Trademark Claims in Internet Domain Names: Applicable Disputes and Enforcement of Panel Decisions under the ICANN Uniform Domain-Name Dispute-Resolution Policy”, *Estey Journal of International Law and Trade Policy*, Vol.16, No.2, 2015, p.134

⁷⁶¹ Annemarie BRIDY, “Notice and Takedown in the Domain Name System: ICANN’s Ambivalent Drift into Online Content Regulation”, *Washington and Lee Law Review*, Vol.74, Issue 3, 2017, p.1358

⁷⁶² such as .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel and .travel.

⁷⁶³ Some ccTLDs registries adopt the UDRP directly, while others have adopted UDRP-based procedures. ccTLDs adopting the UDRP include .ag, .ai, .as, .bm, .bs, .cc, .cd, .co, .cy, .dj, .ec, .fj, .fm, .gd, .gt, .ki, .la, .lc, .md, .me, .mw, .nr, .nu, .pa, .pk, .pn, .pr, .pw, .rp, .sc, .sl, .so, .tj, .tt, .tv, .ug, .ve, .vg, .ws. Moreover, some countries such as Australia, Brazil, Switzerland, Cyprus, Spain, European Union, France, Ireland, Netherland, Romania, Sweden, etc. have authorized WIPO Arbitration and Mediation Center to resolve their ccTLDs related disputes. WIPO provides domain name dispute resolution service to over 70 ccTLD registries. For the full list, see <http://www.wipo.int/amc/en/domains/cctld/index.html>

⁷⁶⁴ Nathalie DREYFUS, p. 110

⁷⁶⁵ Pantov VENTSÍSLAW, p.15

⁷⁶⁶ <https://www.icann.org/resources/pages/providers-6d-2012-02-25-en> (last accessed on 01.12.2018)

⁷⁶⁷ EUIPO, “Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes”, 2018, p. 11

On this point it should be noted that the UDRP is neither a judicial proceeding or arbitration, but rather an administrative proceeding⁷⁶⁸. The Panel decisions results only in cancellation or transfer of the disputed domain name. The actual enforcement of panel decision is effected by domain name registrars⁷⁶⁹. These decisions are not *res judicata* with regard to the parties but only with respect to the registrar which will have to execute the decision of cancellation or transfer of the domain name. Therefore, it is possible to take legal action prior to/during or after the implementation of the procedure⁷⁷⁰. If the judicial procedure is used prior to or during the procedure, the Panel may suspend the proceeding⁷⁷¹. On the other hand, if the judicial procedure is used after the decision is rendered, the UDRP provides for a “window” of ten days⁷⁷² for the unsatisfied party to initiate proceedings in court, and if such proceeding are initiated, implementation of the UDRP panel decision is suspended⁷⁷³. Therefore, the registrar is required to execute the decision within ten days of the notification, unless the court is seized of the case by one of the parties to the dispute. In this case, pursuant to the UDRP Policy and Rules, “*the court shall be at the location of either the domain name holder’s residence as it appears in the Whois database, or the principle office of the registrar provided that the domain name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name*”⁷⁷⁴.

Therefore, the domain name owner against whom the UDRP is initiated can go to the court both during the UDRP procedure or after the Panel reached a decision. Likewise, the trademark owner who initiated the UDRP against the domain name owner can go to the court in the event where his claims were denied. In the case where the parties apply to the court, the Panel decision will not be executed until the dispute between the

⁷⁶⁸ Steven WRIGHT, p.198; the Appeal Court of Paris in 2004 held that the UDRP cannot be qualified as arbitration. CA Paris, 17.06.2004, Le Parmentier v. Société Miss France

⁷⁶⁹ Alex ANSONG, p.138

⁷⁷⁰ Céline CASTETS-RENARD, Droit de l’Internet, p.272

⁷⁷¹ Pursuant to art.18 of UDRP Rules, “the Panel has the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision”.

⁷⁷² In .euADR cases, the time period in which one of the parties can initiate court proceedings is within 30 days of the decision being communicated. On the other hand, pursuant to the Turkish Internet Domain Name Dispute Resolution Mechanism Communiqué on “.tr” domain names, in the case where a precautionary injunction is obtained from the court within 10 working days upon the receipt of the panel decision, the dispute resolution mechanism consitues, but the panel decision is not applied and trial process is waited to be completed (art.15).

⁷⁷³ Pantov VENTSISLAW, p.15

⁷⁷⁴ UDRP Policy art.4/k, UDPR Rules art.1 and 3/b-xii

parties is resolved by the court. In this regard, it can be said that a UDRP decision is devoid of *res judicata* since it can be challenged at any time before the courts⁷⁷⁵.

Such legal proceeding is not an appeal against the decision of the Panel. Panel decisions can be challenged judicially, either to succeed on the merits or to obtain damages⁷⁷⁶. Therefore, the possibility offered to the parties is not an action for annulment of the Panel decision, but to have the case re-tried before a court of first instance within 10 days on the subject and the same cause⁷⁷⁷. For instance, the action for annulment of a Panel decision was dismissed by the French court of Appeal⁷⁷⁸.

In Turkey, for domain names with “.tr”, pursuant to the Internet Domain Name Regulation, a Dispute Resolution Mechanism is regulated. Accordingly, disputes over domain names with the extension “.tr” are solved *alternatively* by the dispute resolution mechanism operated by dispute resolution service providers (art.23). As it is understood from the text of the regulation, it is always possible to apply to the court regarding the domain name which is allegedly infringing a trademark. Indeed, pursuant to the art. 15 of the Internet Domain Name Dispute Resolution Mechanism Communiqué, in cases where an interim injunction is obtained from the court within ten days from the notification of the Panel decision or during the alternative dispute resolution procedure, the Panel, notified of this injunction, shall not execute the decision and wait until the court proceeding is finalized. Therefore, if the parties bring the case before the courts within 10 days of the decision notification, or in parallel to this alternative procedure, the Panel decision shall not be executed. However, if there is no court proceeding parallel to this alternative mechanism, or if the Panel is not notified of the fact that the parties brought the case before the courts, the Panel decision shall be executed within 10 days from the notification of the decision to the parties. There are three kind of decisions that the Panel can take, namely, the cancellation of the domain name, the transfer of the domain name to the trademark proprietor or denial of the claim (IDNR art.27).

⁷⁷⁵ Nathalie DREYFUS, p. 190

⁷⁷⁶ Céline CASTETS-RENARD, Droit de l'Internet, p.272

⁷⁷⁷ Nathalie DREYFUS, p. 190

⁷⁷⁸ Christiane FERAL-SCHUHL, p.1081

In the European Union, the Regulation no. 2019/517 on “.eu” top level domains states that the alternative dispute resolution (ADR) procedures should be adopted and “*should take into account the international best practices in this area and in particular the relevant WIPO’ recommendations, to ensure that speculative and abusive registrations are avoided as far as possible*”⁷⁷⁹. From June 1, 2017, the WIPO Arbitration and Mediation Center provides services for domain name dispute resolution for .eu registrations⁷⁸⁰. In principle, the decisions of the panelists are final and cannot be appealed. However, the parties have always right to initiate a court proceeding (art.B/12-a of .eu ADR). In such a situation, the decision will not be implemented if a court proceeding is initiated within 30 days after the notification of the panel decision to the parties (art.B/12-d of .eu ADR). Moreover, “the panel shall terminate the ADR proceeding if it becomes aware that the dispute has been decided by a court of competent jurisdiction or an alternative dispute resolution body” (art.A/4-c and A/5).

In general terms, both the Turkish and European Alternative Dispute Resolution Mechanism regulated under the Internet Domain Name Regulation and the Regulation no. 2019/517 are inspired of the ICANN’s UDRP⁷⁸¹.

2. Infringement Conditions

Pursuant to the art. 4/a of UDRP, the complainant should show that,

*“1. The domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; **and***

*2. The alleged infringer has no rights or legitimate interests in respect of the domain name; **and***

3. The domain name has been registered and is being used in bad faith”.

⁷⁷⁹ Regulation (EU) of the European Parliament and of the Council of 19 March 2019 on the implementation and functioning of the .eu top-level domain name and amending and repealing Regulation (EC) no733/2002 and repealing Commission Regulation (EC) No 874/2004, recital 17 (Official Journal of the European Union L 91, 29.03.2019)

⁷⁸⁰ Before 1 June 2017, all .eu disputes were previously heard by the Czech Arbitration Court

⁷⁸¹ According to a comparative study of EUIPO which compare 10 selected Dispute Resolution Policies (DRPs) including UDRP and euADR, except the Danish Domain Complain Board, the DRPs assessed are substantially similar to the UDRP. See, EUIPO, “Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes”, 2018

In Turkey, for “.tr” domain names, similar conditions are set forth by the art.25 of the Internet Domain Names Regulation, which will be in force upon the implementation of TRABİS. Accordingly, in order to apply to the Alternative Dispute Resolution Mechanism, the complainant should demonstrate that,

*“a) The domain name at issue is identical or similar to a trademark, trade name, company name or other identification sign that is owned or used in trade, **and***

*b) The domain name owner has no rights or connection in respect of the domain name at issue, **and***

c) The domain name at issue has been registered or used in bad faith by the domain name owner”.

Concerning the European Union, pursuant to the art. 4/4 of the Regulation no. 2019/517, a domain name may be revoked, where *“that name is identical or confusingly similar to a name in respect of which a right is established by Union or national law”*, and where it: *“a) has been registered by its holder without rights or legitimate interest in the name; **or** b) has been registered or is being used in bad faith”.*

Similarly, according to the “eu.” Alternative Dispute Resolution Rules **par.B(11)(d)(1)**, it should be proved by the complainant that,

*“1. The domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by national law of a Member State and/or Community law **and; either***

*2. The domain name has been registered by its holder without rights or legitimate interests in respect of the domain name that is the subject of the Complaint; **or***

3. The domain name has registered or being used in bad faith”⁷⁸².

In the following part of the thesis, the first and third requirements of these ADR procedures, namely “identity or similarity between the domain name and the sign/trademark” and “bad faith” will be examined in detail. The second requirement,

⁷⁸² https://eurid.eu/d/97230/ADRRules_EN.pdf

namely the legitimate interest, will be rather examined in detail under the following subsection⁷⁸³.

a. Identity or Similarity between the Domain Name and the Sign/Trademark

When compared the ICANN's, Turkish and European ADR rules, regarding the first requirement, there should be an identity or similarity between the alleged infringing domain name and the alleged infringed sign. This identity and similarity issue has been examined in previous sections⁷⁸⁴.

Regarding the difference between these three regulations, for the similarity, while “confusingly similarity” is sought under the ICANN's UDRP and European ADR, the Turkish ADR requires only “similarity”. However, in my opinion, taking into account the general principles of trademark law, unfair competition and the fact that the Turkish regulation is inspired by the ICANN's UDRP and European ADR, the Turkish regulation should be interpreted in such a way that the similarity should be a confusing similarity.

On the other hand, while it is only mentioned trademarks and service marks in ICANN's UDRP Rules, unregistered marks fall also under the scope of this UDRP, as the Policy requires from the complainant only to demonstrate its “rights” in a trademark or service mark (art.4/a-i). These rights are not required to be is no requirement that those rights be certified by registration⁷⁸⁵. Here, it is aimed to protect the “common law trademarks” which are seen in the Anglo-Saxon law⁷⁸⁶. For instance, *a hashtag mark*⁷⁸⁷ (#mark) can constitute an unregistered or common law trademark provided that it has acquired a “*secondary meaning*”. For instance, in a case where the Coca Cola Company objected to the domain name “xomtu.com” and where Coca Cola Company used the word “XOMTU⁷⁸⁸” in Viet Nam in its “Share a Coke” campaign, even though the complainant did not produce as evidence the sale amounts, advertising extent or consumer surveys, it

⁷⁸³ See “Defenses that may be alleged for the Internet Uses” at the subsection III under the Second Section

⁷⁸⁴ See above “Identity between Trademark and Domain Name” at the subsection II/1-B-4-a-aa and “Similarity between Trademark and Domain Name” at the subsection II/1-B-4-b-aa under the Second Section

⁷⁸⁵ WIPO Case No. D2012-2211, *Fine Tubes Limited v. Tobias Kirch, J & J. Ethen, Ethen Rohre GmbH*

⁷⁸⁶ Tamer SOYSAL, “İnternet Alan Adları Sistemi ve Tahkim Kuruluşlarının UDRP Kurallarına Göre Verdikleri Kararlara Eleştirel Bir Yaklaşım - 2”, *Sosyal Bilimler Enstitüsü Dergisi* Sayı 22, Yıl 2007/1, p.441

⁷⁸⁷ For more information on trademark uses in hashtags, see “Use of Trademark in Hashtag” at the subsection II/4-B-1-b under the Second Section

⁷⁸⁸ which means “gather together and have fun” in Vietnamese language

however referred to the use of the “XOMTU” mark as a hashtag “#XOMTU” on social media such as Instagram and Facebook. When considering whether the claimant had any relevant rights in this sign, the Panel took into account, inter alia, YouTube statistics and consumers’ use of #XOMTU hashtag on social media and considered that “*the widespread adoption of the #XOMTU hashtag is a consequence of the fact that a secondary meaning had already arisen for the mark XOMTU in association with the complainant’s products by virtue of the complainant’s campaign and thus that the complainant has common law trademark rights in that mark*”⁷⁸⁹.

On the other hand, a “pending trademark application” would not in itself constitute a trademark right for the purpose of par.4/a-I of UDRP⁷⁹⁰.

In the Turkish ADR, beside trademarks, trade names, company names or other identification signs are also included. Trademarks do not need to be registered, as the domain name at issue should be identical to or similar with a trademark that is “owned” or “used” in trade.

Similarly, in the European Union, in the alternative disputes for “.eu” domain names, pursuant to the art. 4/4 of the Regulation no. 2019/517, a domain name may be revoked, “*where that name is identical or confusingly similar to a name in respect of which a right is established by Union or national law*”. Therefore, in the disputes arising out of the uses of domain names with “.eu” ccTLD in the European Union, it is not required that the alleged infringed sign to be a registered trademark, but unregistered marks, trade names, business identifiers, company names can also be protected as long as “they are protected under national law in the Member-State where they are held”.

b. Rights or Legitimate Interest of the Domain Name Owner

The second requirement is same under the three ADR. Accordingly, the owner of the alleged infringing domain name should not have “rights or legitimate interest” in respect of the domain name at issue. Such provision is the same as the condition set forth

⁷⁸⁹ WIPO Case No. D2015-2078, The Coca-Cola Company v. Whois Privacy Protection Service, Inc. / Thien le Trieu, Le Trieu Thien

⁷⁹⁰ WIPO Overview 3.0, par. 1.1.4

in art.7/3-d of the IPL. Indeed, as stated in the preamble of the IPL, it had been inspired from Alternative Dispute Resolution Rules of various dispute settlement centers.

On this point, it should be pointed out that, under both ICANN's UDRP and Turkish ADR, there are three requirements to be satisfied by the complainant, which are "identity or similarity between the domain name and the trademark", "lack of rights or legitimate interest of the domain name owner" and "bad faith of the domain name owner". These are cumulative conditions, therefore if one of them cannot be proved, the claim will be rejected⁷⁹¹. On the other hand, under the EU ADR, lack of rights or legitimate interests and registration or use in bad faith are *alternative requirements* for a successful complaint⁷⁹². In this regard, in disputes concerning ".eu" domain names, it is sufficient for the trademark proprietor to prove either the lack of rights or legitimate interest or bad faith of the domain name owner.

From the perspective of the Turkish Trademark Law, while the lack of rights or legitimate interest is clearly stated in the IPL for there to be an infringement, there is not any mention to the bad faith. However, when we look at the preamble of the IPL, it is understood from the statement that "on the condition that the person who uses the sign, does not have any right or legitimate interest in respect of such use and therefore on the condition that this person is acting in bad faith", that the use of a sign as a domain name without any right or legitimate interest is considered as a use with bad faith. Therefore, under the IPL, the use without any right or legitimate interest indicates also that the person using the sign is in bad faith. In such situation, there is no need to prove also bad faith besides the lack of rights or legitimate interest of the domain name owner in order to prove infringement. On the other hand, under the Turkish ADR, the trademark proprietor should prove both the lack of right or legitimate interest and the bad faith of the domain name owner, which creates another burden on the trademark proprietor. In this regard, in my opinion, the alternative conditions introduced by the EU ADR is more appropriate.

⁷⁹¹ Pursuant to art.25/2 of the Internet Domain Name Regulation, the complainant claiming that the three conditions (identity/similarity, legitimate interest and bad faith) are met all together can apply for the settlement of the dispute before one of the dispute resolution service provider (UÇHS)

⁷⁹² WIPO Case No.DEU2018-0027, Pet Plan Ltd. v. Corner Store BV; WIPO Case No. DEU2018-0009, Airbnb, Inc. v. Domain Admin, Claim.Club

c. Bad Faith

Bad faith requirement, which is the third one in all three regulations, regulates that the domain name owner should be in bad faith. While all three regulations are the same in general, but a small difference alters the outcome of them. Indeed, under both the “eu.” and “tr.” ADR rules, the complainant has to prove only either registration or subsequent use of the domain name by the domain name owner took place in bad faith, whereas under the UDRP, the complainant must establish both of them, namely bad faith both in the registration and in the use of the domain name. These are conjunctive requirements; both must be satisfied for a successful complaint⁷⁹³.

Regarding the UDRP, it has been suggested that the proof of bad faith in registration and in the subsequent uses are not required at the same time. But this proposal was rejected by ICANN⁷⁹⁴⁷⁹⁵. However, as it will be explained one by one below, none of the four examples given in the UDRP refer to both registration and use. The first three elements relate to registration and the last one to use. This situation allowed a flexible interpretation to hold bad faith even in the absence of use of the domain name⁷⁹⁶. However, the majority of panels considers that bad faith in both registration and use should be proved⁷⁹⁷.

Proving bad faith both at the time of registration and at the subsequent uses of the domain name poses problems in cases where the domain name is registered before a right is acquired on the trademark which is alleged to be infringed or before this trademark is registered. Indeed, it is difficult to find a bad faith when the domain name is registered before acquisition of any right on the trademark⁷⁹⁸.

However, even though the domain name is registered in good faith, it may be used in violation of the trademark which is subsequently registered by a third party. In

⁷⁹³ WIPO Case No. D2010-0470., Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd

⁷⁹⁴ Nathalie DREYFUS, p. 145

⁷⁹⁵ See ICANN, “Second Staff Report on Implementation Documents for the Uniform Domain Name Dispute Resolution Policy”, at 4.5(a) (available at <http://archive.icann.org/en/udrp/udrp-second-staff-report-24oct99.htm>) (last accessed on 26.11.2018)

⁷⁹⁶ Nathalie DREYFUS, p. 148; See WIPO Case No. D2000-0003, Telstra Corporation Limited v. Nuclear Marshmallows

⁷⁹⁷ Nathalie DREYFUS, p. 150

⁷⁹⁸ See to that effect, WIPO Case No. D2017-0006, Greenvelope, LLC v. Virtual Services Corporation; WIPO Case No. D2012-1147, Marco Aurich v. Johannes Kuehrer, World4You Webservice

such a situation, only bad faith in use can be proven, and not bad faith at the time of domain name registration. In consequence, as one of the requirements is not fulfilled, the claim will be rejected. Therefore, in the event that the good faith existing at the time of domain name registration turns into bad faith in the subsequent uses, the application made in accordance with the UDRP will not yield a positive result for the trademark owner as the bad faith at the time of the registration of the domain name cannot be proved. However, there are some situations in which the complainant may prove the bad faith of the domain name owner even if the domain name had been registered before a complainant has acquired rights on the trademark⁷⁹⁹. This is especially the case, according to UDRP case-law, “*when the domain name is registered shortly before or after a publicized merger between companies, but before any new trademark rights in the combined entity have arisen; or when the respondent (e.g., as a former employee or business partner, or other informed source) seeks to take advantage of any rights that may arise from the complainant's enterprises; or where the potential mark in question is the subject of substantial media attention (e.g., in connection with a widely anticipated product or service launch) of which the respondent is aware, and before the complainant is able to obtain registration of an applied-for trademark, the respondent registers the domain name in order to take advantage of the complainant's likely rights in that mark*”⁸⁰⁰.

Moreover, proof of bad faith both at the time of registration and in subsequent uses cannot be possible when, for example, the domain name is allocated during the period of an agreement between the parties but the use of the domain name continues after the termination of the agreement. For instance, the holder of the domain name may have registered the domain name pursuant to a distribution agreement with which he may be entitled, by the trademark proprietor, to use the mark for the specified goods. However, the situation will be complex if this domain name holder continues to use this domain name after the distribution agreement had been expired. In this situation, how can the trademark holder prove that the registration of the domain name is made in bad faith? In such a case, the WIPO panels deny the complaints as even though the domain name is

⁷⁹⁹ WIPO Overview 3.0, par.1.1.3, par.3.8.2

⁸⁰⁰ WIPO Overview 2.0., par.3.1.

used in bad faith, is not registered in bad faith, and thus the third element of the UDRP is not satisfied⁸⁰¹. On the contrary, in cases where the defendant who was the contracting party of a distribution agreement with the claimant who is the right owner, registered the domain name without the consent or knowledge of the right owner while acting as the distributor, the WIPO panels considers this registration is made in bad faith. In such as case, the Panels consider that *“by using the domain name after the distributorship agreement has terminated for products in the same field as the complainant, the respondent has shown that it always intended to take the benefit of the registrations of the domain name for itself even if its relationship with the complainant ended in breach of the distributorship agreement it had signed. The fact that it registered the domain name without requesting permission or telling the complainant reinforces this conclusion”*⁸⁰². Similarly, if the owner of the domain name registered the domain name at a time when he was the agent of the trademark holder and if this registration consent was given under certain conditions such as the transfer of this after the agreement between the parties comes to an end, the subsequent breach of such conditions are considered to render what otherwise would appear to have been a bona fide registration, one in bad faith. The domain name holder’s non-fulfillment of a clear agreement to return the domain name have been taken as a basis for concluding that the domain name holder’s original registration lacked good faith⁸⁰³.

Therefore, even though the general rule, for the UDRP, is to prove the bad faith in both the registration and the use of the domain name, in a number of cases Panels have held that *“a domain name was registered in bad faith on the grounds that the respondent has subsequently acted in bad faith”*. In other words, the use in bad faith of a domain name may imply that the domain name had been registered in bad faith⁸⁰⁴.

Similarly, non-use of a domain name does not prevent a finding of bad faith under the doctrine of *“passive holding”*⁸⁰⁵, meaning that inactivity of the domain name

⁸⁰¹ WIPO Case No.D2010-0800, A. Nattermann & Cie. GmbH and Sanofi-aventis v. Watson Pharmaceuticals, Inc

⁸⁰² WIPO Case No. D2004-0471, Omnigraphics Capital (Pty) Ltd. v. Fleximount, Guy Langevin

⁸⁰³ WIPO Case No.D2007-1477, R&M Italia SpA, Tycon Technoglass Srl. v. EnQuip Technologies Group, Inc.

⁸⁰⁴ Case No.D2004-0433, Exel Oyj v. KH Trading; Case No.D2009-0643, City Views Limited v. Moniker Privacy Services / Xander, Jeduyu

⁸⁰⁵ WIPO Case No.DEU2018-0027, Pet Plan Ltd. v. Corner Store BV

owner may in certain circumstance amount to the use of the domain name in bad faith. For this, factors such as “the degree of distinctiveness or reputation of the complainant’s mark, the failure of the respondent to submit a response or to provide any evidence of actual or contemplated good-faith use, the respondent’s concealing its identity or use of false contact details” are taken into account by the UDRP Panels⁸⁰⁶. Furthermore, bad faith registration and use can be also deduced from the fact that this is not the first time the respondent has been involved in a domain name dispute⁸⁰⁷. Moreover, using of a domain name for not hosting a website, but for other purposes such as sending e-mails or phishing may lead to the conclusion of the bad faith⁸⁰⁸. The operation of a 'phishing' website is perhaps the clearest proof of bad faith. Using a domain name for a “phishing” website means that that use is made for the purpose of obtaining information from internet users believing themselves to be dealing with the trademark owner or the right owner⁸⁰⁹. For example, organized gangs of cybercriminals send e-mails by making believe that they are financial organizations, banks or corporations, in which they ask to click on a link and enter or confirm a username and password. By this way, they recover passwords of bank accounts and even credit card numbers with which they make large sums of money⁸¹⁰.

On the other hand, another question to be solved is the situation and the intent of the person who acquired the domain name from the domain name holder who was in good faith when it first registered the domain name as it has done so before any registration of a trademark or before any rights on it. According to the UDRP case-law, a transfer of a domain name is considered as a new “registration”, so the date of this transfer, not the date the domain name is registered for the first time by another person, is taken into consideration in the determination of the good faith of the registration⁸¹¹. In this regard, the person who acquired the domain name cannot pretend to ignore the trademark rights on this domain name at the time of transfer⁸¹².

⁸⁰⁶ WIPO Overview 3.0, par.3.3

⁸⁰⁷ WIPO Case No. DIR2017-0006, Sodexo v. Mohammad Ali Mokhtari

⁸⁰⁸ WIPO Overview 3.0, par.3.4

⁸⁰⁹ WIPO Case No. D2012-2093, The Royal Bank of Scotland Group plc v. Secret Registration Customer ID 232883/Lauren Terrado,

⁸¹⁰ Nathalie DREYFUS, p. 107

⁸¹¹ WIPO Case No.D2009-1520, The Law Society v. S.H.INC

⁸¹² Nathalie DREYFUS, p.152

On this point, it should be noted that this situation does not correspond to the sequence of rights in case of trademark transfer. In my opinion, the reason for this is because the generic domain names are registered on the basis of « first come, first served » and any right ownership is not required to register a domain name. On the other hand, in case of transfer of domain names registered on the basis of a trademark right on it⁸¹³, the transfer of such domain names should encompass all the rights of the first registrant⁸¹⁴. Otherwise, the person who acquires the trademark and the corresponding domain name would acquire trademark rights from the protection date of this trademark, whereas his rights on the domain name corresponding to the trademark would start from the date of this domain name transfer, which will create a conflict between its rights on the trademark and domain name.

In the event that the sign corresponding to the domain name is a well-known trademark, this registration is, in principle, considered as a clear indication of bad faith⁸¹⁵. For instance, in Marlboro case, the Panel concluded that respondent registered and has used the domain name in bad faith within the meaning of the UDRP as the respondent does not – and credibly cannot – deny knowledge of the famous MARLBORO trademark at the time she registered the domain name⁸¹⁶.

There is no definition of bad faith neither in UDRP nor in the European nor Turkish Regulation on “.eu” and “.tr” domain names. However, each of these regulations provides examples of bad faith registrations and uses. In this regard, bad faith can be proven by circumstances other than those mentioned in these provisions⁸¹⁷.

Examples of bad faith registration and uses given by these three regulations are almost the same with minor differences. Below will be examined each of these examples.

⁸¹³ for example, domain names with country code domain names (ccTLDs).

⁸¹⁴ The transfer of domain names is usually possible in case of the transfer of intellectual and industrial rights that made it possible the registration of domain names. See. METU “.tr” Rules art.2 and provisional article 2 of the Internet Domain Name Regulation

⁸¹⁵ WIPO Case No. D2013-1308, Sodexo v. Shahzan / PrivacyProtect.org

⁸¹⁶ WIPO Case No. D2017-0707, Philip Morris USA Inc. v. Sarah Giustra / Seal Pup Designs

⁸¹⁷ C-569/08, Internetportal und Marketing GmbH v. Richard Schlicht (“Internetportal”), 03.06.2010, par.39

aa. Registration of the Domain Name for the Purpose of Selling It to the Right Owner or to Its Competitor

UDRP art.4/b-i: “Circumstances indicating that the domain name has been registered or acquired primarily for the purpose of selling, renting, or otherwise transferring domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name”.

IDNDRMC art.19/1-a: “The domain name has been registered for the purpose of selling or transferring the domain name to the complainant who is the owner of the trademark, service mark, trade name, company name or natural person name or other identification signs to a party who is in a commercial competition with the claimant, for an amount exceeding the documented registration costs and the investment cost related to this domain name”.

.eu ADR rules par .B(11)(f)(1): “Circumstances indicate that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name in respect of which a right is recognized or established by national and/or Community law or to a public body”.

This bad faith example given by the three regulations is the most common case of cybersquatting: registering a domain name with the purpose of reselling⁸¹⁸.

Here the bad faith lies in the registration of a domain name in order to sell it to the intellectual property right owner of a sign corresponding to the domain name or to its competitor for over the value of the domain name in question. The purpose of these regulations here is to prevent the registration of domain names in order to make profit by selling or transferring it⁸¹⁹. While it is mentioned selling, renting and transferring in UDRP and EU ADR rules, in the Turkish ADR rules only the sale and transfer of the domain name are mentioned. However, in my opinion, this omission does not have a

⁸¹⁸ Nathalie DREYFUS, p. 146

⁸¹⁹ Ayça ZORLUOĞLU, “Alan Adlarında Kötü Niyet Kavramı”, Hacettepe Hukuk Fakültesi Dergisi, 2(1) 2012, p.77

practical effect as if the domain name owner intends to rent the domain name unfairly, it will constitute any way bad faith.

On the other hand, regarding the person to whom the intent and act of selling, renting, transferring should be directed, under the Turkish ADR rules, this should be the owner of a trademark, service mark, trade name, company name, natural person's name or other identification signs or its competitor; under the EU ADR rules, this should be the holder of a recognized or established right or a public body; and under UDRP, this should be the owner of a trademark or its competitor. As mentioned above, under the UDRP, not only registered trademarks are under protection, but all distinctive signs in respect of which a right is recognized. Similarly, under the Turkish Internet Domain Name Regulation, as the identity or similarity should be between the domain name and a sign that is owned or used in trade⁸²⁰, unregistered marks are also protected under this mechanism. Equally, under the EU regulation, unregistered marks are under protection "as long as a right is recognized or established by national and/or Community law or to a public body in respect of these marks".

Therefore, the intent of selling, renting or transferring the domain name should be directed to the right owner of the sign at issue or to its competitor⁸²¹ for a sum of money. Moreover, this intent can also be directed to the general public by placing an offer for sale of this domain name on the web page linked to it⁸²². For instance, it has been found that the respondent has acted in bad faith pursuant to the UDRP as s/he was offering to sell the disputed domain name to the public and requested for fees in excess of its out-of-pocket costs. The respondent had also attempted to exact payment from the complainant in its reply to the complainant's cease-and-desist letter, which the complainant refused⁸²³.

Every sale offer may not be made in bad faith. Indeed, if a domain name is registered in good faith, but if its intended use over time has been ended, selling off this

⁸²⁰ art.25/1-a

⁸²¹ Although it is regulated in the Turkish regulation and the UDRP rules that the intention of selling should be addressed to the rights holder or its competitor, in the EU regulation, it is regulated rather that this intention should be directed to the right holder or public body.

⁸²² Ayça ZORLUOĞLU, p.77

⁸²³ WIPO Case No. D2017-0473, Pierre Balmain S.A. v. bodson bodson

domain name can be considered as legitimate. If there is no bad faith, this is considered as a usual commercial act⁸²⁴. Likewise, registration of a domain name comprising a trademark by a company who carries on a business in the the purchase and sale of domain names, would not be bad faith as long as this company is not aware of the trademark in question. For instance, in a case before a WIPO panel, the respondent combined dictionary English words registering these as domain names and used them as advertising portals, or to sell those domain names for their generic value. The respondent has done this with many domain names, including others registered in the same month as the disputed domain name that also add “zone” to common words, <latinzone.com> and <equityzone.com>. The Panel considered that this can be a legitimate business practice and not a use in bad faith, *so long as* the intent is to capitalize on the dictionary value of the words comprising the domain name and not to exploit the value of third-party trademarks⁸²⁵.

Last but not least, the offer for sale or renting or transferring the domain name should be directed to the right owner or to its competitor for a for certain amount of money. This amount should be “*an amount exceeding the documented registration costs and the investment cost related to this domain name*” under the Turkish ADR rules, and “*in excess of the documented out-of-pocket costs directly related to the domain name*” under the UDRP. While the common point of these two regulations is that the amount should exceed the documented registration costs, it is not clear what is meant by “an amount exceeding the investment costs”, mentioned in the Turkish ADR rules.

For instance, in Vestel case⁸²⁶ before a WIPO panel, due to the fact that the respondent offered to sell the domain name www.vestel.com to the claimant Vestel Company for 200.000 \$ and that the respondent’s pattern of registration of domain names that correspond to numerous other Turkish companies, the Panel found that “*these circumstances indicate that the respondent registered the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the*

⁸²⁴ Ayça ZORLUOĞLU, p.77

⁸²⁵ WIPO Case No. D2017-0178, Corporacion Empresarial Altra S.L. v. Development Services, Telepathy, Inc

⁸²⁶ WIPO Case No. D2000-1244, Vestel Elektronik San. ve Tic. A.Ş. v. Mehmet Kahvesi

complainant for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly related to the domain name”.

On the other hand, while there is no mention of an amount which should be proposed by the domain name owner under the EU ADR rules, in a case related to “.eu” domain name where the .eu ADR Rules applied, the Panel found that offering the domain name for sale for 9.999 euro as being far exceeding the out-of-pocket costs associated with the domain name’s registration and thus bad faith⁸²⁷.

On the other hand, the fact that the domain name owner did not propose an amount for selling, renting or transferring the domain name does not show that that person is not in bad faith. For instance, in a WIPO case between a Turkish trademark “Akpa”’s owner, and a person who registered the domain name “akpa.com”⁸²⁸, while this defendant had proposed to sell another domain name for an amount of money to a company with which he was in dispute in another case, he did not offer to sale it for an amount. However, the fact that the defendant did not repeat the same conduct did not help to eliminate the bad faith. In other words, even though the defendant changed its approach by adopting a more passive one by ceasing to apply directly to right holders for the purpose of selling its domain names at a price higher than its costs, it did not prevent the Panel from finding bad faith.

bb. Registration of the Domain Name in Order to Prevent the Right Owner from Using it

UDRP art.4/b-ii: “The domain name has been registered in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the domain name owner has engaged in a pattern of such conduct”.

IDNDRMC art.19/1-b: “The domain name has been registered in order to prevent the right owner of the trademark, trade name, company name or other

⁸²⁷ WIPO Case No. DEU2018-0009, Airbnb, Inc. v. Domain Admin, Claim.Club

⁸²⁸ WIPO Case No.D2014-1202, AKPA Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. v. Mehmet Kahvesi

identification signs used in trade, from using this trademark, trade name, name or sign in a domain name”.

.eu ADR rules par.B(11)(f)(2): “The domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognized or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) a pattern of such conduct by the registrant can be demonstrated; or

(ii) the domain name has not been used in a relevant way for at least two years from the date of registration; or

(iii) in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognized or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated”.

Under the Turkish ADR, only the registration of the domain name in order to prevent the right owner from using the sign at issue in the domain name had been considered as bad faith, whereas there is an additional condition under the UDRP and EU ADR, such as the domain name owner should have “engaged in a pattern of such conduct.” In order to establish such pattern, UDRP panels requires more than one abusive domain name registration⁸²⁹.

Moreover, under the EU ADR, there are alternative conditions to the pattern of bad faith conduct of the domain name owner, namely “the domain name should not been used in a relevant way for at least two years from the date of registration; or in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognized or established by national and/or Community law or the holder of a domain name of a public body has declared his/its

⁸²⁹ WIPO Jurisprudential Overview 3.0., par.3.1.2

intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated”.

cc. Registration of the Domain Name with the Purpose of Disrupting the Activities of a Competitor

UDRP art.4/b-iii: “The domain name has been registered primarily for the purpose of disrupting the business of a competitor”.

IDNDRMC art.19/1-c: “The domain name has been registered primarily for the purpose of disrupting the business or activities of commercial competitors”.

.eu ADR rules par.B(11)(f)(3: “The domain name was registered primarily for the purpose of disrupting the professional activities of a competitor”.

These are acts of unfair competition rather than trademark infringement⁸³⁰. Three conditions should be satisfied in order to find a bad faith of this kind. Accordingly, in the first place, the domain name owner should be aware of the activities of the claimant at the time of registration. In the second place, the purpose of this registration should be disrupting the business of the claimant. Finally, there should be a relationship based on a commercial competition between the parties⁸³¹.

Regarding the fact that there have to be a relationship based on a commercial competition between the parties, therefore the domain name owner and the claimant should be competitors, panels applying the UDRP considers the competitor “beyond the concept of ordinary commercial or business competitor to also include the concept of a person who acts in opposition to another for some means of commercial gain, direct or otherwise”⁸³².

⁸³⁰ Nathalie DREYFUS, p. 147

⁸³¹ Ayça ZORLUOĞLU, p.79

⁸³² WIPO Case No. D2000-0279, Mission KwaSizabantu v. Benjamin Rost; WIPO Jurisprudential Overview 3.0., par.3.1.3.

dd. Using the Domain Name with the Aim to Create a Likelihood of Confusion with the Right Owner

UDRP art.4/b-iv: “By using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location”.

IDNDRMC art.19/1-ç: “The domain name has been used to direct internet users, for commercial gain, to the domain name owner’s website or to any other website by creating a likelihood of confusion with the trademark, trade name, company name or other identification signs owned and used by the claimant”.

.eu ADR rules par.B(11)(f)(4): “The domain name was intentionally used to attract Internet users, for commercial gain, to the holder of a domain name website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognized or established by national and/or Community law or a name of a public body, such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the holder of a domain name”.

This kind bad faith example given by the three regulations distinguishes from other examples as it refers to the “use” of the domain name, rather than “registration”. Indeed, being not numerus clauses, the first three examples given by the three regulation are related to the registration of the domain name, whereas the last one is related to the “use”. In this regard, it is argued that this situation supports the view that the bad faith in either the registration or the use of the domain name is sufficient under the UDRP⁸³³.

This kind of bad faith refers to the case where the trademark is used in a domain name in order to attract internet users to the domain name owner’s web site or to divert them to other web sites, such as sites offering sponsored links to competitors⁸³⁴. For

⁸³³ Ayça ZORLUOĞLU, p..80

⁸³⁴ Nathalie DREYFUS, p. 147

instance, where a respondent had used the domain name identical and similar to the complainant's trademark to operate a parking website displaying pay-per-click links to competing and non-competing commercial websites, such use had been considered as evidence of bad faith registration and use⁸³⁵. Moreover, the mere registration of a domain name that is identical or confusingly similar to a "well-known" or "reputed" trademark by a third person can by itself establish the bad faith⁸³⁶.

The domain name may redirect internet users to the site of a competitor, of a third party or even of the right holder's own site. Equally, a domain name may direct internet users to a site which markets competing products, products imitating the trademark of the claimant or genuine products⁸³⁷.

This kind of bad faith requires proof of a likelihood of confusion with the claimant's trademark. However, this condition applies only when the domain name has been used commercially as a trademark, for the sole purpose of attracting internet users to this website⁸³⁸.

For instance, in a case before WIPO panels where the complainant, owner of the trademark « Weekday » registered for clothes in class 25 brought an action against the defendant, owner of the disputed domain name « weekday-clothing.com », the panel found that a number of factors indicate that the respondent was aware of, and had the complainant and its "Weekday" mark in mind at the time of registering the disputed domain name. First, the complainant has shown that its registrations for the mark "Weekday" predates the registration of the disputed domain name by several years. Second, in the disputed domain name the term "clothing" is added to complainant's mark, which protects clothing, footgear, headgear, etcetera. Third, on the website at the disputed domain name, the respondent was offering clothing in competition with the complainant. Fourth, on the front-page of this website there was a logo imitating the complainant's logo for "Weekday" on its legitimate website. In these circumstances, these facts lead to conclude that *"the respondent has intentionally attempted to attract, for commercial gain,*

⁸³⁵ WIPO Case No. D2016-0344, Fontem Holdings 4, B.V. v. J-B, Limestar Inc

⁸³⁶ WIPO Jurisprudential Overview 3.0., par.3.1.4

⁸³⁷ Nathalie DREYFUS, p. 149

⁸³⁸ Nathalie DREYFUS, p. 148

Internet users to its website, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of its website or location or of products or service on its website", therefore the registration and use of the disputed domain name was in bad faith⁸³⁹.

Using the domain name as e-mail address is also considered as creating likelihood of confusion. For instance, in a case where the defendant had registered the domain name www.airbnb.eu which is identical with the famous "Airbnb" trademark and created email accounts associated with the domain name, the Panel found that the respondent having knowledge of the complainant mark had sought to take unfair advantage of it by registering an identical domain name for the purposes of impersonating the complainant, and misleading those dealing with or seeking to deal with the the complainant presumably for its (the respondent's) own benefit. Moreover, as the respondent has used the domain name to create one or more email accounts and pass itself off as the complainant in communications with third parties who were induced to click on a link and then were re-directed to the complainant's website through an intermediate link, this had not been considered as *bona fide* use but is rather an attempt to divert Internet users, for commercial gain, to an intermediate link before arriving at the complainant's website by creating a likelihood of confusion with the complainant's AIRBNB Mark⁸⁴⁰.

In the case of "sahibindenbak.com" before WIPO⁸⁴¹, while the words "sahibinden" and "bak" are generic terms with dictionary meaning, the Panel considered that the use of this kind of words in the domain name cannot be protected if it infringes the complainant's trademark rights and if it constitutes a type of bad faith indicated in the art.4/b of UDRP. In this case, while the content and design of disputed domain name was different than that of the complainant, there were no offer of service related to real estate advertisement, it was impossible to search for a real estate, there were only one sample advertisement. In this regard, the Panel considered that the respondent had chosen the domain name in question with the aim to obtain a commercial advantage by misleading

⁸³⁹ WIPO Case No. D2017-0580, H & M Hennes & Mauritz AB v. Donnie Lewis

⁸⁴⁰ WIPO Case No. DEU2018-0009, Airbnb, Inc. v. Domain Admin, Claim.Club

⁸⁴¹ WIPO Case No. D2010-0556, Taner Aksoy v. TR Turistik Tic. Ltd. Şti

internet users. As the disputed domain name was creating a likelihood of confusion with the complainant's trademark "Sahibinden.com", the Panel held that the disputed domain name had been registered and used in bad faith. Moreover, the Panel was of the view that the respondent was in a position to know at the time of both the registration and use of the disputed domain name that such registration and use would infringe the complainant's trademark.

However, on this point, it should be pointed out that, in general, the mere registration or use of a domain name consisting of descriptive or generic signs are not considered as made in bad faith, even if this sign is identical with or similar to the trademark of third parties. Nevertheless, in a case where the term is generic in one country, but not in the complainant's country, if the content of the website or other activities of the domain name holder clearly target the complainant's customers in its country, bad faith can be found⁸⁴².

Registering and using a domain name consisting a famous name may not constitute bad faith. For example, in a case between the famous music band The Scorpions and an internet publisher, the Panel found no bad faith as the respondent had no intention to disturb or harm the complainant⁸⁴³.

In the event of a mention stating "this site has no connection with the trademark x" on the defendant's site, bad faith is generally recognized even in the presence of such a warning, which considered ineffective to eliminate the likelihood of confusion. Moreover, the very presence of a disclaimer is likely to demonstrate that the domain name owner knew the trademark and had it in mind⁸⁴⁴. On the other hand, in certain exceptional cases, this disclaimer may be considered as avoiding any likelihood of confusion⁸⁴⁵, such as in cases where a the domain name owner legitimately provides only goods or services bearing the complainant's trademark⁸⁴⁶.

⁸⁴² EUIPO, "Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes", 2018, p. 46-47

⁸⁴³ Ayça ZORLUOĞLU, p.81

⁸⁴⁴ Nathalie DREYFUS, p. 157

⁸⁴⁵ WIPO Case No. D2007-0578, AARC Inc. v. Jayashankar Balaraman

⁸⁴⁶ WIPO Jurisprudential Overview 3.0., par.3.7

The examples of bad faith registration mentioned above are not exhaustive. In fact, under the EU ADR, an additional bad faith example is provided such as where “*the domain name is a personal name for which no demonstrable link exists between the respondent and the domain name registered*” (par.B/11-F-5). Under the Turkish ADR, it was stated that situations involving bad faith are not limited to these given examples and the panel or panels may find bad faith depending on the characteristics of the case at issue (İAAUÇMT art.19/2). Equally, the CJEU stated that bad faith can be proven by circumstances other than those listed in the related provisions⁸⁴⁷. According to the CJEU, “*the issue of whether an applicant is acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered*”⁸⁴⁸.

⁸⁴⁷ C-569/08, Internetportal, 03.06.2010, par.39

⁸⁴⁸ Ibid., par.77

2. USE OF TRADEMARKS IN ONLINE (Search-Based) ADVERTISING

Advertising is the most important and effective way to promote sale activities. For this reason, the budget allocated by the companies for advertising has become the largest one among other items. One of the most important stages of an advertising campaign prepared for a product or service is the selection of the most appropriate advertising tools, as this latter is the place where advertising meets the targeted audience⁸⁴⁹.

Nowadays, the Internet has become a very important advertising medium for advertisers along with classical media such as radio, television, outdoor advertisements or leaflets. This is due to the fact that the relevant audience can be targeted and reached more easily around the worlds and that the costs are lower.

The advertisements made on the Internet has also varied over time, as new kind of advertisings have emerged with the development of technology. For instance, while e-mails or companies' web sites were used more often to promote the goods or services offered early on, today new types of advertising are created, such as, inter alia, search based or display-based advertisings.

The search-based ads are ads which appear in response to a keyword trigger. These search-based ads can be done on a search engine, an e-commerce site, a market place or on an online comparison tool. However, the most well-known type of search-based ads are the ones which appear on the pages displaying the results of a search engine query⁸⁵⁰. Moreover, another type of search-based ads is the use of trademarks in metatags. Recognized by the CJEU⁸⁵¹ as a form of advertising, the use of the metatags in the website HTML is another marketing strategies that the companies use in order to be ranked among the higher search results in a search engine results. On the other hand, *the display-based*

⁸⁴⁹ Dilek ŞAHİNCİ, *İnternette Aldatıcı Reklam ve Reklamverenlerin Sorumluluğu*, Ankara 2011, p.57

⁸⁵⁰ INTA, "Online Advertising and Use of Others' Marks", Fact sheet <https://www.inta.org/TrademarkBasics/FactSheets/Pages/Online-advertising-and-use-of-others-marksNL.aspx> (last accesses on 16.08.2018)

⁸⁵¹ C-657/11, *Belgian Electronic Sorting Technology*, 11.07.2013

ads are ads which appear on other's websites. The example of this type of ads are banner and pop-up ads⁸⁵².

Regarding trademark challenges arising out of these types of advertising practices, no specific law/provision exists. However, the trademark law should be adopted to the technology developing every day. Indeed, this is what happens in general and it can be inferred from the case-law of some member states' case-law. For instance, while the German courts considered, until 2009, the keyword uses on the basis of metatag uses and took divergent approaches⁸⁵³, however, since then and especially with the guidance of the CJEU on this issue, the courts adapted their case-law accordingly. The same situation happened in France as well. On the other hand, Turkish court's initial opinion on the use of trademarks as keyword is still the same despite the guidance of the CJEU on this subject.

In this section, it will be examined the use of trademarks in search based advertisements, such as use in search engine keyword advertisement (especially in Google AdWords) (A) and in metatags (B) as these types of uses are more predominantly used in these days than the display-based advertisements, such as use in banner ads and pop-up ads.

⁸⁵² INTA, "Online Advertising and Use of Others' Marks", Fact sheet <https://www.inta.org/TrademarkBasics/FactSheets/Pages/Online-advertising-and-use-of-others-marksNL.aspx> (last accesses on 16.08.2018)

⁸⁵³ Tyson SMITH, "Googling a Trademark: A Comparative Look at Keyword Use in Internet Advertising", 46, Tex. Int'l L. J. 231 2010-2011, p.242

A. Use of Trademarks in Keyword Advertising

In the following section, after giving information on keyword advertising on the internet and especially Google's AdWords referencing system and other search engines' systems (1), infringement of trademarks through this keyword advertising will be analyzed (2).

1. Keyword Advertising

In the literature, this type of use, which is commonly called "keyword advertising", is actually a type of advertisement made by internet search engines/networks⁸⁵⁴. While most of the search engine operators provide this keyword advertising service, the service provided by Google⁸⁵⁵ which is the leader among search engine operators, is called "AdWords"⁸⁵⁶. In this regard, the keyword advertising uses that will be examined in this thesis is the Google AdWords. After explaining the general functioning of Google AdWords with regard to trademarks (a), the policies of Google and other search engine operators for trademark uses in keyword advertisings are explained (b).

a. Google AdWords

After having established their online presence by setting up a web site and a domain name linked to it, natural or legal entities have to ensure that the target audience is aware of these web sites and domain names. At this point, the results of the search engines come into play. Indeed, in cases where the internet user does not know the domain name of a trademark that s/he is looking for, the only means s/he uses is the search engines. In this regard, it is crucial for the trademark owners to be placed on the top of search engine results in order to be easily accessible to the target audience. On this point it should be noted that while 88% of entities selling goods or services on the internet in the EU use their own websites, 82% of them rely on search engines for this. Indeed, two

⁸⁵⁴ Savaş BOZBEL, *Fikri Mülkiyet Hukuku*, 2015, p.479

⁸⁵⁵ After Google, there come the Chinese search engine Baidu and search engines like Yahoo! and Bing. See <https://netmarketshare.com/search-engine-market-share.aspx?options> (last accessed on 28.05.2018)

⁸⁵⁶ While this term is used in general for the synonym of "keyword", it is a registered trademark of Google. As of the date of writing of this thesis, the word "AdWords" is registered in the EU only as a CTM for services in class 35 of the Nice classification; Jeremy PHILLIPS, "Google AdWords: Trademark Law and Liability of Internet Service Providers", in *Google and the Law*, TMC Asser Press, 2012, p.39

third of the entities that sell on the internet think that their search results ranking has a significant impact on their sales. In this regard, nearly six in ten companies which use the internet to sell products or services use “search engine optimization” (SEO) techniques to be positioned in higher ranks of the search results⁸⁵⁷.

Search engines are the results listing pages that allow internet users to access the searched item in the shortest possible way. In these search engines, the internet user sends a query to the system with a word or phrase in the search section provided by the search engine, and this search engine filters the relevant results they may be related to this query⁸⁵⁸. According to a study conducted in Turkey, it has been found that 69% of the internet users enters a web page through the search engine⁸⁵⁹.

While search engines enable users to search the web for relevant content, they however exercise some control on the information presented as a result of a query of the internet user⁸⁶⁰. Nevertheless, the algorithm⁸⁶¹ used for this purpose is kept secret by the search engines as it would be easy for third parties to divert to be in a good positing in the result listing page. Therefore, the search engine’s listing operation being partly protected by trade secret, it is not possible for a site to predict what positioning will be it’s with a given query⁸⁶². In these circumstances, search engines created an online advertising method by which businesses can make more visible their websites links to the internet users by placing them at the top of the search results.

Google AdWords is an online advertising service launched in 2000⁸⁶³ by Google. These simple “text-based ads” appears on the properties of Google and of Google Network Members. Google Network is divided into groups where the ads may appear according the strategy of the advertiser, such as the Search Network (Google search results pages, other Google’s sites like Maps and Shopping and search sites that partner

⁸⁵⁷ European Commission Flash Eurobarometer 439 Report, “The Use of Online Marketplaces and Search Engines by SMEs”, April-June 2016, p.4 (available at http://ec.europa.eu/information_society/newsroom/image/document/2016-24/fl_439_en_16137.pdf) (last accessed on 26.02.2019)

⁸⁵⁸ Aykut ALÇELİK, Google Adwords, İstanbul 2016, p.2

⁸⁵⁹ Serkan SAVAS, Nurettin TOPALOĞLU, Osman GÜLER, p.55

⁸⁶⁰ A. RABAB, p.151

⁸⁶¹ To see History of Google Algorithm Updates https://www.searchenginejournal.com/google-algorithm-history/?utm_source=sej&utm_medium=menu-nav&utm_campaign=sej-menu-nav (last accessed on 10.06.2018)

⁸⁶² Cédric MANARA, p.123

⁸⁶³ <https://googlepress.blogspot.com.tr/2000/10/google-launches-self-service.html> (last accessed on 26.05.2018)

with Google to Show ads) and the Display Network (Google sites like YouTube, Blogger, Gmail and partnering websites)⁸⁶⁴. In this section of the thesis, the use of trademarks as keyword in Google's "AdWords" on Google's search network will be analyzed.

When an internet user carries out a search for example on Google search engine, that user is being presented a list of "clickable" links to certain webpages. The pages which display those links are known as "search engine results pages" or "SERP"⁸⁶⁵. For any search made by the internet user, the search engine displays two kinds of results, namely organic or natural results and paid results which are the advertisement associated with the term searched for by the internet user. While the natural results are displayed according to objective criteria, such as their relevance to the searched term⁸⁶⁶, the paid results, thus advertisements are displayed because the advertiser has paid for it. In fact, the advertiser selects a "keyword" through the Google's AdWords program, and when an internet user searches for this term on Google, the advertisement of this advertiser is displayed. In other words, the display of such advertisements is "triggered" when the internet user enters into the search engine one or more particular words which are selected and used by the advertiser as "keyword". That advertising link appears under the heading "ads" (formerly 'sponsored link') in English or "annonces" (formerly "liens commerciaux") in French or "reklam" (formerly "sponsor bağlantılar") in Turkish, which is displayed either on the right of or above the natural results⁸⁶⁷.

The advertisements consist of three parts, such as the heading, the commercial message and the URL of the website in question. For instance, as shown below, when an internet user searches for "Adidas ayakkabı" (Adidas shoes)⁸⁶⁸, several ads are shown in the first ranking just above the natural results under the heading "reklam" (advertisement). Each ads comprises of three elements: the first one is the heading such as "Adidas Ayakkabı %35'e varan indirim Adidas.com.tr"; the second one is the

⁸⁶⁴ For further details See "The Google Network" available at <https://support.google.com/google-ads/answer/1721923> (last accessed on 26.12.2018)

⁸⁶⁵ EWHC 2911 (ch), Victoria Plum Limited v. Victorian Plumbing Limited, Mark Radcliffe, Coral Phones Limited ("Victoria Plum"), 18.11.2016, par.23

⁸⁶⁶ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par.2-9

⁸⁶⁷ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 24

⁸⁶⁸ the saech is made on 23.05.2019

advertisement depends, inter alia, the “maximum price per click” that the advertiser agreed to pay⁸⁷¹. The position in which advertisements appear on the search result page is extremely important, since position determines likely click through rate (CTR). An advertisement in position 1 tends to have a higher click through rate than an advertisement in position 2. As the position of an advertisement drops, less and less users are likely to click through⁸⁷².

Moreover, the search term entered on Google search engine by the internet user and the term selected by the advertiser as a keyword do not need to match exactly for the display of the advertisement. This is due to the fact that Google offers different match types which determine the circumstances in which the advertisement associated with the keyword selected by the advertiser will appear⁸⁷³. These are “broad match” (and advanced broad match), “phrase match”, “exact match” and “negative match” options. In the *broad match* option, which is the default match type, the Google AdWords system automatically displays the ads on relevant variations⁸⁷⁴ of the selected keywords. With *the phrase match*, the ad appears when people search for the exact phrase selected as keyword by the advertiser. Here the word order is important so that the ad won’t appear if the person doing the search adds another word in the middle of the terms selected as a keyword. In *the exact match* option, ads are shown when the exact term or close variations of that exact term are searched for by the internet user. Lastly, the negative match, which may be in broad, exact or phrase match type, enable the advertisers to exclude search terms from the ad campaigns⁸⁷⁵. For instance, if the advertiser is a shoe company but he doesn’t sell sport shoes, he can add “-sport shoes” as a negative keyword so that his ads won’t appear when people searches for sport shoes.

It is obvious for a company/trademark to be listed in the organic results as a result of the search made by its trademark or product name. However, the organic results listed in the search engines vary greatly, as a company/trademark that is in the first place of the search results one day, can be placed on the sub-pages for the same search query

⁸⁷¹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 26

⁸⁷² EWHC 2911 (ch) Victoria Plum, 18.11.2016, par.25

⁸⁷³ EWCA Civ 1403, Interflora, 05.10.2014, par.17

⁸⁷⁴ such as synonyms, misspellings, singular or plural forms

⁸⁷⁵ <https://support.google.com/adwords/answer/2497836> (last accessed 26.05.2018)

the next day. This can be the case especially in the absence of a good Search Engine Optimization (SEO). In this regard, it has become a preferred strategy for companies to advertise with Google AdWords.

Normally, companies choose as keyword their own trademark or the terms related to their trade marketed products or services, such as descriptive words/keywords for their products or services. However, they may also select trademarks belonging to other companies/competitors as keyword in the AdWords system. These advertisers have in common an objective which is to attract the attention of a targeted group of consumers. In this regard, these advertisers may be, inter alia, a competitor or start-up companies willing to make people aware of their existence, spare part or second-hand goods traders, persons who provide repair and maintenance services for trade-marked goods or services, or websites containing information about the requested brand such as news reports, discussion forums, suppliers of counterfeit goods. Moreover, the online market places may also choose a registered trademark of a third party as a keyword in order to advertise both the goods sold on their web sites and their own market place.

Beside the search engine operators and the advertisers who bid on keywords on search engine advertisements, there are two more actors in such a system, namely trademark owners whose trademarks have been used as keyword on advertisements and the internet users/customers who do search based on these keywords.

From the angle of internet users/consumers who make their search based on keywords, keyword advertising makes it easier for the consumer to reach the information on the product or service itself or on an alternative. However, it is also possible for them to be confused because of the multiplicity or ambiguity of the advertisements.

On the other hand, from the perspective of the trademark owners whose mark is used as a keyword by third parties in AdWords, this situation is not advantageous. In general trademark owners alleges that they are exposed to the possibility of consumer confusion, to the dilution of their marks due to the advertisements in question. In this regard, Google indicated that in 2011, it has disabled 130 million irregular ads out of the

billions that have been submitted to it and it has closed about 500,000 accounts of advertisers who promoted the promotion of counterfeit products⁸⁷⁶.

As Advocate General of the CJEU Póiaras Maduro has indicated in his opinion in *Google France* case, “the act of typing a keyword into an internet search engine has become part of our culture, its results immediately familiar. Even though the actual inner workings of how those results are provided are mostly unknown to the general public, it is simply assumed that if you ask, it shall be given to you”⁸⁷⁷. Notwithstanding, the use of trademarks as keywords in search engine constitutes one of the most alleged infringement claims before the courts.

The law/trademark law which will be applied in such situations were promulgated before the development of the internet, at least before that of the keyword advertising which has become an important and controversial subject in the EU and in the world. Therefore, the question is whether the existing traditional rules of trademark law are equally as valid in the internet context as they are in traditional trademark cases⁸⁷⁸. On this point, it can be said that, the traditional trademark principles have been adopted to the resolution of the disputes on the new developments in the field of Internet by the case-law. Especially the CJEU with *Google France* has shed light on the use of trademarks in the keyword advertisements for the national courts. For example, when French courts decisions are examined, it can be seen the different outcome of the decisions which are made before and after the *Google France* case of the CJEU. Similarly, before the case-law of the CJEU on the issue, in Germany, while some courts applied the “metatag” principles to “keyword/AdWords” cases, other courts adopted a more sophisticated approach as to whether the search results were recognizable as advertisements or not⁸⁷⁹. However, now, with the CJEU’s stipulated criteria for infringement by the use of the trademark as keyword, the assessment has been changed.

⁸⁷⁶ Cédric MANARA, p.113; Google Official Blog “Making our ads better for everyone”, 14.03.2012, available at <https://googleblog.blogspot.com/2012/03/making-our-ads-better-for-everyone.html> (last accessed on 19.12.2018)

⁸⁷⁷ Joined Cases C-236/08 to C-238/08, *Google France*, Opinion of AG Póiaras Maduro, 22.09.2009, par.1

⁸⁷⁸ Aleasha J. BOLING, “Confusion or Mere Diversion? *Rosetta Stone v. Google’s* Impact on Expanding Initial Interest Confusion to Trademark Use in Search Engine Sponsored Ads”, *Indiana Law Review*, Vol.47, Number 1, 2014, p.285

⁸⁷⁹ Philippe KUTSCHKE, “Bananabay” in *IP Case Law 2009, Selected decisions of the European Court of Justice, The European Patent Office, The German Federal Supreme Court, The German Federal Patent Court*, 2010, Bardehle Pagenberg, p.128

However, in Turkey, even though the use of the mark on the internet is specifically regulated in IPL, the courts decisions on trademark use in keyword advertising do not show any parallelism with the CJEU case-law. In the following sections, the EU member states' case-law and the corresponding Turkish courts decisions will be examined in the light of the CJEU rulings.

b. Google and Other Search Engines' Policies on the Use of Trademarks

It is worth mentioning the keyword advertising policies and changes made on it by internet search engines before entering into subject matter of whether the use of a trademark in keyword advertisement as a keyword constitutes an infringement. This is mainly worth to be known as Google has changed its policy on the use of trademarks in AdWords after the recent court decisions on this matter.

In the first place, it should be noted that Google's AdWords policies vary by region, by country. For instance, in the USA, prior to 2004, it was prohibited to use the trademarks as keywords unless the trademark proprietor requests it⁸⁸⁰. Therefore, it was only possible to use the trademarks in keywords for trademark proprietors⁸⁸¹. In 2004, Google started to allow third parties to select and use trademarks as keywords, except their use in the ad text. However, concerning the use in the ad text, in 2009, Google begun to allow the use of trademarks in the third parties' ad in four situations: "1/ the sponsor was a reseller of the genuine trade marketed product, 2/ the sponsor made or sold parts for the products, 3/ the sponsor offered goods compatible with the product, or 4/ the sponsor provided information about or reviewed the product"⁸⁸².

In the European Union, while prior to May 2008 it was not possible to use as a keyword the third party's trademark which was notified to Google as it is a registered trademark, as of 5 May 2008 for United Kingdom and Ireland, and as of 2009 and 2010 for the rest of the Europe, Google ceased to block keywords registered as trademarks, so

⁸⁸⁰ Aleasha J. BOLING, p.282

⁸⁸¹ Greg LASTAWKA, "Google's Law", Brooklyn L. Rev. Vol.73, Issue 4, 2007, p.1360

⁸⁸² Aleasha J. BOLING, p.282-283

that the use of third party's trademark as a keyword has become free throughout the Europe⁸⁸³.

Pursuant art. 6 of the the AdWords Terms and Conditions⁸⁸⁴, the advertiser is prohibited to infringe third parties' intellectual property rights. However, Google does not control whether the third party IP rights have been infringed or not, which is indeed impossible due to a large number of use of the advertisers. Moreover, Google has not such an obligation under the E-Commerce Directive as an Internet Service Provider (ISP)⁸⁸⁵.

Nevertheless, Google implemented a Trademark Complaint Procedure whereby a trademark proprietor submits to Google a complaint about the use of their trademark in AdWords. However, this procedure applies only trademarks used "in the text of the ad", and not in keywords. Therefore, Google investigates third party's alleged infringing use of trademark rights upon request of the trademark owner, and this only concerns the use of the mark in the "text of the ad", and not the use of the mark as keyword. However, for the EU and EFTA regions, Google, upon request of the trademark owner, still conducts a "limited investigation" in case where the trademark is used as keyword and also in the ad text in visible way to the internet users. In the event such use constitutes a confusion on the origin of the advertised goods or services, the trademark owner's complaint will succeed and Google will restrict such use⁸⁸⁶.

According to Google principles, the following example of advertisements targeting the EU and EFTA regions may use the trademark of another persons as a keyword as long as it does not create a confusion: *"Ads using a term descriptively or generically rather than in reference to the trademark. Ads for competing products or services. Ads for the sale of products or services, replacement parts, or compatible products or services corresponding to the trademark. Ads for sites that provide informative details about products or services corresponding to the trademark. For*

⁸⁸³ EWHC 1291 (ch), Interflora v. Marks and Spencer ("Interflora"), 21.05.2013, par.100-101; David J. FRANKLYN, David A. HYMAN, p. 494

⁸⁸⁴ which in force as the date of writing this thesis 10.06.2018

⁸⁸⁵ For liabilities of ISPs, see the Third Section "Liabilities"

⁸⁸⁶ https://support.google.com/adwordspolicy/answer/6118?hl=en&ref_topic=1626336 (last accessed 26.05.2018)

*certain ad extensions and formats only: Ads referring to the trademark to provide additional information about the advertised products or services*⁸⁸⁷.

On the other hand, another search engine operator Yahoo has also its own keyword advertising program which is called Gemini. According Yahoo policies, “*the advertiser is responsible for ensuring that use of keywords and ad content, including trademarks and logos, does not infringe or violate the intellectual property rights of others*”. In general, the use of trademarks “in the text of the ad” is subject to the investigation of infringement. However, for Brazil, France, Hong Kong, Indonesia, Ireland, Italy, Singapore, and United Kingdom, the investigation will also cover, beside the use in the ad text, the use as keywords as well. Moreover, for Yahoo, as is in Google AdWords system, some uses are considered as fair use of trademarks in ad text⁸⁸⁸.

As described above, at first, only the descriptive words could be selected and used as a keyword, while the search engines now allows the use of any desired word, including trademarks registered by others⁸⁸⁹. In Europe, Google changed its policy as per September 14, 2010, which is mostly due to the result of the *Google France* case of the CJEU, which will be examined in the following sections.

2. Infringement of Trademarks in Keyword Advertising

In order to determine an infringement of trademark rights, the first point which should be resolved is whether the use of a keyword which correspond to a trademark may, in itself, be considered as a use of that mark, subject to the authorization of its owner⁸⁹⁰.

In Turkey, the subsection (e) had been added to the second paragraph of art. 9 of the Decree-Law no.556 which is amended in 2009 by the Law no.5833. The said provision is still retained by the IPL in art.7/3-d. Accordingly, the use of trademark as a

⁸⁸⁷ Ibid.

⁸⁸⁸ for more information, see <https://adspecs.verizonmedia.com/pages/oathsupplypolicies/?rnd=1#Section5a> (last accessed 04.07.2019)

⁸⁸⁹ Savaş BOZBEL, “Adwords Reklamlar Karşılaştırmalı Reklam Teşkil Eder mi? Avrupa Adalet Divanının verdiği Kararlar Işığında bir Değerlendirme” (“Adwords Reklamlar”), İstanbul Ticaret Üniversitesi Sosyal Bilimler Dergisi, Year :9, No:18, 2010, p.107

⁸⁹⁰ Joined Cases C-236/08 to C-238/08, *Google France*, Opinion of AG Poiares Maduro, 22.09.2009, par.4

“keyword” has been included in the scope of “use” within the meaning of Trademark Law and is prohibited under certain conditions⁸⁹¹.

The European Trademark Law does not contain a provision concerning the use of a sign on the internet as we have in the IPL art.7/3-d. The use of a mark on the internet such as in keyword advertisements is considered within the ambit of the use in advertising pursuant to art.10/3 of the Trademark Directive. Moreover, as this list of art.10/3 lays down in a non-exhaustive way the types of use which the proprietor can prohibit⁸⁹², it is accepted that electronic commerce and advertising can, by the use of computer technologies, give rise to uses different from those listed in art.10/3 of the Trademark Directive⁸⁹³.

In early European Union Member States’ case-law, the use of trademarks in the AdWords has not been considered as use which may be prohibited under the trademark law⁸⁹⁴. However, with the recent development of the case-law, use of the mark as keyword is now considered as a use within the meaning of the trademark law. Even though keywords do not constitute signs in the classical sense of term as they are not placed on the goods, nor do companies carry out their activities under them, keywords which correspond to trademarks can also represent those marks⁸⁹⁵. In that regard, the defense according to which keywords do not constitute a sign representing trademarks, so that in consequence there is no use of the trademark involved, has not been accepted anymore⁸⁹⁶.

In the assessment of the infringing use of the trademark in keyword advertising, the matter is use in AdWords of *keywords* which correspond to trademarks. In other words, it is not a matter of use of the trademarks on the advertiser’s site or the products sold on those sites. Rather, it is the mere use of trademark as “keyword”. Moreover, whether the use of a trademark as a keyword constitutes an infringement, as it will be

⁸⁹¹ Savaş BOZBEL, Fikri Mülkiyet, p.470

⁸⁹² C-206/01, Arsenal, 12.11.2002, par. 38; C-48/05, Opel, 25.01.2007, par. 16; C-228/03, Gillette v. LA-Laboratories (“Gillette”),17.03.2005, par. 28

⁸⁹³ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.66

⁸⁹⁴ Tyson SMITH, p.239

⁸⁹⁵ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par.39-40

⁸⁹⁶ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010

explained in detail below, it should be taken into consideration the content of the relevant ad and not the mere use of the trademark as keyword.

When assessing the issue of keyword advertising, the CJEU broke the “use of trademark” issue into two parts. The one is whether it was used “in the course of trade”, the other one is whether that use was “in relation to goods or services” which are identical with or similar to those for which that trademark is registered⁸⁹⁷. Moreover, as this type of use occurs on the Internet, the issue of whether such use target the internet user where the trademark is protected should be determined. In this regard, it will be analyzed, in the first place, the conditions that should be satisfied in order that a trademark owner whose mark is used as keyword by third parties in AdWords can allege a trademark infringement, such as use in the course of trade” (i), use with commercial effect (ii) and use in relation to goods and services (iii). In case of fulfilling these conditions, whether a use of identical, similar and reputed marks as a keyword in AdWords leads to an infringing situations and what are the conditions for that is examined, especially under the light of the CJEU decisions (iv).

a. Use in the Course of Trade

In order to fall within the ambit of the Trademark law, the use of a sign must firstly be “in the course of trade”, which had been defined by the CJEU as “a use which takes place in the context of commercial activity with a view to economic advantage and not as a private matter”⁸⁹⁸. The same is valid for Turkish trademark law⁸⁹⁹.

In the beginning of the debate about keyword advertising cases, the main issues concerned the requirement of “use as a trademark”, also called the “trademark use requirement”. This is mainly due to the fact that keywords are not affixed to goods or companies do not conduct their activities under these keywords⁹⁰⁰. However, the CJEU, by adapting the list provided in article 10/3 of the Trademark Directive (IPL art.7/3) to the technological developments, held that the use of a sign as keyword for advertising purposes is “*use in the course of trade*” even though it differs from those listed in

⁸⁹⁷ Tyson SMITH, p.240

⁸⁹⁸ C-206/01, Arsenal, 12.11.2002, par.40

⁸⁹⁹ For detailed information, see “Use in the Course of Trade” at the subsection I/1-B under the First Section

⁹⁰⁰ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poirares Maduro, 22.09.2009, par. 39

art.10/3⁹⁰¹. In that regard, it is now accepted that a keyword is a means used by the advertiser “to trigger the display of his advertisement” and therefore constitutes use “in the course of trade” within the meaning of art. 10/2 of the Trademark Directive (IPL art.7/2)⁹⁰².

On this point, the “use in the course of trade” should be analyzed from two different points of view, such as referencing service provider such as Google on the one hand, and the advertiser on the other hand. This is especially important as while the use of the advertiser is considered as a use falling within the scope of “use in the course of trade”, on the other hand, the use of Google is not considered as such and its use and liability is examined from a different angle by the CJEU. In this regard, in parallel to the CJEU case-law, the use of the referencing service provider and of the advertiser will be analyzed separately below.

aa. Use of the Referencing Service Provider

Before the issue of whether the use of the referencing service provider constitutes use within the meaning of trademark law has reached the CJEU, the EU Member States courts had some diverging thoughts on the matters. For instance, in France, in the first case dealing with the keyword advertising before the French first instance court of Nanterre in 2003, the search engine operator Google is found liable for trademark infringement, which is upheld by the Appellate Court of Versailles in 2005⁹⁰³. In contrary, the French first instance court of Paris held in 2006⁹⁰⁴ that “Google ... cannot be blamed for acts of trademark infringement as the illegal acts arise only once the advertiser has chosen a third party sign as a keyword without having the authorization of the owner”⁹⁰⁵. However, this latter French first instance judgment is reversed by the Appellate Court of Paris which considered that Google has commit an infringement act by using the plaintiffs’ marks in AdWords program⁹⁰⁶. Again this appellate court decision

⁹⁰¹ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par. 65-66; A. RABAB, p. 105

⁹⁰² *Ibid.*, par.51-52

⁹⁰³ TGI Nanterre, *Viaticum Luteciel v. Google France*, 13.10.2003; CA Versailles, *Viaticum Luteciel v. Google France*, 10.03.2005; Nathalie DREYFUS, p. 289-290

⁹⁰⁴ TGI Paris, *GIFAM v. Google France*, 12.07.2006

⁹⁰⁵ Tobias BEDNARZ, “Keyword Advertising Before the French Supreme Court and Beyond – Calm at Least After Turbulent Times for Google and Its Advertising Clients?”, IIC 2011, p. 648

⁹⁰⁶ CA Paris, *GIFAM v. Google France*, No RG: 06/13884, 01.02.2008

is also reversed by the Supreme Appellate Court who followed the CJEU reasoning on the search engine operators' use of the mark⁹⁰⁷. This type of divergences had been also being apparent among German courts as well. For instance, while the court of Munich in 2003 considered that Google is not directly or indirectly responsible of the advertisers' use of keywords, Hamburg court in 2004 decided in a opposite way founding that Google had made use of the trademark in the sense of trademark law⁹⁰⁸.

Hence, the courts in different countries, and even in a given country had given different judgments on the search engine operator's use of the trademark in the keyword advertising program. For instance, in France, between 2003 and 2008, about 70 decisions were rendered, with very variable positions of the courts depending on the case⁹⁰⁹.

The CJEU's *Google France* case came to abolish all the doubts on whether a search engine operator such as Google is using or not the trademarks through its AdWords program⁹¹⁰. Indeed, it was held by the Court that “*an internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organizes the display of ads on the basis of that keyword does not use that sign*”, thus its activities did not fall under art. 10/2 of the Trademark Directive (IPL art.7/2)⁹¹¹.

As explained in previous sections, in order to characterize an infringement of trademark rights, several conditions must be met. One of these conditions is the use “in the course of trade”. This notion is defined by the CJEU as “a use which takes place in the context of commercial activity with a view to economic advantage and not as a private matter”⁹¹². According to this definition, the AdWords advertising system is well in the course of trade as far as the economic model of Google is based on it⁹¹³. Indeed, the

⁹⁰⁷ C Cass., Chambre Commerciale, 08-13944, 13.07.2010

⁹⁰⁸ Nemetschek AG v. Google, no.33 O 21461:03 (2003), Metaspinner Media GmbH v. Google Deutschland, no.312 O 324/04 (2004); Nathalie DREYFUS, p. 307-308

⁹⁰⁹ Nathalie DREYFUS, p. 290

⁹¹⁰ Even after the Google France case of the CJEU, the French Appellate Court of Paris found a search engine operator Tuto4pc.com liable for the sponsored ads displayed on its host page (CA Paris pole 5, chambre 2, 08.10.2011). Similarly, Google also has been found liable under unfair competition law on the ground that it contributed technically to the unfair competition of the advertiser (CA Paris, 4e chambre, Google France – Home Cine Solutions v. Cobrason). However, these judgments had been annulled by the Supreme Appellate Court which followed the Google France reasoning stating that the search engine operator is not “using” the trademarks (C. Cass, civile, Chambre commerciale, 20.01.2015, 11-28.567; C. Cass., civile, chambre commerciale, 29.01.2013, 11-21.011 11-24 713)

⁹¹¹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.99

⁹¹² C-206/01, Arsenal, 12.11.2002, par.40

⁹¹³ Nathalie DREYFUS, p. 294

CJEU, in the first place, accepted that the referencing service provider (Google) acts “in the course of trade” as it carries on a commercial activity and seeks an economic gain when it stores, on behalf of certain of its customers, signs identical with trademarks as keywords and organizes the display of ads on the basis of these keywords. However, it denied that that service provider “itself” uses those signs. According to the Court, “the use by a third party of a sign identical with or similar to the proprietor’s trademark ‘implies’, at the very last, that that third party uses the sign in its ‘own commercial communication’. A referencing service only allows its clients to use signs without itself using those signs”⁹¹⁴.

The fact that the service provider is remunerated for the use of those signs by its clients and that it provides the “technical conditions” necessary for the use of the sign had not been considered by the Court as “use” of the service provider for ‘itself’. The Court rather found it relevant to examine the role of the service provider from the angle of E-Commerce Directive⁹¹⁵.

So, even though a referencing service provider is acting “in the course of trade” when it stores keywords identical with trademarks and organizes the display of ads based on these keywords, it does not use the mark in the sense of trademark law. For that, the mark in question should be used in “its own commercial communication”. Regarding this “own commercial communication” criterion, this was not used in any of decisions on keywords rendered after the Google France case⁹¹⁶. The only decision where the “own commercial communication” test had been applied is the eBay case⁹¹⁷. However, the “own communication test” of Google France case had not been applied to the use of trademark in keyword advertisement (in AdWords), but to the use of trademark “in offers for sale displayed on the website of an operator of an online marketplace”. The Court while accepted those signs are used on that site, it did not accept that they are used by the online marketplace operator. So, after recalling the “own commercial communication”

⁹¹⁴ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 55-56

⁹¹⁵ Ibid., par. 57; see “Liability in Online Advertising” at the subsection III/2-B under the Third Section

⁹¹⁶ This had not been applied neither in cases concerning the offline environment. Rather, the criterion of “creating technical conditions necessary for the use of the sign” had been applied. For example regarding the use of a trade operator who executes a “technical part” of the production process, it was held that it does not use itself the sign as “it creates technical conditions necessary for the other person to use them”. C-119/10, Red Bull, 15.12.2011, par.30

⁹¹⁷ C-324/09, eBay, 12.07.2011

criteria of Google France case, it considered that “in so far as that third party (which is eBay in this case) provides a service consisting in enabling its customers to display on its website, in the course of their commercial activities such as their offers for sale, signs corresponding to trademarks, it does not itself use those sign within the meaning of the EU legislation”. According to the Court, it is rather the sellers who are customers of that marketplace used the signs in question and not that marketplace operator itself. Consequently, the Court reasoned, as it did in Google France case, that in so far as the online marketplace enables its customers to make this use, its role cannot be assessed under the EU Trademark Directive or Regulation, but from the perspective of other legal rules, such as those set out in the E-Commerce Directive⁹¹⁸.

The reasoning of the Court in Google France case has been criticized as the Court characterized Google’s role purely as a “passive one” and ignored its “keyword generator tool” in the infringement assessment. According to the critics, this keyword-generating tool, which is optimize the use of the AdWords service, must certainly go beyond the simple “creation of the technical conditions” that are “necessary” to allow advertisers to use keywords, constituting instead a “commercial communication” by Google promoting its own services⁹¹⁹.

For instance, in Google v. Louis Vuitton case before the French Courts, the Appellate Court considered that Google keyword generator tool has made use of the plaintiff’s marks (LV, Louis Vuitton) and Google’s role is not purely passive as when the letters “LV” is entered by the advertiser into the keyword generator tool, it appears the suggestions of “LV inspired handbags”, and when the terms “Vuitton” or “Louis Vuitton” are entered into the tool, it appears successively the suggestions of “fake Louis Vuitton handbags”, “replica Louis Vuitton handbags” and “Louis Vuitton replica bags”. Moreover, in the processes of ad creation by the potential advertiser, Google proposes use of the keyword generator tool to improve the redaction of the ad. In these circumstances, the French Appellate Court considered that the design and content of the keyword suggestion tool was a strong incentive for realization of infringing acts. On the

⁹¹⁸ Ibid., par.101- 104

⁹¹⁹ Jane CORNWELL, p.87 - 88

other side, Google defended itself by claiming that the keywords that it suggests through the keyword generator tool, by reproducing the three marks in question, would have a purely informative purpose and would be generated automatically on statistical criteria, that the use of the keyword generator tool is optional as it is not disputed that it is actually used by internet users, and that it cannot be asked to know a priori the sites for which it perform an advertising service and to carry out a prior check of the advertisements it publish. However, these allegations have not been accepted by the Court of Appeal which indicated that Google cannot hide behind the technology specific to the operation of its advertising services, and that it belonged to it to implement, as soon as its advertising service is put online, the appropriate technical means to prevent, when the search for a surfer relates to a registered trademark announcements of companies having no rights to the mark in question⁹²⁰.

Moreover, again before the CJEU ruling on this subject, French courts qualified Google's AdWords activity as a commercial activity of advertising, rather than a search engine's referencing service activity. For instance, in one the cases referred to the CJEU through the case C-238/08 (Eurochallenges), the French Appellate Court⁹²¹ considered that as Google offers advertisers a fee-based commercial advertising service that is separate from the search engine activity, its responsibility must therefore be sought as a provider of paid advertising and not as a mere technical intermediary, provider of accommodation or storage of information for making available to the public. However, with the Google France ruling, the French Supreme Appellate Courts reversed these above mentioned judgment by not characterizing the existence of the active role of Google and applied art. 14 of E-Commerce Directive to the provider of a referencing service on the Internet when the provider has not played "an active role" likely to entrust him with knowledge or control of stored data⁹²².

In a similar way, in the other case referred to the CJEU through the case C-236/08, namely the one which opposed Google against Louis Vuitton, before its decision had been reversed by the French Supreme Appellate Court following the CJEU ruling,

⁹²⁰ CA Paris, Google France – Google Inc. v. Louis Vuitton Malletier, 28.06.2006

⁹²¹ CA Versailles, Google France v. CNRRH SARL, CT0111, 23.03.2006

⁹²² C. Cass., civile, Chambre commerciale, 13.07.2010, 06-15.136

the Court of Appeal⁹²³ qualified Google's activity as an advertising agency activity as it does not just store advertising information that would be provided by advertisers but it organizes the drafting of ads, decides on their presentation and location, then provides advertisers with computer tools to modify the wording of these ads or the selection of keywords that will make these ads appear when querying the search engine and, finally encourages advertisers to increase the maximum cost-per-click advertising fee to improve the position of the ad. Consequently, according to the appellate court, the advertising activity thus deployed constitutes the bulk of the turnover that Google makes. However, the French Supreme Appellate Court found that the court of appeal deprived its decision of legal basis as the CJEU ruled the contrary on this matter⁹²⁴.

Moreover, question related to the Google "broad match" remains unanswered. With broad match, Google automatically runs ads on relevant variations of the selected keywords, even if they are not in the keyword lists. Furthermore, since Google's "keyword tool" suggests potential keywords to the advertiser, it is argued that Google's activities could be considered more than just "neutral" so that the "safe harbor" of the E-Commerce Directive cannot be applied⁹²⁵.

In my opinion, it may appear a contradictory situation to accept that Google does not "use" the trademark in question while it makes profit over the sale of these trademarks as keyword. In any case, Google makes a profit on someone else's trademark and it accounts for %90 of its earnings, whereas in return it makes no payment to the trademark owner. Therefore, it may be thought to be an unfair situation. However, with analogy to an offline situation, it is also possible to compare Google's ad service to the ad page or section of a magazine or newspaper as these magazines and newspapers also receive advertisement from different trademark owners and put these ads on the same or side page where the same type of trademarked products or services are reported as news. And for these services, they are paid some fees. Moreover, having in mind the technological nature of these type of uses, considering Google's use not from the angle of trademark

⁹²³ CA Paris, Google France – Google Inc. v. Louis Vuitton Malletier, CT0165, 28.06.2006

⁹²⁴ C. Cass., civile, Chambre commerciale, 06-20.230, 13.07.2010

⁹²⁵ Birgit CLARK, "ECJ decides in French Google Adword referrals: more seek than find", *Journal of Intellectual Property Law & Practice*, 2010, Vol. 5, No.7, p.480

law only but also from the regulations on the information technology would be more in accordance with current developments. As a matter of fact, for instance, millions of trademark infringing uses are made on platforms such as eBay or Amazon and these platforms generate revenue from the sale of products that constitute trademark violation. However, these platforms operators are not those making use of the marks in question, but solely those making technically available these venues. Therefore, they benefit from the “safe harbor” of hosting service providers. In this regard, considering Google’s referencing services as provider of a technical environment for unlawful acts is more appropriate in today’s internet technology.

Equally, Turkish courts, when confronted with trademark infringement claims against Google for its AdWords service, deny the cases as Google’s activities were covered by the provisions of the Law no.5651 and thus should benefit from the responsibility of hosting service operators⁹²⁶. Therefore, in Turkey, in line with the EU case-law, the uses made by search engine operator with regard to keyword advertising are not determined under the trademark law, but the Law numbered no.5651 on Regulation of Publications on the Internet and Combating Crimes Committed by Means of Such Publications (known as “Internet Law”)⁹²⁷.

bb. Use of the Advertiser

According to the CJEU’s case-law, “the selection of a keyword identical with or similar to a trademark has the object and effect of displaying an advertising link to the site on which the advertiser offers his goods or services for sale. Since the sign selected as a keyword is the means used to trigger that ad display, it is obvious that the advertiser indeed uses it in the context of commercial activity and not as a private matter”⁹²⁸. In that regard, the use of a trademark as a keyword by the advertiser is considered as using that sign “in the course of trade”.

Advocate General in its Opinion in Google France case, made a distinction between the “display of the ads” and “the selection of keywords”. According to him, “the

⁹²⁶ İstanbul 1. FSHHM 2010/140 E. 2013/49 K. 19.03.2013; Approval Yarg. 11. HD. 2013/11325 E. 2014/19 K. 06.01.2014 T. (www.kazanci.com)

⁹²⁷ For more information on Internet Service Providers and their liability, see the Third Section “Liabilities”

⁹²⁸ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 51 - 52

display is different from the selection of keywords, not only because it happens afterwards, but also because it alone is directed at a consumer audience, the internet users. There is no such audience when the advertisers select the keywords. Accordingly, the selection of the keywords is not a commercial activity, but a private use on their part". On the other hand, according to his opinion, "trademark proprietors can intervene whenever the effects are harmful, that is to say, when the ads are displayed to internet users"⁹²⁹.

However, why would an advertiser would select a keyword if it does not intend to display the ad triggered by it? Therefore, in my opinion, there is no need to make such a distinction. In any event, the Court in Google France case made it clear that the "selection" of a keyword has the object and effect of "displaying" an advertising link⁹³⁰. Therefore, the natural result of the selection is the display of the advertisement. Indeed, after selecting the keyword and paid the price, the ad starts to be displayed. However, the advertiser may stop the display of the ad triggered by the keyword selected for a while or definitively. However, in this situation, the selection will not have any effect since the ad is not displayed and thus the trademark owner would not be aware of the fact that its trademark had been selected as keyword by third parties and therefore will not engage in any legal proceeding.

What happen when the advertiser has not selected the trademark himself, but the advertisement was displayed due to AdWords "broad match" function? In other words, if the selected keyword is a generic term, but as it selected in "broad match" function it also covers a registered trademark to trigger the ad, does this use is a use liable to be prohibited by the proprietor of the mark? There is no answer given to this question by the CJEU. However, the German Federal Supreme Court ruled on this subject in two different cases in two different ways. In *PCB-POOL* case⁹³¹, the claimant's registered mark was "PCB-POOL" and the defendant selected the term "PCB" (which is a common abbreviation for 'printed circuit board') in the broad match option as a keyword. Therefore, even though the advertiser selected only a generic part of the plaintiff's mark which is "PCB", the

⁹²⁹ Ibid., Opinion of AG Poiares Maduro, 22.09.2009, par. 150, 153

⁹³⁰ Ibid., par.52

⁹³¹ BGH, PCB, I-ZR 139/07, 22.01.2009,

advertising of the defendant was also displayed in cases in which a user inserted the plaintiff's trademark "PCB-POOL" as a search term in Google. According to the Supreme Court, as the term selected, even in the broad match option, is descriptive, there is no use which can be prohibited by the proprietor of the mark, this use does not constitute a relevant use of a trademark⁹³². On the other hand, in *Most* case⁹³³, while the claimant's trademark was "Most" which is registered in class 30, including pralines and chocolates, the defendant selected the generic term "pralines", but it selected with the "broad match" option. The list of "broad match" keywords also included the term "most pralines". Therefore, according to the Supreme Court, the defendant did not only select the term "pralines" itself as a keyword, but by selecting the standard "broad match" option, it selected all keywords added to this option, including "most pralines". Consequently, when the term "most pralines" is searched on the search engine, the defendant advertisement appeared in the right-hand side next to the search results. In this regard, the Federal Supreme Court considered the defendant as selected the keyword "most pralines" for its own advertising purposes, thus used it in the course of trade⁹³⁴.

Similar to the above mentioned German PCB-POOL case, in a case before the Turkish Supreme Court⁹³⁵, the claimant, the owner of the "Bursa Kartuş" trademark, brought infringement proceeding against the defendant who selected the word "kartuş" in Google AdWords. However, the court denied the case on the ground that the mere use of the word "kartuş" as a keyword is not sufficient to find a trademark use. In fact, the distinctiveness of the claimant mark was low and therefore this trademark would not provide its owner a wide protection to prohibit such use.

In my opinion, the Turkish Supreme Court's "Bursa Kartuş" and the German "PCB-POOL" decisions are more appropriate rulings compared to the German "Most" case as this latter case results in granting extensive rights to the trademark owner even the selected keyword is a descriptive word. However, it is worth pointing out a point:

⁹³² Stephan OTT, Maximilian SCHUBERT, "'It's the Ad text, stupid': cryptic answers won't establish legal certainty for online advertisers", *Journal of Intellectual Property Law&Practice*, 2010, p.26, footnote.8

⁹³³ BGH, MOST, I ZR 217/10, 13.12.2012

⁹³⁴ However, despite this finding, the German Federal Court of Justice (BGH) found no infringement. German Federal Court of Justice, "Requirements governing lawful keyword advertising – MOST Pralines (Most-Pralinen)", *Journal of Intellectual Law&Practices*, Vol.8, No.9, p.729-734

⁹³⁵ Yarg. 11. HD. 2015/8530 E. 2016/3550 K. 04.04.2016 T. (www.kazanci.com)

while it may be admitted that the defendant used the complainant mark, if the defendant ad is displayed when the claimant mark “most praline” is searched in the search box within “ “, the situation will be different in the case where the searched term is written without the quotation and searched as such as the search engine displays the relevant results in terms of each words. In other words, if someone search most praline (without quotation), it is normal that ads belonging to an advertiser who selected the word “praline” which is a kind of chocolate, is displayed as the search engine displays the results which correspond to the “praline” words and not “most” which is a part of the claimant trademark. Therefore, in such case, the advertiser should not be considered to be used the claimant mark as a keyword in the AdWords.

Moreover, the question of whether the non-use of “negative match” in broad match option would affect the conclusion reached comes to mind as well. For instance, in *Interflora* case which was referred to the CJEU, the plaintiff Interflora complained not just about the use by the defendant M&S of the term "interflora" and its variants, but also complained that it has selected as keywords other generic terms in relation to flowers without negatively matching the term "interflora", so that when an internet user had searched for “interflora”, the defendant advertisements were displayed anyway. In such a situation, the judge considered that the defendant M&S by not negatively matching the term “Interflora”, had still used, albeit less directly, the plaintiff mark, since the object and effect of such conduct was the display of the advertisement as a result of the search made by the internet user for “Interflora”.

In the same line, the Appellate Court⁹³⁶ followed this reasoning and said that *“the choice and selection by a trader of a generic term as a keyword cannot be considered in isolation and as an activity separate and distinct from the Google algorithms and match types used in relation to them. Further, account must also be taken of the opportunity available to the trader to negatively match”*. Accordingly, the Appeal Court held that selecting generic terms in relation to flowers without negatively matching the term “Interflora” would amount to the use of the defendant M&S of the plaintiff’s mark “Interflora” within the meaning of trademark law if the object and effect of the

⁹³⁶ EWCA Civ 1403, *Interflora*, 05.11.2014, par. 191-192

defendant's conduct is to make appear its advertisements when the plaintiff's trademark "Interflora" had been searched for by the internet users. However, it is worth pointing out that in this case, the defendant M&S has already selected the plaintiff's "Interflora" trademark. Therefore, the plaintiff's aim was already to be displayed when the plaintiff's mark is searched for. In this respect, all circumstances of the case are evaluated in this case and a conclusion was reached accordingly. On this point, it should be noted that even though this type of use falls within the ambit of trademark use, that this fact alone is not sufficient to establish that the defendant infringed the plaintiff's trademark rights, since it is yet necessary to establish that such use created a confusion in the mind of the consumers, which will be explained below.

What happen if the use of the mark by the advertiser continues despite the notification is made by the advertiser to the advertising agents to stop it? Does this continued use amount the use of the advertiser? For instance, in *Daimler* case before the CJEU, the defendant Együd Garage which is specialized in the sale of plaintiff's goods and in the provision of related services, concluded with Mercedes Benz an after-sales services contract and thereby was authorized to use the trademarks of Mercedes Benz in its own advertisements. During the contract, it published an advertisement which named it as an "authorized Mercedes Benz dealer". However, after the termination of that contract, even though the defendant asked to its online advertising service provider to end all these advertisements, this did not happen. So, when "együd" and "garage" words are searched on Google, the first result was the defendant ad appearing under the heading "authorized Mercedes-Benz dealer". In these circumstances, the trademark owner Mercedes-Benz brought a trademark infringement action against Együd Garage which, in turn, defended itself by claiming that the advertisements at issue appears on search results contrary to its intention and despite its removal order to its online advertising agencies. Against these allegations, the CJEU held that, while ordering such advertisement by the advertiser amounts to the "use in the course of trade" and "in relation to goods or services", the display of such advertisement cannot be attributable to that advertiser when a third party service provider does not comply with the advertiser's order to remove the ads in question. Therefore, such use cannot be considered as a use of the advertiser. Indeed, the "use" within the meaning of trademark law implies an active

behavior of the person using the sign in question and only that person who has direct or indirect control of the act constituting the use can stop such use and thereby can be prevented by the trademark owner. However, it is always possible for the trademark owner to claim from the advertiser, where appropriate, reimbursement of any financial advantage on the basis of national law⁹³⁷.

Moreover, online market place operators such as eBay and Amazon may also be an advertiser of AdWords⁹³⁸. However, in these situations, the online market place is not offering itself the goods for sale by this ads, rather, it gives advertisement on search engines ad programs for the goods offered for sale on its marketplace by third parties. For instance, in a case where the plaintiff L'Oréal brought an action against the online market place operator eBay, the advertisement triggered by the keywords identical with or similar with the plaintiff's mark was "*Shu Uemura Great deals on Shu uemura Shop on eBay and Save! www.ebay.co.uk*" and "*Matrix hair Fantastic low prices here. Feed your passion on eBay.co.uk! www.ebay.co.uk*". So, eBay, through this keyword use caused to appear a link to its website whereby the goods bearing the trademark searched for by the internet user can be bought. In these circumstances, the CJEU considered the online market place operator, namely eBay, as an advertiser as it does not promote, through the sponsored link, not only the third party seller's goods offered for sale on the marketplace, but also its marketplace as well⁹³⁹. However, as it will be examined below, even eBay is considered as an advertiser in such a situation, the fact that eBay promoted its online marketplace had precluded to find a similarity between goods and services for which the trademark in question is registered and the online market place services. On the other hand, in so far as eBay's keyword use was also related to the goods of third party's sellers, such use was for goods or services identical with those for which the plaintiff's trademarks were registered⁹⁴⁰.

⁹³⁷ C-179/15, Daimler, 03.03.2016, par.30-44

⁹³⁸ For detailed information, see "Use of Trademarks in Online Market Places" at the subsection II/3 under the Second Section

⁹³⁹ C-324/09, eBay, 12.07.2011, par. 84-85

⁹⁴⁰ Ibid., par. 89-91; for detailed information on use "in relation to goods or services" which do not relate to the goods or services of a third party who is using the sign, but do relates to the goods or services of other persons, see "Use in Relation to Goods and Services" at the subsection I/1-C under the First Section

Concerning Turkish court decisions on the keyword use, there is a general tendency to consider automatically such use as a use in the course of trade and the likelihood of confusion assessment is made directly. The reason for such an evaluation is that the use of a trademark as a keyword is counted among the uses that can be prevented by the trademark holder in art.7/3-d of the IPL. In other words, the use of a trademark as keyword is accepted as “use” within the meaning of Turkish trademark law by Law. However, in order to constitute a trademark infringement, conditions other than “use in the course of trade” must be satisfied as well and each situation should be analyzed on its merits.

b. Use with Commercial Effect

In the Turkish Trademark Law, unlike the EU, an additional requirement has been expressly stated for the uses on the Internet to constitute trademark infringement, which is such use should create a commercial effect. As explained in the previous section, the aforementioned requirement is rather important in determining whether a protected right in a country has been violated within the sovereignty of this country, thus whether it is possible to allege trademark infringement claims before these courts. For instance, in France, as long as the facts or acts complained of have a technical support of Internet, for a territorial jurisdiction of the French courts, it is necessary to seek and characterize, in each particular case, a significant link between the facts and the alleged damage likely to *have an economic impact* on the French public⁹⁴¹. Similarly, in a case where L’Oréal brought an action against eBay for, inter alia, its use of the L’Oréal’s mark in sponsored links, the Judge considered the plaintiff’s claims on this subject matter under five headings. While the first three of them were related to the « use » within the meaning of the trademark law (such as use in relation to allegedly infringing goods and use in the course of trade), the fourth one was whether such use was in the United Kingdom. For this latter purpose, he considered that “such an advertisement or offer for sale only constitutes use in the United Kingdom if it is aimed or targeted at consumers in the United Kingdom”⁹⁴². The question of whether there has been use on the Internet of the sign

⁹⁴¹ CA Paris, 4eme ch, sect.B, eBay Inc. et eBay International AG v. Louis Vuitton Malletier, 22.05.2009 (www.legalis.net)

⁹⁴² EWHC 1094 (ch), L’Oréal v. eBay (“eBay”), 22.05.2009, par.287-402

within the European Union was considered by the CJEU in the context of offers for sale on an online market place in *L'Oréal v. eBay* case⁹⁴³. However, as the AdWords are the means on the Internet to promote the sale of goods or services, the same rules can be applied to AdWords. In this regard, according to the CJEU, the proprietor of a trademark can prevent an alleged infringing use in cases when “the offer for sale of trademarked products located in a third state is *targeted* at customers in the territory covered by that trademark”⁹⁴⁴. The mere fact that the website displaying these products is accessible from the territory where the alleged infringed trademark is registered is not sufficient for a finding that that offer for sale targets at customers in that territory⁹⁴⁵.

Therefore, in the case of publishing an AdWords by selecting a trademark as keyword, in order to constitute an infringement under the Trademark Directive and the IPL, it should create a commercial effect within Europe and Turkey, which is determined in accordance with certain criteria. According to the European case-law, circumstances which should be considered include “the nature of the goods or services, the appearance of the website, whether it is possible to buy goods or services from the website, whether or not the advertiser has in fact sold goods of services in a given territory through the website or otherwise, and any other evidence of the advertiser’s intention”⁹⁴⁶.

For instance, in a case concerning a use of another’s trademark as keyword in AdWords, a query on Google and Yahoo with keywords identical to or similar with the trademark “Louis Vuitton” generated “commercial links” to the eBay online market place with advertisements such as “Vuitton: eBay thousands of bags in auction, free and necessary inscription fr.eBay.com”. The facts that the products are offered for sale in French, in € or in a conversion of the price in € and that the delivery can be made to France led the French courts to retain the territorial jurisdiction of the French courts as long as the acts in question are likely to have an economic impact on the French public and thus to cause damage to the French claimant company. The defendant company’s defenses that the websites with “.com” are not intended for the French audience is not

⁹⁴³ C-324/09, *eBay*, 12.07.2011, par.61-65

⁹⁴⁴ *Ibid.*, par.61, 67

⁹⁴⁵ *Ibid.*, par.64; Joined Cases C-585/08 and C-144/09, *Pammer*, 07.12.2010, par.74-75

⁹⁴⁶ EWHC 375 (ch), *Richard Dearlove v. Sean Combs*, 28.02.2007, par.25

retained by the Court as generic TLD “.com” is not reserved for a specific territory, but designates in particular commercial entities for all public⁹⁴⁷. On the other hand, in another decision, the Paris Court of Appeal declared the first instance court of Paris incompetent to rule on the litigation submitted to it because the contentious commercial links appeared on the sites “Google.de”, “Google.uk”, and “Google.ca” for German, British and Canadian audiences. The Appeal judges considered that on the basis of the universality of the Internet, to apply the criterion of simple accessibility could have the consequence of institutionalizing the practice of the forum shopping and therefore it is necessary to look rather in each particular case a sufficient link between the acts complained of and the alleged damage⁹⁴⁸.

c. Use in Relation to Goods and Services

Next point to determine is whether the use of a trademark as a keyword constitutes a use “in relation to goods or services”. This kind of use requires that use should be in a manner that distinguishes the goods or services of the person who uses the sign from those of other companies. For this, the mark does not need to be placed on the goods or services, it is sufficient that a sign corresponding to a trademark is used in such a way as to establish “*a link*” between the sign at issue and the products marketed or the services provided by the third party⁹⁴⁹.

As explained in the previous section, the European case-law does not consider the internet referencing service provider’s use falling within the ambit of trademark law. Therefore, there is no need to discuss whether the internet referencing service provider had used the keywords in relation to goods or services.

Regarding the use of the advertiser, according to the Court of Justice, “having chosen as a keyword a sign identical with another person’s trademark, he intends that internet users who enter that word as a search term should click not only on the links displayed which come from the proprietor of the trademark, but also on the advertising link of that advertiser. In most cases, an internet user entering the name of a trademark as

⁹⁴⁷ CA, 4eme ch, sect.B, eBay Inc. et eBay International AG v. Louis Vuitton Malletier, 22.05.2009 (www.legalis.net)

⁹⁴⁸ CA Paris, 4e ch, Google v. AXA, 06.06.2007; Christiane FERAL-SCHUHL, p.1398

⁹⁴⁹ C-17/06, Céline, 11.09.2007, par.23. See “Use in Relation to Goods and Services” at the subsection I/1-C under the First Section

a search term is looking for information or offers on the goods or services covered by that trademark. Accordingly, when advertising link to sites offering goods or services of competitors of the proprietor of that mark are displayed beside or above the natural results of the search, the internet user may perceive those advertising links as offering an alternative to the goods or services of the trademark proprietor. In that situation, characterized by the fact that a sign identical with a trademark is selected as a keyword by a competitor of the proprietor of the mark with the aim of offering internet users *an alternative* to the goods or services of that proprietor, there is use of that sign in relation to the goods or services of that competitor”⁹⁵⁰.

Therefore, as the use by an advertiser of a sign identical with a trademark to propose to internet users “an alternative” to the offer from the proprietor of the trademark is use “in relation to goods and services”, this use does not need to be only in relation to the goods manufactured by the trademark proprietor. It may also be in relation for goods from other manufacturers. For instance, in a case where the defendant used the plaintiff’s mark as keyword for an advertisement leading to its website where it was selling not only the plaintiff’s second hand goods but also goods from other manufacturers, it had been found that there is “use in relation to goods and services” as it was suggested to internet users “an alternative” to the offer from the trademark proprietor⁹⁵¹.

On the other hand, even in cases in which the advertiser does not intend to offer an alternative but aims to “*mislead*” internet users as to the origin of its goods or services, there is also “use in relation to goods or services”. This is because of the fact that such use exists in any event where the third party used the sign in a such way that a link is established between that sign and the goods marketed or services provided by the third party⁹⁵².

Therefore, use of the mark to present its goods or services as an alternative or to mislead the internet users as to the origin does not matter. Both case constitutes ‘use in relation to goods or services’.

⁹⁵⁰ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 67-69

⁹⁵¹ C-558/08, Portakabin, 08.06.2010, par. 28

⁹⁵² Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 72

With regard to keyword advertising, the sign used for advertising purposes *may or may not appear in the ad itself*. For instance, in Google France case before the CJEU, while in the Case C-236-08 (Google v. Louis Vuitton), signs identical to “Vuitton” trademarks have appeared in the advertisement displayed under the “sponsored links”, on the other hand, in the Cases C-237-08 (Google v. Viaticum Luteciel) and C-238-08 (Google v. CNRRH), the sign used as a keyword did not appear in the third party’s ad. Equally, in Interflora case⁹⁵³, the alleged infringer M&S’s use was the following: “*M&S Flowers Online www.marksandspencer.com/flowers Gorgeous fresh flowers & plants Order by 5 pm for next day delivery*”. So, the alleged infringing ad did not refer to nor contain the plaintiff’s “Interflora” trademark which is used as the keyword for this ad. Therefore, it may be the cases where sign appearing on the ad or sign not appearing on the ad. However, even in cases where the sign used as keyword does not appear in the advertisement itself, this situation is accepted as falling within the concept of “use in relation to goods or services”⁹⁵⁴. As a matter of fact, it cannot be assumed that only the uses specified in art 10/3 of the Trademark Directive and art.7/3 of the IPL art.7/3 constitute “use” in the meaning of trademark law, since this is a list enacted before the e-commerce and the Internet become so widespread. Moreover, from the “use” examples given in art.10/3 of the Trademark Directive and art.7/3 of the IPL, it can be seen that the use of the sign does not need to be visible to the public. For instance, even though the exported goods which bears the mark are not seen by the public in the country of export, it is considered as a use of the trademark which can be prevented by the trademark proprietor. In that regard, using another person’s trademark in an invisible way to the public falls within the definition of “use”⁹⁵⁵.

To sum up, in order to be considered as “use” within the meaning of trademark law in a trademark infringement proceeding, a sign, used as keyword in online advertisements, identical with or similar to that mark must be used “in the course of trade” and “in relation to goods or services”. Moreover, such use should also constitute a use

⁹⁵³ C-323/09, Interflora, 22.09.2011

⁹⁵⁴ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010., par. 65; C-278/08, BergSpechte, 25.03.2010, par. 19; C-91/09, Eis.de GmbH v. BBY Vertriebsgesellschaft mbH (“Bananabay”), 26.03.2010, par. 18

⁹⁵⁵ Charles GIELEN, “Keyword Advertising and European Trademark Law”, Nov. 2010, p.2 (available at <http://www.charlesgielen.com/2.html> on 14.06.2018)

“with commercial effect” within the jurisdiction where the protection is sought. These conditions are intended for the advertiser who uses a registered trademark of another person as keyword in AdWords. On the other hand, an online referencing service provider such as Google is considered as not being used the mark at issue in the meaning of trademark law. Moreover, even if the advertiser’s use is accepted as “use” falling within the ambit of the trademark mark law, such use does not, in itself, constitute a trademark infringement⁹⁵⁶. The proprietor of a trademark can only prevent the use of its trademark as long as all the conditions set forth by art.10 of the Trademark Directive (and art.7 of the IPL) and by the case-law are fulfilled⁹⁵⁷. In that regard, it will be examined in the following section the conditions of the infringing uses of identical, similar and well-known marks in keyword advertisings.

d. Infringing Types of Uses

Once having established that the advertiser by choosing a registered trademark of a third party as a keyword is using that mark “in the course of trade”, “in relation to goods and services” and “with commercial effect” within the relevant jurisdiction, the remaining question is whether such use constitutes an infringement of the trademark owner’s rights. In this regard, it will be analyzed below the infringement situations of keywords advertising with regard to identical (aa), similar (bb) and reputed mark uses (cc).

aa. IDENTICAL Use

Keyword cases before the CJEU concern mostly the identical use of trademarks. For this type of use, there should be a use of a sign identical to the trademark in goods or services identical to those for which the trademark is registered. In principle, in order to establish the infringement, there is no need to show the confusion about trade origin as it is presumed. However, according to the case law of the CJEU, the exclusive rights under art.10/2-a of the Trademark Directive (art.7/2-a of the IPL) was conferred “*in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions. The exercise of that right must therefore*

⁹⁵⁶ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par.50

⁹⁵⁷ C-278/08, BergSpechte, 25.03.2010, par.20

be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods". In this regard, the CJEU has introduced an additional, unwritten requirement under this provision, which is "adverse effect" on the functions of the alleged infringed trademark, which includes the assessment of the use with regard to the origin function as well⁹⁵⁸.

In this section, it will be analyzed the criteria which must be fulfilled in order to find a trademark infringement caused by the use as a keyword of identical trademark in identical goods or services for which the trademark is registered. The first of these conditions is the identity between the trademark and the keyword used (i); the second one is the identity between the goods and services for which the trademark is registered and those offered by the advertisement for which the keyword is used (ii); and lastly the third condition, which derived from the CJEU's case-law is whether there is a use liable to affect the functions of the trademark (iii). This last condition is of a particular importance for the uses in keywords on the Internet as a number of criteria on this matter have been laid down by the CJEU.

i. Identity between the Trademark and the Sign Used as Keyword

In the physical environment, the consumer is physically confronted with the same or similar marked goods or services. In the internet environment, if the trademark is used as a keyword, the advertiser's ad appears on the screen (in the search results) with the possibility that the trademark does not appear in the wording of the ad, thus not seen by the internet user. Therefore, while the consumer is faced with the same or similar signs in the physical environment, there are no identical or similar sign that the consumer faces on the keyword advertising. In such a case, the question may be whether this situation may affect the determination of identity between the trademark and the sign used as keyword. However, here, it is not important what the internet users see, but what the alleged infringing party uses. Therefore, although the internet users do not face identical

⁹⁵⁸ C-206/01, Arsenal, 12.11.2002, par.51; C-245/02, Anheuser-Busch, 16.11.2004, par.59; C-48/05, Opel, 25.01.2007, par.21. For detailed information, see "Adverse Effect on the Functions of Trademark" at the subsection 1/2-A-3 under the First Section

or similar marks as in normal physical conditions, it will be taken into consideration whether the advertiser used an identical keyword with the trademark.

According to the case-law, “*a sign is identical with the trademark only where it reproduces, without any modification or addition, all the elements constituting the trademark or where, viewed as a whole, it contains differences which are so insignificant that they may go unnoticed by an average consumer*”⁹⁵⁹.

For instance, in *Bananabay* case before the CJEU, the advertiser used a sign identical to the trademark “Bananabay” as keyword⁹⁶⁰. Equally, in *Google France* case, all the advertisers against whom the infringement action was brought had used identical signs with the trademarks in question⁹⁶¹. Moreover, in the French *Auto IES* case, while the plaintiff was the proprietor of the word mark “AutoIES” and semi figurative mark “IES”, the defendants used the signs “AutoIES”, “Auto-IES”, “Auto IES” and “IES” as keywords. The Court considered the mark and the signs used as identical. According to the Court, the first sign used as keyword is the total reproduction of the mark Auto IES; the second and the third one differ from the mark only by the presence of a hyphen for one and a white space for the other between Auto and IES; and the last sign used differed only by the absence of the rectangular frame. In consequence, these differences are found to be so insignificant that they may not be noticed in the eyes of a consumer of average attention⁹⁶².

ii. Identity between the Goods and Services

In order to apply the double identity provisions, in addition to the identity between the signs, there should be also an identity between the goods and services for which the trademark is registered and those for which the sign is used by the alleged infringer.

In principle, the use in relation to goods or service identical with those for which the trademark is registered relates to goods or services of the third party who uses a sign

⁹⁵⁹ C-291/00, LTJ, par.54; C-278/08, BergSpechte, par.25

⁹⁶⁰ C-91/09, Bananabay, 26.03.2010;

⁹⁶¹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010

⁹⁶² CA Paris, 1er ch., Google France v. Auto IES et autres, 02.02.2011

identical with the mark. However, it can also cover the goods or services of another person on whose behalf the alleged infringing party is acting⁹⁶³. For instance, online market place operators such as eBay can make an AdWords for both its own online market place and the goods sold by third parties on its platform. In *eBay* case before the CJEU, online market place operator eBay used L'Oréal's marks in Google AdWords to promote both its online platform and the goods sold on its platform by third parties. On this point, a distinction is made by the CJEU. Accordingly, regarding eBay's use of keywords identical to the plaintiff's trademark "*to promote its own service of making an online marketplace*", such use was not being found as in relation to either goods or services identical with or similar to those for which the plaintiff's trademark is registered. The Court considered that that situation should be resolved under art.10/2-c of the Trademark Directive (art.7/2-c of the IPL) which regulates the use of reputed marks, inter alia, for different goods or services than those for which the marks are registered⁹⁶⁴. On the other hand, regarding eBay's use of keywords identical to the plaintiff's trademarks "*to promote its customer-sellers' offers for sale of goods bearing those marks*", that use is considered as related to goods or services identical with those for which the plaintiff's trademarks are registered⁹⁶⁵. Therefore, the identity is found by comparing the goods for which the alleged infringed trademark is registered with the goods sold by third parties on the online market place and not with defendant eBay's online market place services.

iii. Adverse Effect on the Functions of the Trademark

When an identical sign is used for identical goods or services, infringement is automatically accepted under the Turkish Trademark Law. On the other hand, even though art. 10/2-a of the Trademark Directive (art.7/2-a of the IPL) confers "absolute" trademark protection in cases of double identity, the CJEU has introduced an additional, unwritten requirement under this provision, which is "adverse effect" on one of the functions of the mark⁹⁶⁶.

⁹⁶³ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par. 60; C-48/05, *Opel*, 25.01.2007, par. 28-29. See "Identity between the Goods and Services" at the subsection I/2-A-2 under the First Section

⁹⁶⁴ C-324/09, *eBay*, 12.07.2011, par.89-90

⁹⁶⁵ *Ibid.*, par.91

⁹⁶⁶ See "Adverse Effect on the Functions of Trademark" at the subsection I/2-A-3 under the First Section

In its first case-law related to the use of the trademark as keyword by third parties, namely *Google France* case, the CJEU, even though it recalled the case law according to which not only the origin indicating function, but also the other functions of the trademark should be considered in the assessment of adverse effect, it however considered that the relevant functions to be examined are solely the origin and advertising functions. While the reason why it did not consider other functions is not clear, the investment function had been taken into consideration by the Court in later cases, such as in *Interflora* case. Below will be examined the trademark functions which were taken by the CJEU into account when determining the adverse effect in case of trademark uses as keyword. As there is no such a requirement neither under the Turkish Trademark Law nor case-law, no reference could be made to the situation in Turkey.

a. *Adverse Effect on the Origin Function*

The essential function of a trademark is “*to guarantee the identity of the origin of the marked goods or service to consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or service from others which have another origin*”⁹⁶⁷. In the era of electronic commerce, this essential function consists, in particular, according to the CJEU, “*in enabling internet users browsing the ads displayed in response to a search relating to a specific trademark to distinguish the goods or services of the proprietor of that mark from those which have a different origin*”.

At this point, it should be pointed out that, while the internet user may be confused when confronted with an advertisement following his search on the search engine, this possibility and the mere use of another person’s trademark as a keyword in order to make appear an advertisement do not amount automatically to a trademark infringement. As indicated by the Advocate General in *Google France* case, “*such a risk cannot be presumed; it must be positively established*”⁹⁶⁸.

The criteria of whether the use of an identical sign with a trademark as keyword constitutes a use liable to affect the origin function of the trademark, thus whether such use constitutes a trademark infringement is set forth by the CJEU. Accordingly, in order

⁹⁶⁷ C-39/97, Canon, 29.09.1998, par.28; C-120/04, Medion, 06.10.2005, par.23

⁹⁶⁸ Joined Cases C-236/08 to C-238/08, *Google France*, Opinion of AG Poiares Maduro, 22.09.2009, par.85

for there being a trademark infringement, the advertisement in question should not enable or should enable only with difficulty an average internet user to ascertain the origin of the goods or services referred to by the ad, so that whether they originate from the trademark proprietor or a third party economically linked to that trademark proprietor or from a third party unrelated to that proprietor⁹⁶⁹.

Therefore, there would be an adverse effect on the function of origin if a third party's ad "*suggest that there is an economic link between that third party and the proprietor of that trade mark*". Moreover, even if the ad does not suggest the existence of a link, but is "*vague to such an extent on the origin of the goods or services at issue that normally informed and reasonably attentive internet users are unable to determine, on the basis of the advertising link and the commercial message attached thereto, whether the advertiser is a third party vis-à-vis the proprietor of the trademark, or on the contrary, economically linked to that proprietor*", this situation means that the origin function of the mark is adversely affected⁹⁷⁰. However, on this point it should be noted that, as indicated by the CJEU, the fact that some internet users may have difficulty to understand that the advertiser's goods or services are not related to the trademark proprietor is not sufficient for a finding of an adverse effect on the origin function of the trademark⁹⁷¹.

The criterion that the ad must not be 'vague' may be regarded as the acknowledgement of protection against so-called "*initial interest confusion*" or "*pre-sale confusion*", which refers to the situation where consumer is confused "at an initial stage" but not anymore "at the point-of-sale". This applies to keyword advertising if a consumer is confused by the ad, click on the link, and then finds out by viewing the advertiser's web site that there is no economic connection with the trademark owner. The consumer may then either click back to the search site or having become interested, decide to stay in the advertiser's site and possible even purchase the advertiser's product. It seems that the CJEU prohibits keyword use in this situation. However, it does not in general ban the use of trademarks as keywords by third parties provided that the advertisement clearly reveals the identity of the advertiser. Therefore, the mere diversion of potential purchasers

⁹⁶⁹ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.99

⁹⁷⁰ Ibid., par. 89-90

⁹⁷¹ C-323/09, Interflora, 22.09.2011, par. 50

of the trade marketed product to the advertiser's website is not prohibited⁹⁷². On this point, it should be noted that the application of this initial interest confusion theory in keyword advertisement in Interflora UK case (after the CJEU ruling) by J. Arnold had been found by the Appellate Court found as unnecessary and potentially misleading at least so far as it applies to the keyword advertising. This is mainly due to the fact that the CJEU has already clearly set out the criteria of infringement in keyword advertising⁹⁷³.

Regarding the determination of whether the use of a trademark as keyword has an adverse effect on the origin function, the Advocate General Maduro indicated that *“internet users will only make an assessment as to the origin of the goods or services advertised on the basis of the content of the ad and by visiting the advertised sites. No assessment will be based solely on the fact that the ads are displayed in response to keywords corresponding to trademarks”*⁹⁷⁴. Therefore, according to the Advocate General, the mere use of a trademark as a keyword does not amount automatically to an infringement and it is rather necessary to evaluate the elements of the ad and the website directed by the ad to find such an infringement.

On the other hand, while the Court is also of the opinion that the mere use of the trademark as a keyword does not amount to a trademark infringement, it did not agree fully with this opinion of the Advocate General and emphasized on the presentation of the advertisement itself, being the relevant criterion in the assessment of the adverse effect on the origin function. Accordingly, whether the function of indicating origin is adversely affected *“depends in particular on the manner in which that ad is presented”*⁹⁷⁵.

The whole package of the ad (heading, commercial message, URL link etc.) should be in such a way that average internet user could understand whether there is or not an economic relation between the advertiser and the trademark proprietor. Therefore,

⁹⁷² Nichole Van Der LAAN, p.18; For detailed information, see Initial Interest and Post-Sale Confusion” at the subsection I/2-B-4 under the First Section

⁹⁷³ EWCA Civ 1403, Interflora, 05.10.2014, par.155-158

⁹⁷⁴ C-236/08 – C-238/08, Google France, Opinion of AG Poirares Maduro, 22.09.2009, par. 91

⁹⁷⁵ C-236/08 – C-238/08, Google France, 23.03.2010, par.83

in the case where the internet user may think incorrectly that the goods advertised originate from the trademark proprietor, the infringement should be found⁹⁷⁶.

On this point, it should be noted that from the case-law of these member states, it can be seen that the case-law has been changed since the CJEU ruling on the matter. For instance, when the French Courts' decisions are examined, while previously it was accepted that the mere use of the trademarks as keyword constituted an infringement, after the CJEU ruling on keywords, it can be seen that the courts does not find automatically an infringement and reach a finding by considering each of the facts of the case at hand. For instance, in Auto IES decision, the French first instance tribunal in 2006⁹⁷⁷ considered that the use of the registered trademark by third parties as keyword in Google AdWords constituted a trademark infringement. However, this decision had been appealed and the Appeal Court of Paris⁹⁷⁸ applied the CJEU criteria by examining the advertisement and its content in detail and reached a decision of non-infringement⁹⁷⁹. In this case, the plaintiff Auto IES, trading company in the automotive sector, was the proprietor of "Autoies" and semi figurative "IES" marks. The AdWords displayed when internet users searched the signs "Autoies", "auto-ies" "Auto Ies" and "IES" were such "*Car-import.fr Your new car cheaper. Real discounts. www.car-imports.fr*", "*Find your Auto. From 5% to 25% Discount for your new car on 25 car brands! www.directinfo.com.fr*", "*Free ads. Pass your ads for free autos, motors, boat, caravans. www.occas.net*"⁹⁸⁰. When assessing the case, the Appeal court focused on: at the end of the commercial message of the ad, there is a domain name from which the internet user understand that the advertiser's products or services are offered for sale in this web site; there is no element in the ad text that will give the impression of an economic relation between the advertiser and the trademark owner to the internet user; any sign identical to or similar with the trademark is not used in the ad text; the ad text introduces the products

⁹⁷⁶ EWHC 181 (ch), Cosmetic Warriors Ltd – Lush Ltd v. Amazon.co.uk Ltd – Amazon EU SARL ("Lush"), 10.02.2014, par.36

⁹⁷⁷ TGI Paris, 3e ch., 2eme section, Auto IES v. Google et autres, 27.04.2006,

⁹⁷⁸ CA Paris, Google France v. Auto IES et autres, 02.02.2011

⁹⁷⁹ confirmed by the Supreme Court of Appeal. C. Cass., ch. commerciale, financiere et économique, Auto IES / Google et autres, 25.09.2012

⁹⁸⁰ "*Car-import.fr Votre voiture neuve moins chere. Des remises réelles. www.car-import-fr*", "*Trouvez votre Auto. Voiture neuve de 5% a 25% de remise sur 25 marques Automobiles! www.directinfoscom.fr*", "*Annonces Gratuites. Passez vos annonces gratuitement autos, motos, bateaux, caravanings. www.occas.net*".

offered with generic words such as “cars” and offers discount for these products, so there is no explicit or implicit reference to the mark; the domain name in the ad text has nothing to do with the trademark; it is clearly understood who is the advertiser from the information contained in websites directed by the ad; the phrase “why not your ad” at the end of the ad shows that this advertisement area is open to all, therefore it does not create a relationship with the trademark owner.

Similarly, in another French first instance tribunal decision⁹⁸¹ dated 06.09.2012, the “Eurochallenges” trademark of a matchmaking (dating) agency between France and East- Asian countries, had been used as keyword in Google AdWords to advertise a website (www.asiecontact.com) that matches Asian people living in France. The court, after recalling the criteria set forth by the CJEU, it went through the case and found that:

- With the entry of the sign “Eurochallenge” into the Google search engine, approximately 40.200 results are displayed,
- The first three of them are the sites www.eurochallenges.com belonging to the trademark owner,
- The defendant’s link to its website was placed under the section “announcement” and with Google’s offer “post your ad”, so that it was clear for the internet user normally informed the advertising feature of the section,
- The defendant’s ad was such “Asians meetings with Japanese, Chinese people living in Paris”⁹⁸² and was directing it its website,
- There were no references to the plaintiff nor to its services in the ad text or in the web site.

In these circumstances, due to the fact that the ad of the defendant was clearly an advertisement and no reference was made to the plaintiff nor to its trademarks, it had been found that when confronted with such an ad, a normally informed internet user

⁹⁸¹ TGI Nanterre, 1ere ch., SARL Eurochallenges France v. Lina Y, 06.09.2012

⁹⁸² “rencontres asiatiques avec des personnes japonaises, chinoises vivant a Paris”

would easily understand that there is no relationship between the defendant ad and the contentious mark “Eurochallenges” and therefore there is not any infringement⁹⁸³.

While the principle is that the mere use of the trademark as keyword is not unlawful per se, it is not the case in every situation and some uses may constitute a trademark infringement. This especially occurs when the trademark used by the advertiser as keyword appears in the ad text. In such situations, it is accepted that such use gives the impression of economic relation between the advertiser and the trademark owner and thus impairs the origin function of the trademark. For instance, in a case dated 2016 before the French Versailles Appeal Court⁹⁸⁴, the parties were active in parquet industry and the defendant used the plaintiff’s trademark “decoplus” as keyword in Google AdWords. However, the ad triggered by the use of this trademark made appeared, among others, the trademark of the plaintiff “decoplus” so that the internet users can see it in the ad text. Even though the domain name mentioned in the ad was www.carresol-parquet.com, the fact that the trademark is not used merely as keyword but also used in a way that it appeared in the ad text led the court to consider that the normally informed and attentive internet user would think there is an economic relation between the advertiser and the trademark owner or it would not ascertain easily whether the advertiser is an independent entity from the trademark owner. Consequently, it was held that such use is liable to affect the origin function of the trademark⁹⁸⁵.

Similarly, in a case before the High Court of England⁹⁸⁶, the online market place Amazon used as keyword the plaintiff’s trademark “Lush” which appeared in the ad text. However, there were no sale of “Lush” products on Amazon. Even though the defendant Amazon asserted that the internet user is accustomed to the internet advertisements, so that this user who entered the site by clicking the ad can easily understand that the products offered on Amazon has nothing to do with the products s/he is looking for,

⁹⁸³ In the C-238/08 case of the Google France case which is referred to the CJEU, it was the plaintiff of this case who opposed to the use of its trademark “Eurochallenges” as a keyword. In the trial after the CJEU decision, the French Supreme Court upheld the Appeal Court’s decision that the use of the advertiser is liable to affect the origin function of the trademark – C. Cass., Chambre Commerciale, 06-15136, 13.07.2010

⁹⁸⁴ CA Versailles, 12e chambre, SARL Carre Sol v. SASU Decoplus, 15/00612, 21.06.2016

⁹⁸⁵ On the same way, see TGI Paris, 3eme chambre, 3eme section, 16/05476, 10.02.2017, SAS Compagnie des Pet Foods v. SAS Weeride Europe

⁹⁸⁶ EWHC 181 (ch), Lush, 10.02.2014

therefore there would not be any likelihood of confusion, this defense had not been accepted by the court. Indeed, according to the court, the average consumer who sees the defendant's ad which contains the plaintiff's mark expects to find the plaintiff's "Lush" products on Amazon online market place. Moreover, as Amazon is thought by the average consumer as a reliable supplier so that it would not be expected to advertise products that are not available therein. In these circumstance, the average consumer would not realize "without difficulty" that the goods mentioned in the ad are not those of the plaintiff, nor are they related to the plaintiff⁹⁸⁷.

When a trademark used as keyword, this trademark may appear in the heading, in the commercial message of the ad or in the URL/domain name mentioned in the ad. All these situations cause to an impression that there is an economic link or relationship between the advertiser and the trademark owner, thus liable to affect the origin function of the trademark which is used as keyword by third parties. Regarding keyword uses making appear the mark in the domain name (URL address) mentioned in the ad, for instance, in a case before the French first instance court⁹⁸⁸, the owner of the trademark "ELM LEBLANC" brought an infringement proceeding against the defendant who used the same sign as keyword in Google AdWords and thereby promoted the websites www.entretien-elmleblanc.com and www.elmleblanc-assistance.com⁹⁸⁹. The plaintiff's trademark was registered and used for production, repair and maintenance of water heating devices. The defendant's ads were: "*Elm Blanc 0170060473 – Home maintenance and assistance? www.elmleblanc-assistance.com/? Quick intervention Free cost*". After having established that the defendant used a sign identical to the plaintiff's trademark for identical goods and services, the court proceeded to examine whether such use affected the functions of the trademark, especially the origin function. In the examination, it was found that the defendant used the plaintiff's trademark "elm leblanc" as keyword for its websites ads which are placed under the "advertisements". However, there were any information about the source of the service provided neither in the ad text nor in the content of the website which can be accessed through the ad link. Rather the

⁹⁸⁷ Ibid., par.42

⁹⁸⁸ TGI Paris, ELM Leblanc v. SARL ETS Pignon Pere et Fils, No RG: 15/50582, 16.02.2015

⁹⁸⁹ entretien: maintenance; assistance: assistance

uses on the website were such to create an impression that the services at issue were being provided either by the trademark owner or an entity related to it. Therefore, due to the uses both in ad text and in the content of the webpage accessed by the ad, infringement to the claimant's trademark had been held.

While the ad without showing the trademark in the ad text do not necessarily result to an infringement, the advertising showing the mark in the heading or in commercial message of the ad would result necessarily to an infringement, unless there is a fair use or another exceptional use⁹⁹⁰. However, on this point it should be noted that the absence of the trademark in the heading or in the commercial message of the ad does not mean that there would be no infringement in every case. For instance, in *Interflora* case where the defendant M&S selected and used the plaintiff Interflora's trademarks as keyword, the Court considered that the average consumer would have difficulty in assessing whether the service referred to in the advertisements emanated from the trademark proprietor Interflora, or from the defendant M&S as being an undertaking economically connected with the trademark proprietor, or from a third party, even though the mark did not appear on the ad text⁹⁹¹. However, this case had a specialty in that the plaintiff's trademark "Interflora" represented a network of flower shop, and therefore the ad could make think that the advertiser M&S is part of that network. Therefore, in some cases, the *characteristics of the goods or services* for which the trademark is registered affects the assessment to be made when this trademark is used as keyword by third parties. In that regard, according to the CJEU, when assessing the adverse effect on the origin function, it must be taken into account, firstly, "*whether the reasonably well-informed and reasonably observant internet user is deemed to be aware, on the basis of general knowledge of the market, that M & S's flower-delivery service is not part of the Interflora network but is, on the contrary, in competition with it*", and secondly, if that is not generally known, "*whether M&S's advertisement enabled that internet user to tell that the service concerned does not belong to the Interflora network*"⁹⁹². Therefore, due to the special circumstances of the plaintiff's commercial network composed of a large number

⁹⁹⁰ See the section "defenses"

⁹⁹¹ EWHC 1291 (ch), *Interflora*, 21.05.2013, par.318

⁹⁹² C-323/09, *Interflora*, 22.09.2011, par.51-53

of retailers, in the absence of any general knowledge that the defendant M&S is not part of the plaintiff Interflora's network, the ad itself should be in such a way to make clear that the service offered by the defendant is not related to the plaintiff Interflora, otherwise it would be difficult for the internet users to understand whether there is a relation between the plaintiff and the defendant⁹⁹³.

Following the ruling of the CJEU, the England and Wales High Court reached the conclusion that the M&S's advertisements "*did not enable reasonably well-informed and reasonably attentive internet users, or enabled them only with difficulty, to ascertain whether the service referred to in the advertisements originated from the proprietor of the Trade Marks, or an undertaking economically connected with it, or originated from a third party*". Indeed, according to the Judge, "*a significant proportion of the consumers who searched for interflora and the other signs, and then clicked on M & S's advertisements displayed in response to those searches, were led to believe, incorrectly, that M & S's flower delivery service was part of the Interflora network*". Consequently, it has been found that the defendant M&S's use had an adverse effect on the origin function of the trademarks and thus infringed the plaintiff's trademarks pursuant art. 10/2-a of the Trademark Directive and art. 9/2-a of the Regulation⁹⁹⁴ (art.7/2-a of the IPL). However, this judgment is annulled by the Court of Appeal and the case had been remitted to the High Court for retrial of the claims for infringement under art. 10/2-a of the Trademark Directive. The reason of annulment is mostly due to the judge interpretative errors on the perception of the average internet user, the onus of proof, the evidences⁹⁹⁵.

Therefore, even though the Court linked the issue of the authorized use of trademark in keyword advertising to the content of the ad, even in the case where the trademark is not mentioned in the ad displayed, the origin function may be adversely affected when the trademark covers goods or services provided by "a commercial network of enterprises", so that the ad could lead to an error in the mind of internet users that there is an economic link or relation between the trademark proprietor and the advertiser⁹⁹⁶.

⁹⁹³ Ibid., par.52-53

⁹⁹⁴ EWHC 1291 (ch), Interflora, 21.05.2013, par.318

⁹⁹⁵ EWCA Civ 1403, Interflora, 05.10.2014, par.198

⁹⁹⁶ C-323/09, Interflora, Opinion of AG Jaaskinen, 24.03.2011, par.89

In parallel with this CJEU and UK decision, a Dutch court⁹⁹⁷ in 2016 again ruled that the use of trademark belonging to a flower delivery company constituted an infringement. The case involved again an Interflora entity, Fleurop who is part of the Fleurop-Interflora group, runs a worldwide delivery network for flowers and owns several FLEUROP trademarks. In the Netherlands, about 1,200 florists were part of this network. On the other hand, the defendant Topbloemen also runs a flower delivery network, including about 500 Dutch florists. They deliver, both in the Netherlands and elsewhere in Europe, orders which have been placed online. The plaintiff Fleurop accused the defendant for trademark infringement because of the use of its mark “fleurop” in keyword advertising of Google. The District Court considered that the relevant consumer wishing to have flowers delivered and keying in the search term “fleurop” thus would not know that Topbloemen offers a competing delivery service. And due to the fact that Topbloemen’s ads also did not explicitly state that Topbloemen is a competitor (i.e., and therefore not part of the Fleurop network), it would be difficult for the relevant public to know whether the flowers offered through the ads originated from Fleurop, or from one of its competitors. Therefore, it ruled in favor of the plaintiff by founding that the origin function of the FLEUROP word mark was affected⁹⁹⁸.

However, on the contrary, in a case related to use of trademark “Interflora” as keyword in Google AdWords by a French flower delivery service provider, the French first instance court found no infringement⁹⁹⁹. The defendant Florajet, specialized in flower delivery in the world, used the plaintiff’s trademark “Interflora” as keyword and caused to appear an ad such as “*Florajet – flower delivery – delivery in 4 hours 7 days on 7*”, “*Sundays and holidays included. Bouquets – anniversary bouquets – bouquets less than 30 euro www.florajet.com/livraison-fleurs*”. The court, after established that the trademark “Interflora” is not mentioned in the ad text, only the word “Florajet” appeared, held that no confusion can occur in the mind of the normally and reasonably attentive

⁹⁹⁷ Case No. C/09/483170, HA ZA 15-217 (District Court of the Hague, 10.07.2016) (NL:RBDHA:2016:8293) (Fleurop/Topbloemen)

⁹⁹⁸ The Trademark Reporter, “Annual Review of EU Trademark Law”, March-April 2017, Vol.107, No.2 p.620 (<https://www.inta.org/TMR/Documents/Volume%20107/TMR%20Vol%20107%20No%2002%20EUAR.pdf>) (last accessed on 30.08.2018)

⁹⁹⁹ TGI Paris, SA Société Française de Transmissions Florales Interflora France – Fleurop v. SAS Réseau Fleuri “Florajet”, No RG: 13/13092, 05.03.2015

consumer who is used to see on the search results the name and the website of different competitors and thus who can clearly identify the services offered by competing companies. However, it seems that the court did not take into account the specialty of the products/services in question and did not ruled in the same way as the CJEU and English courts. Indeed, for instance, the Federal Court of Justice, in Fleurop case, held that in exceptional cases a third party who uses another's trademark to trigger its AdWords may have to include information clarifying that there is not any commercial link between him and the trademark proprietor in order to prevent infringement¹⁰⁰⁰.

While the CJEU emphasized on the presentation of the “ad text” in the assessment of the trademark infringement, beside the content of the advertisements, the surrounding context of these advertisements on the user's screen constitutes equally important factor for Member States' courts to consider. In this context, the facts that it is mentioned “advertisement” on the top of the ads triggered by the use of the trademark as keyword and that these ads are located in a separate place compared to the natural results have been taken into consideration in the assessment of likelihood of confusion. Although the CJEU was asked by the referring courts in both BergSpechte and Portakabin cases whether the scope of protection for the trademark proprietor would be different in cases where the advertisement of the third party who used the trademark as keyword to trigger this advertisement is placed under the “sponsored links”, the Court did not answer them¹⁰⁰¹.

Regarding the fact that the advertisements are labeled as “commercial links” or “advertisement” and clearly separated from the natural search results, in EU member states and notably in Germany, there is a tendency to see them as precluding an adverse effect on the function of indicating origin, as where the average internet user knows that the commercial links are paid advertisements, so s/he will not think that the advertised products originate from the owner of the trademark he was searching for¹⁰⁰². Therefore, as long as there is any reference to the trademark, to the proprietor or the trade marketed

¹⁰⁰⁰ Fleurop (I ZR 53/12); Ben HITCHENS – Birgit CLARK, “Keyword Advertising in the European Union”, World Trademark Review, 04.02.1016, available at <https://www.worldtrademarkreview.com/enforcement-and-litigation/keyword-advertising-european-union> (last accessed on 25.05.2019)

¹⁰⁰¹ C-278/08, BergSpechte, 25.03.2010, par.42-43; C-558/08, Portakabin, 08.07.2010, par.38-39

¹⁰⁰² Tobias BEDNARZ, p. 662

products on the ad, the fact that the ad is located in a separate place regarding to the natural result, is sufficient to rule out an adverse effect on the origin function. According to the German Federal Supreme Court, “*there is no reason to assume that where a trade mark is entered as the search term, an AdWords appearing in the adverts column will relate solely to the products offered by the trade mark proprietor or one of its affiliate enterprises*”¹⁰⁰³.

On the other hand, the French Supreme Court in *Google v. CNRRH* case in France (after the preliminary ruling of the CJEU in *Google France* case C-238/08), confirmed the decision of Appellate Court which found, inter alia, that the fact that the advertisements were displayed in a separate column under the heading “commercial links” positioned on the edge above or to the right of the search results could not prevent all risk of confusion for a normally attentive search engine user¹⁰⁰⁴. However, in a later decision, in *Auto IES v. Google* case¹⁰⁰⁵ which is confirmed by the Supreme Court, the French Appellate court reversed that point of view and indicated that the average search engine user will distinguish between the information contained in the left and the right columns because of the positioning of the advertisements on the right of the page under the column “commercial links” and their graphical separation from the search results on the left.

Besides these, it is also accepted by some member states’ courts that the fact that it is written under the ad “*ad related to X*”¹⁰⁰⁶, does not lead to the likelihood of confusion between the advertiser and the trademark owner. For instance, in a case dated 2017 before a French first instance court¹⁰⁰⁷, both party was selling gothic products on the internet and the defendant used as keyword in Google AdWords the sign “antre de Syria” which is the trademark and the trade name of the plaintiff. The defendant’s ad triggered by the use of the claimant’s mark was “*your gothic shop www.newroks-vetement-gothique-metal.fr*”, and therefore there was no mention of the plaintiff’s trademark or trade name in the ad

¹⁰⁰³ German Federal Court of Justice (BGH), GRUR 2011, 828 No 28 – Bananabay II; German Federal Court of Justice, “Requirements governing lawful keyword advertising – MOST Pralines (Most-Pralinen)”, *Journal of Intellectual Law&Practices*, Vol.8, No.9, p.732

¹⁰⁰⁴ C. Cass., chambre commerciale, 06-15136, 13.07.2010

¹⁰⁰⁵ CA Paris, *Google France v. Auto IES et autres*, 02.02.2011

¹⁰⁰⁶ X is the trademark searched on the search engine by the internet users

¹⁰⁰⁷ CA Versailles, 12e ch., *SARL CCA-Style v. SARL Discobole*, 16/012511, 28.02.2017

text. However, there were a phrase such as “*ads related to antre Syria*” under the said ad. On this matter, the court considered that such a mention is known by the internet users as these latters are used to see on the result page the competitors of the trademarks that they searched for on search engines. In this regard, it had been found that there would be any likelihood of confusion for the normally informed internet user which can distinguish the products of the trademark owner from those of the competitor, that there is no impression of economic relationship between the trademark owner and the advertiser, that therefore there is any impairment of the origin function of the contentious trademark.

In most cases, the advertiser is clearly identifiable. Usually, the link below the commercial message displays the advertiser’s domain name. And even if the domain name does not identify the advertisers, one must note that art. 6 of the E-Commerce directive demands that the advertiser be “identifiable” and not “identified”. Given that it is enough to click in an advertisement to be taken to the advertiser’s website and under normal circumstances find his contact details one could assert that the advertiser is indeed clearly identifiable¹⁰⁰⁸.

However, it is not always easy to determine from the ad itself or from the web site linked to that ad whether the advertiser has an economic connection with the trademark owner. This is especially the case where both the ad text and the domain name mentioned in the ad consist of generic or descriptive words with regard to the goods or services for which the trademark is registered. For instance, in a case before the French court, the trademark “Ascur” which was registered for driving course services had been used as keyword by the defendants who were carrying on business in the same field. The ad was leading to a webpage with a domain name www.permisapoints.fr¹⁰⁰⁹. The ad wording was such as “*Training Driver’s Licence Points www.permisapoints.dr Training of Points Recovery Everywhere in France Register Now!*” or “*Training Driver Licence Points: www.permisapoints.fr Complete List of Places and Dates of Training Get 4 Points*”¹⁰¹⁰. When entered into the web page associated to that ad, at the top of the home

¹⁰⁰⁸ Tobias BEDNARZ, p.662

¹⁰⁰⁹ which means driver’s license score/points

¹⁰¹⁰ «Stage Permis Point www.Permisapoint.fr Stages De Récupération De Points Partout en France Inscrivez vous! » ou « Stage Permis Point : www.Permisapoint.fr Liste complète des lieux et dates de stage Récupérez 4 points »

page, there were links to “all driving license courses” and “all course centers approved by the governorship”, as well as the French flag. In such a case, the Court examined in the first place the ad triggered by the use of keyword and secondly the content of the website entered by clicking on the ad. According to the Court, the advertisement did not allow the internet user to ascertain the origin of the services offered by the ad as there were only generic and descriptive words in the ad text and even the domain name was made up of generic word. Moreover, from the content of the website, the internet user was unable to understand whether the trademark owner or another company provide the services in question. This was mainly due to the fact that it was mentioned “all driver’s license points” on the home page. In such a case, the internet user would consider that the plaintiff also provides its services through this website. In this respect, the Court has decided that the plaintiff’s mark had been infringed due to the facts that the ad text was vague on the one hand and the content of the associated website was too general on the other hand¹⁰¹¹.

However, the fact that goods or services sold are offered under the generic term in the advertisement does not impair the trade mark’s origin function in every case. For instance, yet in another French decision where no infringement had been found, while the ad text introduced the products offered with generic words such as “cars” and offered discount for these products, it was clearly understood who was the advertiser from the information contained in websites directed by the ad¹⁰¹².

Lastly, there may be cases where the trademarks of the parties are not the same but similar, and one party may use not its own trademark but the other party’s trademark as keyword in Google Ads. In such situations, it is considered high the likelihood of confusion. For instance, in a case before the English courts, while the plaintiff was trading under the tradename and trademark “Victoria Plumb”, the defendant was operating in the same field as the plaintiff under the name “Victorian Plumbing”. Therefore, both parties were operating in the same business area for many years under confusingly similar names. However, the defendant did not use its own trademark as keyword in Google AdWords,

¹⁰¹¹ TGI Paris, 3eme Chambre, 4eme Section, Makram H v. Protagoras, YL Communication, 22.11.2012

¹⁰¹² CA Paris, Google France v. Auto IES et autres, 02.02.2011; confirmed by the Supreme Court of Appeal. C. Cass, ch. commerciale, financiere et économique, Auto IES v. Google et autres, 25.09.2012; see above

but the plaintiff's. In such a situation, instead of "Victorian Plumbing" which is the tradename of the defendant, it was "Victoria Plumb" which is the plaintiff's trademark was appearing in heading of the advertisement. These ads were in the second place after the plaintiff's ads. The plaintiff was also present in the first rank of the natural results. Regarding the identity and similarity of the signs at issue, the Court found in the first place that, while the keyword used "Victoria Plumb" is identical or confusingly similar to the claimant mark "Victoria Plumb", the signs used in the advertisements and the claimant's mark are also similar. Regarding the services in question, namely the bringing together of bathroom items allowing customers to view and purchase these products through a website, are found to be identical, as are the types of goods offered on the websites. Moreover, the Judge took also into account the high click through rates, according to which large number of consumers, having searched for "Victoria Plumb", had clicked through to the defendant's website. A striking difference had been found between click through rates to the defendant's website when its advertisements appear following a search for "Victoria Plum", and when those same advertisements appear following a search for other competitor brands on which the defendant has also bid as keywords. Searches for Victoria Plum(b) produced a click through rate of 15 to 20% whereas searches for other competitor brands produced a click through rate of 0 to 4%. This finding had been found as unusual for keyword bidding on a competitor brand and had been explained as being caused by similarity of names "Victoria Plumb" and "Victorian Plumbing". In these circumstances, the Judge concluded that *"the defendant's advertisements complained of do not enable normally informed and reasonably attentive internet users, or enable them only with difficulty, to ascertain whether the goods or services referred to by the advertisements originate from claimant Victoria Plum(b) or an undertaking economically connected to it, or on the contrary, originate from a third party"*¹⁰¹³.

b. Adverse Effect on the Advertising Function

While since the *L'Oréal v. Bellure* case¹⁰¹⁴, the CJEU emphasized that the functions that should be examined in the assessment of whether there is an infringement

¹⁰¹³ EWHC 2911 (ch), *Victoria Plum*, 18.11.2016, par. 52-58, 96-101

¹⁰¹⁴ C-487/07, *L'Oréal*, 18.06.2009

in double identity cases comprises not only the origin function but also other functions such as, “communication”, “investment” and “advertising” functions, the advertising function has been the sole function examined by the Court, beside the origin function, since Google France case until Interflora.

A trademark may be used to indicate trade origin, but may also be used for advertising purposes. Advertising function of a trademark represents the investments made by the trademark owner to develop the image of his mark¹⁰¹⁵. In this regard, the proprietor of a trademark can prohibit a third party if the third party’s use “*adversely affects the proprietor’s use of its mark as a factor in sales promotion or as an instrument of commercial strategy*”. From the perspective of keyword advertising, “*such use may have certain repercussion on the advertising use of that mark by its proprietor and on the latter’s commercial strategy*”¹⁰¹⁶.

One of these repercussion is the fact that the trademark proprietor may be obliged to pay a higher price to make its ads appears more prominently than those who selected and used the same keyword for their ads. However, even if the trademark proprietor does so, it is not certain that its advertisement will appear in the higher position as other factors influence the ranking of the ads as well¹⁰¹⁷. Nevertheless, according to the CJEU, none of these amount to an adverse effect on the advertising function of the trademark. This is mainly due to the assumption that the link to the trademark proprietor’s website would be ranked among the natural results, usually in the higher position and free of charge, so that “*the visibility to internet users of the goods or services of the proprietor of the trademark is guaranteed, irrespective of whether or not that proprietor is successful in also securing the display, in one of the highest positions, of an ad under the heading of ‘sponsored links’*”¹⁰¹⁸. Moreover, the selection of a trademark as a keyword by third parties does not prevent the trademark proprietor from using its own mark in order to inform and win over consumers¹⁰¹⁹. So, according to the CJEU, use of a sign

¹⁰¹⁵ Elisa MORO, p.66

¹⁰¹⁶ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.92-93

¹⁰¹⁷ Stephan OTT, Maximilian SCHUBERT, p.29

¹⁰¹⁸ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.97

¹⁰¹⁹ C-323/09, Interflora, 22.09.2011, par.57-59

identical with another person's trademark in a referencing service "*is not liable to have an adverse effect on the advertising function of the trademark*"¹⁰²⁰.

Accordingly, guaranteed visibility of the trademark owner's own web site through natural results and also through sponsored results lead to the conclusion that there would be no adverse effect on the advertising function of the mark. However, the assumption of the CJEU becomes questionable in cases where the trademark proprietor's own web page link is non visible on natural results, as the mark is not such a strong mark or the trademark owner does not allocate enough resource for the search engine optimization, or in cases where the trademark proprietor does not even have a web site¹⁰²¹.

However, it seems that the Court speaks of "not in every case" and "as a general rule", which means that there might still be room for determining an adverse effect on the advertising function in situations in which the advertiser does not offer an alternative. Moreover, the Court's considerations appear to be limited to the specific design and functioning of AdWords at the time of the dispute¹⁰²².

Thus, as regards the function of advertising, the general view of the CJEU is that use of another person's trademark as a keyword in "AdWords" do not have an adverse effect on the advertising function of that trademark¹⁰²³. It appears to be insufficient that third parties profit from the advertising value of the trademark or that the trademark owner is forced to increase its own advertising expenses. Rather it seems to be required that the trademark owner is hindered from advertising itself¹⁰²⁴.

Although there is not too much judgment on the adverse effect on the advertising function of a trademark, some Courts in EU Member States considered the issue different than that of the CJEU. For instance, the Bundesgerichtshof assumed in its *Bananabay* reference that detriment to the advertising function could be established in the particular

¹⁰²⁰ Ibid, par. 54-55; Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par.98

¹⁰²¹ Martin R.F. SENFTLEBEN, *Keyword Advertising*, p.61, footnote 81; Stephan OTT, Maximilian SCHUBERT, p.29

¹⁰²² Nichol Van Der LAAN, p.22 and footnote 101

¹⁰²³ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010 par. 98; C-278/08, *BergSpechte*, 25.03.2010, par. 33; C-558/08, *Portakabin*, 08.07.2010, par.33; C-91/09, *Bananabay*, 26.03.2010, par. 22-23

¹⁰²⁴ Nichole Van Der LAAN, p.22

case since the advertising power of the mark was weakened. Also the Austrian Supreme Court thought that the use of a trademark keyword harmed the advertising function¹⁰²⁵.

c. Adverse Effect on the Investment Function

The investment function in the context of keyword use had not been dealt by the CJEU until the *Interflora* case¹⁰²⁶. According to the Court, a trademark fulfills this function when it is used by its proprietor “*to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty*”¹⁰²⁷.

The adverse effect on this function occurs when the third party’s use “*interferes with the proprietor’s use of its trademark to acquire or preserve a reputation capable of attracting consumers or retaining their loyalty*”. In such a case, the proprietor of the trademark in question can prevent such use under art. 10/2-a (IPL art.7/2-a)¹⁰²⁸. Moreover, in cases where the trademark used as a keyword by the third party has already “a reputation”, the investment function is deemed as being adversely affected when such use “*affects that reputation and thereby jeopardizes its maintenance*”.¹⁰²⁹

However, the proprietor of a trademark may not prevent a third party’s use, “*if the only consequence of that use is to oblige the proprietor of that trademark to adapt its efforts to acquire or preserve a reputation capable of attracting consumers or retaining their loyalty. Likewise, the fact that that use may prompt some consumers to switch from goods/services bearing that trademark cannot be relied on by the proprietor of the mark*”¹⁰³⁰. Therefore, for instance, in cases where the trademark owner must do more effort to preserve its reputation by paying more for advertising or where consumers decide to change to another trademark because of the advertisement of third party, these situations do not amount to a use liable to affect the investment function of the trademark. Here also the Court imposes strict conditions for finding an adverse effect. It is neither

¹⁰²⁵ BGH, GRUR 2009, 498 – Bananabay, par.17; OGH, GRUR, Int 2009, 446 – Bergspechte, par.12; Nichole Van Der LAAN, p.21 and footnote 94

¹⁰²⁶ C-323/09, *Interflora*, 22.09.2011

¹⁰²⁷ *Ibid.*, par.60

¹⁰²⁸ *Ibid.*, par.62

¹⁰²⁹ *Ibid.*, par.63

¹⁰³⁰ *Ibid.*, par. 64

sufficient that the trademark owner must make more efforts as a consequence of the third party's use, not that it loses customers¹⁰³¹.

While this is the case before the CJEU, English Courts interpret the CJEU's investment function adverse effect criteria as uses affecting adversely the reputation of the trademark, such as when the image of the trademark conveys is damaged¹⁰³². The referring court of the Interflora case, while it had found that there is an adverse effect on the origin function of "Interflora" trademark, it reached a different conclusion for the investment function and found no adverse effect on Interflora's image, thus no adverse effect on the investment function of the said trademark¹⁰³³.

Moreover, in a case before an Italian court where Apple used as keyword the "iwatch" trademark registered for another company for safety systems, the fact that the parties' products were different precluded the possibility that the investment function is negatively affected¹⁰³⁴.

bb. SIMILAR Use

In case of infringement because of "similar use", there must be a similarity between the trademark and the sign used as keyword, a similarity between the goods or services covered by the trademark and those for which the sign is used and there must be a likelihood of confusion in consequence of these similarities.

i. Similarity between the Trademark and the Sign Used as Keyword

As explained before, according to the case-law, the identity between signs is found when the sign used by the third party "*reproduces, without any modification or addition, all the elements constituting the trademark or where, viewed as a whole, it contains differences which are so insignificant that they may go unnoticed by an average consumer*"¹⁰³⁵.

¹⁰³¹ Nichole Van Der LAAN, p.23

¹⁰³² EWHC 1291 (ch), Interflora, 21.05.2013 par.270-274

¹⁰³³ Ibid., par.320

¹⁰³⁴ Michele PAPA, "The use of 'iwatch' as an Adwords keyword by Apple does not infringe an earlier third party's trademark, says the IP Court of Milan", Lexology, 12.01.2016, available at <https://www.lexology.com/library/detail.aspx?g=e42eeeed-4b31-414c-9523-2bdca31e0374> (last accessed on 25.05.2019)

¹⁰³⁵ C-291/00, LTJ, 20.03.2003, par.54; C-278/08, BergSpechte, 25.03.2010, par.25

In the context of keyword use, due to the fact that a figurative element cannot be selected and used as keyword, but only words can be, similarity between the signs occurs especially when only the word element of a semi figurative mark (word+figurative marks) is used as keyword by third parties.

In addition, in case of word marks consisting more than a word, similarity occurs also when one of these element is used as keyword. For instance, in *BergSpechte* case before the CJEU, the plaintiff registered mark was a word and figurative mark “BERGSPECHTE Outdoor-Reisen und Alpenschule Edi Boblmüller”. On the other hand, the plaintiff used only a part of this mark in keyword advertising, such as the words “Edi Koblmüller” and “Bergspechte”. When an internet user entered the words “Edi Koblmüller” and “Bergspechte” as a search term in Google, the defendant’s advertisement appeared as a “sponsored link” under the heading “Trekking-und Naturreisen”¹⁰³⁶ and “Athiopien mit dem Bike”¹⁰³⁷¹⁰³⁸. Regarding the use of “Edi Koblmüller”, as it reproduces only a small part of the plaintiff’s mark, it has not been considered as identical with the plaintiff’s mark, but similar to it. Likewise, the sign “Bergspechte” is considered not reproducing all the elements constituting the plaintiff’s mark either. Consequently, the Court find it appropriate to hold the sign used by the defendant as “similar” to the plaintiff’s trademark¹⁰³⁹.

Equally similarity is caused when the trademark is used by changing its some letters. For instance, in *Portakabin* case before the CJEU, the plaintiff was the proprietor of “Portakabin” trademark and the defendant Primakabin choose the keywords “portakabin”, “portacabin”, “portokabin” and “portocabin”. The keyword “portakabin” chosen by the defendant was identical to the plaintiff’s trademark “Portakabin”. On the other hand, the defendant reproduced also the mark with ‘minor spelling mistakes’, such as “portacabin”, “portokabin” and “portocabin”. When keywords reproduce a mark with small errors, even though it does not contain all the elements of the trademark, however,

¹⁰³⁶ trekking and nature tours

¹⁰³⁷ Ethiopia by bike

¹⁰³⁸ C-278/08, *BergSpechte*, 25.03.2010, par.8-12

¹⁰³⁹ *Ibid.*, par.25-28

it may be the case where differences are so insignificant that they may not be noticed¹⁰⁴⁰. Therefore, if the differences are so insignificant and therefore may not be noticed, the keyword can be considered as identical and not similar. On the contrary, if the differences between the keyword and the trademark are not go unnoticed by the relevant consumer, it can be said that there is similarity between the signs.

Therefore, similarity between the signs can be found when a part of the trademark or a modified part of it is used as keyword. However, if a generic or descriptive keyword is selected with the broad match option and despite this, if the advertiser's ad is displayed when a search made with the trademark and this generic or descriptive word, can it be said that there is a similarity between the trademark and the selected keyword? For instance, in the "Most" case¹⁰⁴¹ before the Supreme German Court, even though the defendant selected the term "pralines", which is generic for the goods covered by the plaintiff's mark "Most" and for the goods used by the defendant, it was selected in "broad match" option and thus the defendant has been considered by the Court as it booked all the keywords added to this option, including "most pralines". In that regard, the assessment whether there is identity or similarity between the mark and the sign used, is made between the mark "MOST" and the keyword "most pralines". And as the registered trademark "Most" was a word-picture mark, it was assumed that there is similarity between the mark and the keyword.

ii. Similarity between the Goods and Services

In the context of similar keyword use, before examining the likelihood of confusion, it has to be established also that the keyword is used for identical or similar goods and services for which the trademark at issue is registered. In determining this kind of similarity, there is no need to separate from the general principled of trademark law¹⁰⁴². In this regard, for an infringement in "double identity" use, identical signs should be used for identical goods or services; for an infringement in "similar" use, identical or similar signs should be used for identical or similar goods or services. For the uses that are not

¹⁰⁴⁰ C-558/08, Portakabin, 08.07.2010, par.48-49

¹⁰⁴¹ BGH, I ZR 217/10, "Most", 13.12.2012

¹⁰⁴² For detailed information on the similarity between goods and services see the section x

carried out in these ways, neither the double identity nor the similar use conditions are applicable.

For instance, in a case where the online market place operator eBay gave an advertisement by using the plaintiff L'Oréal's trademark as keyword, it promoted through this ad both the offers for sale offered on its marketplace and its marketplace as well. With regard to its marketplace promotion through this AdWords, thus keyword use, such use had not been considered within the meaning of Article 10/2-a of the Trademark Directive (IPL art.7/2-a) which regulates the use of goods or services identical with those for which the trade mark is registered nor within the meaning of paragraph art.10/2-b of the said Trademark Directive (IPL art.7/2-b) which regulates the use of goods or services similar to those for which the trade mark is registered¹⁰⁴³. Therefore, the Court refused to apply these provisions to such a situation, but rather art.10/2-c of the Trademark Directive (art.7/2-c of the IPL) which regulates the use of reputed marks, inter alia, in different goods or services¹⁰⁴⁴.

iii. Likelihood of Confusion

In case of similar sign use in identical or similar goods or service, art. 10/2-b of the Trademark Directive and art.7/2-b of the IPL come into play and the trademark proprietor can prevent the use of its trademark only where there is a likelihood of confusion in the mind of the average consumer because of such use. Likelihood of confusion occurs when the public is likely to believe that third party's goods or services originate from the trademark proprietor or from an entity economically linked to the trademark proprietor¹⁰⁴⁵.

In the case-law of the CJEU, the infringement criteria for the uses of trademarks as keyword is determined firstly by the *Google France* case, which was about an "identical" use of the trademark as keyword. Therefore, as of the Google France ruling date, the infringement criteria for similar uses of trademarks as keyword was not certain. However, the CJEU, just two days after the Google France judgement, has widen the

¹⁰⁴³ C-324/09, eBay, 12.07.2011, par.89

¹⁰⁴⁴ Ibid., par.90

¹⁰⁴⁵ C-120/04, Medion, 06.10.2005, par.26; C-102/07, Marca Mode 2, 10.04.2008, par.28; See "Likelihood of Confusion" at the subsection I/2-B-3 under the First Section

application of the criteria set forth in *Google France* for “identical use” cases to “similar use” cases (art. 10/2-b of Dir. – art.7/2-b of the IPL) in which the allegedly infringed trademark was merely similar to the keyword¹⁰⁴⁶. This was the *BergSpechte* case¹⁰⁴⁷.

With regard to the use of keyword similar to a trademark, the CJEU has determined that there is a likelihood of confusion when internet users are shown a third party’s ad which “*does not enable normally informed and reasonably attentive internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to by the ad originate from the proprietor of the trademark or from an undertaking economically linked to it, or on the contrary, originate from a third party*”¹⁰⁴⁸. Therefore, this test of likelihood of confusion is the same that formulated with regard to an adverse effect on the origin function of the trademark in *Google France* case¹⁰⁴⁹.

The assessment of a likelihood of confusion must be determined by taking into consideration of the relevant consumer. While this relevant consumer which should be taken into consideration in the likelihood of confusion is an average consumer, the level of attention of this average consumer may vary according to the characteristics or price of the good or service in question.

In case of keyword advertising, the CJEU takes into account “a normally informed and reasonably attentive internet user”. But attention: in *Google* case, the relevant consumer was “normally informed and reasonably attentive internet users” whereas in *Interflora* case it was “reasonably well-informed and reasonably observant internet users”. Even though it was expressed differently in these cases, in the context of internet advertising, they are considered as the same¹⁰⁵⁰.

As indicated by the Advocate General in *Google France* case, today’s internet users are aware that all the results displayed on the search engine result page following a search enquiry do not belong to the proprietor of the trademark searched for. Even though

¹⁰⁴⁶ Jeremy PHILLIPS, p.58-59

¹⁰⁴⁷ C-278/08, *BergSpechte*, 25.03.2010

¹⁰⁴⁸ *Ibid.*, par.39-41

¹⁰⁴⁹ See above “Identical Use” for Keyword Advertising

¹⁰⁵⁰ EWCA Civ 1403, *Interflora*, 05.10.2014, par.112

they may think that the more relevant result displayed for the searched term, this is only an expectation. The assessment comes only after the reading of the content of the ad and after entering the website linked to the result displayed, either natural one or paid one. In that regard, neither the display of ads nor the display of natural results in response to a search enquiry of a term corresponding to trademarks leads to a risk of confusion as to the origin of goods and services¹⁰⁵¹.

Moreover, today's internet users are aware of the ads displayed following a search on a search engine. When the case-law of the European Member States is examined, it is seen that it is a common view that the internet user understands the difference between the natural and paid results. For instance, the German Federal Supreme Court (Bundesgerichtshof) in *Beta Layout* case subscribed to the finding of the Court of Appeal in Dusseldorf that the user of a search engine understands the difference between the list of search results and the section with paid advertisements and that, moreover, he pays attention to the internet address of the advertiser¹⁰⁵². In the same way, in the UK judgements, it was held that the internet users are familiar with the AdWords so that they would not be confused when encountered with them¹⁰⁵³. Similarly, it was held by French courts that the internet user knows that the term "ads" means promotional links displayed alongside the natural results and it knows to make a difference between them as the users of Google are very familiar with this pattern which implies the concomitant appearance of the advertisement and the natural results, and thus which allow the implementation of competition¹⁰⁵⁴.

In AdWords, the fact that the advertisements appear in a separate column in the right hand side or on the top of natural results does not make any difference. As stated by French courts, the internet user reasonably attentive is able to operate at first sight a differentiation between the information classified in the first place and those below without this faculty being able to be altered by the fact that this information appears simultaneously on the screen¹⁰⁵⁵. According to the court, the level of information of the

¹⁰⁵¹ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par. 87-92

¹⁰⁵² Nichol Van Der LAAN, p.18

¹⁰⁵³ To that effect see EWHC 181 (ch), Lush, 10.02.2014, par.45-48

¹⁰⁵⁴ TGI Paris, 19.01.2015, SAS France Pare Brise v. SARL Rapid Pare Brise

¹⁰⁵⁵ TC Nanterre, 24.06.2014, SA Autocar Suzanne v. SAS Neotravel

internet user allows him to distinguish between these two types of results and thus to privilege that resulting from the natural referencing¹⁰⁵⁶.

Obviously, there will always be some inexperienced search engine users who will be confused about the origin of the ads even if their text is perfectly clear¹⁰⁵⁷. However, as accepted by the CJEU in *Interflora* case, “*the fact that some internet users may have difficulty grasping that the service provided by the advertiser is independent from that of trademark owner is not a sufficient basis for a finding that the function of indicating of origin has been adversely affected*”¹⁰⁵⁸.

Even though the advertisements are displayed nowadays under the heading “ad” or “reklam”, the issue of whether the mention of “sponsored links” in the heading of the ads is misleading had been a subject in the assessment of the earlier court decisions. Indeed, in the *Google v. Louis Vuitton Malletier* case, before it had been referred by the French Supreme Court to the CJEU, the court of first instance considered that the defendants’ advertisement displayed under the heading of “commercial links” on the left side of the screen were misleading for the internet users who will have the impression that the advertisements of the websites/companies on the left hand side have an economic relationship with the those on the right hand side, thus in the natural results. However, the Supreme Court, after the CJEU ruling on the matter, reversed this first instance court decision¹⁰⁵⁹. Indeed, it considered that the first instance court reached a verdict without examining all the factors, including the perception of an average internet user. For the Supreme Court, this type of use is commonly used and known on the internet; due to the multiplicity and diversity of the advertisements under the “sponsored links”, this kind of use does not give the impression that such links is relevant to the natural results; the heading is used as a generic heading which is displayed in another part of the screen, namely in the left hand side. Similarly, in another decision which was decided afterwards, and which was another keyword advertising case where it was alleged that Google is liable for misleading advertising, the court rejected the claims and held that the label

¹⁰⁵⁶ TGI Paris, 3eme chambre, 3eme section, 16/05476, 10.02.2017, SAS Compagnie des Pet Foods c/ SAS Weeride Europe

¹⁰⁵⁷ Nichol Van Der LAAN, p.18

¹⁰⁵⁸ C-323/09, *Interflora*, 22.09.2011, par.50

¹⁰⁵⁹ C. Cass., civile, Chambre commerciale, 06-20.230, 13.07.2010

“commercial links” was not misleading but on the contrary illustrated the commercial character of the advertising messages¹⁰⁶⁰.

On the other hand, the situation in Turkey is totally different. For instance, in a decision of the 2nd chamber of the IP Court of Istanbul dated 2010¹⁰⁶¹, it was held that as the defendant’s trademark and trade name appears under the heading “sponsored links” when the plaintiff’s trademark’s distinctive part is searched on the search engine, this situation may cause a likelihood of confusion because of the heading “sponsored links”. According to the court, such use may give rise to an impression in the mind of the internet user that there is a relationship between the plaintiff’s mark and the defendant company.

However, in my opinion, nowadays, the natural and paid results of the search engines is a phenomenon known to almost all users. In this regard, it is no longer considered that the advertisements displayed under the heading “sponsored links” or “ads” belongs to or is in relation to the proprietor of the trademark which is used as a search term on the search engine. What is important here is not whether the trademark is used as a keyword, but rather whether the advertisement triggered by the use of trademark as keyword is arranged in such a way that it gives the impression that it is connected to the trademark. Therefore, likelihood of confusion can be held only in cases where the internet user, despite it knows that the advertisements displayed in the ad section are independent advertisements, thinks that this is the trademark owner’s advertisement or an advertisement of a third party which is economically related to the trademark owner. This is determined by the content of the advertisement, regardless of whether the search results are displayed on the right or left hand side, on the top or bottom. All depends in particular on the manner in which that ad is presented¹⁰⁶².

cc. Use of Marks with REPUTATION

In cases where the use of the trademark as keyword does not cause a likelihood of confusion, it should be examined whether such use is taking an unfair advantage or damage the distinctive character of the trademark when the mark used as keyword is a

¹⁰⁶⁰ Tobias BEDNARZ, p. 650

¹⁰⁶¹ Istanbul 2. FSHHM, 2008/21 E. 2010/164 K. 02.11.2010 T.; the decision had not been appealed.

¹⁰⁶² Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.83

reputed mark. For the benefit of trademarks with a reputation, art.10/2-c of the Trademark Directive and art.7/2-c of the IPL establishes a wider form of protection than that laid down in art.10/2-a-b of the Trademark Directive and art.7/2-a-b of the IPL.

The infringements referred to in art.10/2-c of the Trademark Directive and art.7/2-c of the IPL do not depend on the presence of a likelihood of confusion in the mind of the relevant public. Rather, it is sufficient that that relevant public makes a connection between the signs at issue. Moreover, beside that link, there must be one of the injuries mentioned in art.10/2-c of the Trademark Directive and art.7/2-c of the IPL, namely detriment to the distinctive character (dilution) or the repute of the mark (tarnishment) or taking unfair advantage of the distinctive character or the repute of the mark (free-riding).

The rights conferred to all trademarks are dealt under the art. 10/2-a-b of the Trademark Directive and art.7/2-a-b of the IPL. The main keyword cases dealt under these provisions are *Google France*, *BergSpechte*, *eis.de* and *Portakabin* cases. On the other hand, regarding the protection of trademarks with a reputation in keyword uses, the main keyword case is the *Interflora* case.

In this case, the defendant M&S, who is one of the main retailers in the UK, selected in Google AdWords the keywords identical with and similar to the trademark of the plaintiff Interflora who operates a worldwide flower delivery network, such as “Interflora”, “Interflora flowers”, “Interflora delivery”, “interflora.com”, “interflora.co.uk”. The ad displayed when internet users entered the term “Interflora” or other variants was the following:

“M&S Flowers Online

www.marksandspencer.com/flowers

Gorgeous fresh flowers & plants

Order by 5 pm for next day delivery”

It was undisputed that the plaintiff's Interflora trademark has a reputation and the defendant M&S used identical sign, in relation to identical services. In this context, the CJEU assessed the infringement claims within the scope of art.10/2-c of the Trademark Directive (art.7/2-c of the IPL). However, as the referring court did not request an interpretation of the concept of "detriment to the repute of the mark" (tarnishment), the Court only examined whether the use at issue causes a detriment to the distinctive character of a mark with a reputation (dilution) and takes unfair advantage of the distinctive character or the repute of the trademark (free riding). Below will be examined this issues.

i. Detriment to the Distinctive Character – Dilution

This kind of detriment occurs when the the trademark's capability is weakened to identify that the goods or services come from the trademark proprietor¹⁰⁶³. This can be due to the "banalization" of the reputed mark when it is used for "different goods or services" from different commercial origins, or to the "degeneration" of the reputed mark when it is used for "identical or similar goods or services" from different origins¹⁰⁶⁴.

For instance, in *Interflora* case where the defendant Mark&Spencer used the Interflora mark as a keyword in relation to same goods as the plaintiff Interflora, the Advocate General interpreted that fact as a problem of degeneration of the trademark "Interflora", meaning that it becomes a generic or common term, and not as a problem of banalization of the trademark. In this *Interflora* case, the plaintiff maintained that the defendant M&S's and other companies' use of the term "Interflora" as a keyword is gradually leading Internet users to believe that this term is not a trademark indicating the flower delivery service provided by Interflora's network florists, but constitutes a generic term for any service provided for flower delivery. However, the Court did not accept the assertion that the mere use or selection of a sign as a keyword contributes to turning the trademark into a generic term. On the contrary, according to the Court, "*when the use, as a keyword, of a sign corresponding to a trade mark with a reputation triggers the display of an advertisement which enables the reasonably well-informed and reasonably*

¹⁰⁶³ C-252/07, Intel, 27.11.2008, par.29. See "Types of Injuries" at the subsection I/2-C-4 under the First Section

¹⁰⁶⁴ See the Opinion of AG Jaaskinen in *Interflora* case (C-323/09), par.81-90

*observant internet user to tell that the goods or services offered originate not from the proprietor of the trade mark but, on the contrary, from a competitor of that proprietor, the conclusion will have to be that the trade mark's distinctiveness has not been reduced by that use, the latter having merely served to draw the internet user's attention to the existence of an alternative product or service to that of the proprietor of the trade mark*¹⁰⁶⁵.

Accordingly, if the advertising in question allowed the internet user to understand that the goods or service advertised by the advertiser is independent of that of the proprietor of the trademark, this latter cannot argue that that use has contributed to a denaturation of that mark in generic term. On the contrary where the advertising does not enable them to understand the independence of the advertiser's goods or service promoted through the advertisement from those of the trademark proprietor, it has to be determined whether the use of the advertiser has the effect on the market that the trademark has come to designate, in the consumer's mind, a generic term, in order to be prevented by the proprietor of the trademark¹⁰⁶⁶.

Therefore, an advertisement based on such a keyword is detrimental to the distinctive character of the reputed trademark (dilution), in cases where, in particular, it contributes to the denaturation of the trademark in generic terms¹⁰⁶⁷. This situation happens when the advertisement does not enable internet users to understand that advertiser is not the trademark owner or is not an entity independent from the trademark owner. On the contrary, if the advertisement at issue makes clear that it originates from a competitor, the trademark distinctiveness is not reduced¹⁰⁶⁸.

ii. Detriment to the Repute - Tarnishment

This issue has not been considered yet in a keyword related case in the CJEU. According to the CJEU case-law, *“the likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic*

¹⁰⁶⁵ C-323/09, Interflora, 22.09.2011, par.80-81

¹⁰⁶⁶ Ibid., par.82-83

¹⁰⁶⁷ Ibid., par.94

¹⁰⁶⁸ Some authors argues that if a mark is used by many others, even consumers know that they are not connected with the trademark owner, the trademark's distinctiveness may be reduced. See Nichol Van Der LAAN, p.26-27

or a quality which is liable to have a negative impact on the image of the mark”¹⁰⁶⁹. In this regard, tarnishment can occur in the context of keyword use, for instance when the advertisement at issue is related to low quality products or products with negative connotations.

iii. Unfair Advantage of the Distinctive Character or the Repute – Free-Riding

Concerning keyword uses, it is common ground that the advertiser having selected as a keyword the sign identical to another's mark, is intending to ensure that internet users entering this term on a search engine will not only click on the displayed links of the owner of the said mark, but also on the promotional link of this advertiser¹⁰⁷⁰. In this regard, it cannot be denied that that use is intended to derive an advantage from the distinctive character and reputation of that mark, as such use is likely to give rise to a situation where consumers, probably many, conducting a search on the Internet of products or services of the reputed mark using this keyword, will see the display on their screen the advertisement of this competitor. Therefore, when internet users purchase, after having seen the advertisement of that competitor, the goods or services offered by that competitor instead of the goods or services of the proprietor of the trademark on which their search was originally conducted, this competitor gains an advantage from this trademark's distinctive character and reputation without paying anything for this use to the trademark proprietor¹⁰⁷¹.

Thus, in the absence of any ‘due cause’, the selection of signs corresponding to reputed marks of others as keywords on the internet can be analyzed as “*a use whereby the advertiser rides on the coat-tails of a trade mark with a reputation in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of its own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark. If that is the case, the advantage thus obtained by the third party must be considered to be unfair*”¹⁰⁷².

¹⁰⁶⁹ C-487/07, L'Oréal, 18.06.2009, par.40

¹⁰⁷⁰ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 67

¹⁰⁷¹ C-323/09, Interflora, 22.09.2011, par.86-88

¹⁰⁷² Ibid., par. 89

However, it cannot be reached to that conclusion automatically. The question to be solved is the fairness of that advantage. According to the CJEU, there is a riding on the coat-tail of a reputed trademark through the use in keyword advertisement particularly in cases in which it is offered for sale, through advertisement, goods which are “imitations” of the trademark proprietor’s goods¹⁰⁷³. By contrast, when it is offered, through such advertisement, “an alternative” to the goods or services of the proprietor of the reputed trademark, such use is, in principle, subject to *fair* competition in the sector of the goods and services in question and therefore takes place with a “due cause” within the meaning of art.10/2-c of the Trademark Directive and art.7/2-c of the IPL¹⁰⁷⁴.

Thus, in case where there is no dilution, tarnishment or adverse effect on the functions of the trademark, the proprietor of a trademark with a reputation cannot prevent, on the basis of free-riding argument, “advertisements displayed by competitors on the basis of keywords corresponding to that trademark, which put forward, without offering a mere imitation, but *an alternative* to the goods or services of the proprietors of that mark”¹⁰⁷⁵. The mere free-riding by using a competitor’s mark as a keyword seems to be allowed, *unless* the goods are imitation and provided that the ad is not too vague¹⁰⁷⁶.

As the Advocate General indicated in its opinion, “*in the case of identical or similar goods or services, the purpose of presenting a commercial alternative to the goods or services protected by a trade mark with a reputation should count as due cause in the context of modern marketing relying on keyword advertising on the internet. Otherwise keyword advertising using well-known third party trademarks would be as such prohibited free-riding. Such a conclusion cannot be justified in view of the need to promote undistorted competition and the possibilities of consumers to seek information about goods and services. The point with market economy is, after all, that well-informed consumers can make choices in accordance with their preferences*”¹⁰⁷⁷.

¹⁰⁷³ Ibid., par.90, Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 102-103

¹⁰⁷⁴ C-323/09, Interflora, 22.09.2011, par.91

¹⁰⁷⁵ Ibid., par.95

¹⁰⁷⁶ Nichol Van Der LAAN, p.28

¹⁰⁷⁷ C-323/09, Interflora, Opinion of AG Jaaskinen, 24.03.2011, par.99

Therefore, keyword advertising through use of another's reputed mark is deemed as taking unfair advantage within the meaning of art.10/2-c of the Trademark Directive and IPL art.7/2-c *as long as* it is done "without due cause". Advertising a good or service as an "alternative" to another constitutes fair competition, thus "due cause", in the absence of any confusion, dilution or any other unlawful conduct¹⁰⁷⁸.

iv. Due Cause

Pursuant to article 10/2-c of the Trademark Directive and 7/2-c of the IPL, as long as there is a "due cause", the proprietor of a reputed mark cannot prohibit the use of his mark as a keyword.

As indicated above, the use of a trademark as a keyword may constitute a "due cause" "*where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without causing dilution or tarnishment and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation*"¹⁰⁷⁹. In that regard, defense for informing consumers about alternatives has been accepted as a due cause.

Moreover, selling second hand products and making advertisement for such products by using the trademark as keyword in AdWords does also constitute "due cause" within the meaning of art.10/2-c of the Trademark Directive and art.7/2-c of the IPL. In this context for example, in a case where an online market place operator eBay, as an advertiser, gave an AdWords advertisement which contained the trademark of the shoes sold on his marketplace, the Court found that the use of the trademark as a keyword leads to the display of advertisements which allows the user normally informed and reasonably attentive to understand that the shoes sold on the website www.ebay.fr come not directly from the proprietor of the trademark, but from an online marketplace operator offering a

¹⁰⁷⁸ Darren MEALE, "Interflora: the last word on keyword advertising?", *Journal of Intellectual Property Law & Practice*, 2012, Vol.7, No.1, p.13

¹⁰⁷⁹ C-323/09, *Interflora*, 22.09.2011, par.91

different and independent sales service, so that the distinctive capacity of the trademark had not been reduced by the such use which simply allowed the user to know that trademarked shoes were sold on the eBay website. In this regard, the ads at issue had been found as allowing the user to know that second-hand trademarked shoes are sold on this website, which is “*an alternative*” to the services of the trademark proprietor that manufactures and sells new shoes directly in its stores. Therefore, the use of the trademark as a keyword to appear on search engines ads also containing the mark and a link to pages on the website www.ebay.fr proposing the sale of second-hand trademarked footwear is found to be fair and healthy competition in the footwear sales sector and therefore takes place for a “due cause” within the meaning of Article 10/2-c of the Trademark Directive (IPL art. 7/2-c)¹⁰⁸⁰.

dd. Use of Trade Names and Domain Names in Keyword Advertising

In cases where trade names are used as keyword in referencing services, such uses are not considered under the trademark law, but under unfair competition provisions. In this context, to take measures that cause confusion with other people’s goods, activities or works constitutes unfair competition.¹⁰⁸¹

As in the cases of trademark use in keyword advertisement, it is considered that the use of a competitor’s trade name as a keyword in the paid referencing system offered by Google AdWords is lawful and constitutes an inherent practice of the competition if it does not cause a likelihood of confusion between the companies at issue¹⁰⁸². For example, it is considered by the French judges that the use by the defendant company of the trade name as a keyword can constitute an act of unfair competition only to the extent that the content of the advertisement would lead to confusion in the mind of the consumer and lead him to believe that he is addressing the same service provider. The indication of “ads” allows normally attentive and informed internet users to distinguish advertisements from natural results so that the mere use of the trade name as a keyword is not sufficient to demonstrate an act of unfair competition. Users of the Google search engine are very familiar with this pattern and know that advertisements appear concomitantly with the

¹⁰⁸⁰ TGI Paris, 3eme ch, 1ere sect., 26.06.2012, JM Weston v. eBay France et autres (www.legalis.net)

¹⁰⁸¹ Reha POROY, Hamdi YASAMAN, p.346 et al.

¹⁰⁸² TGI Paris, 11.06.2015, Rent a Car v. Sixth

natural results. In order to be considered unfair, it must be shown that the wording of the advertisement aims to divert unfairly the consumer from the natural results to the advertisement. The advertisement triggered by the use of trademark as keyword has the sole purpose of offering internet users alternatives to the products or services of the trademark owner and the fact that some consumer may divert from the trademark owner's products is not sufficient to demonstrate unfair competition¹⁰⁸³. Therefore, diverting the clientele of others is lawful if it is not accompanied by an unfair act¹⁰⁸⁴.

In the same manner, in German decisions also, the use of company name in keyword advertisement has not been considered as infringing use as long as it does not cause a likelihood of confusion. For instance, in *Beta Layout* decision dated 2009, where the defendant had uses the distinctive part of the plaintiff's company name "Beta Layout" as a keyword in AdWords, the court rejected the confusion and infringement allegations as the internet users can make a difference between the natural results and they are not under the risk of confusion when the advertisement are displayed in a different place than the natural results and when the searched term does not appear in the displayed advertisement¹⁰⁸⁵.

It may be cases where the trade name used as a keyword may be a descriptive term. For instance, in *Rent a Car* case before a French court, the trade name of the plaintiff was "Rent a Car" and the defendant used this term as a keyword in Google AdWords to trigger the advertisement "*Sixt – Rent a Car, need a car? Low prices on sixt.fr*". The court, after having established that the sign at issue is descriptive for the car renting services that the parties provide, that the advertisement is displayed in the advertisement section which is on the right hand side of the natural results, that this advertisement section is understood by the internet users so that they can make a distinction between these advertisements and natural results, that the advertisement were directing the users to the defendant's website www.sixt.fr, concluded that there would be no likelihood of confusion as the advertisement which directs user to the defendant's website and which

¹⁰⁸³ TGI Paris, 19.01.2015, SAS France Pare Brise v. SARL Rapid Pare Brise

¹⁰⁸⁴ C. Cass., chambre commerciale, 29.01.2013, 11-21011 11-24713

¹⁰⁸⁵ Tyson SMITH, p.243

contains a commercial message regarding the price advantage, is located in a separate place on the screen¹⁰⁸⁶.

Therefore, it is now common ground that the advertising on the internet based on keywords corresponding to trade names is a practice inherent to the competition when its sole purpose is to offer internet users alternatives to the products of the trademark owner¹⁰⁸⁷.

Beside the use of trademarks and trade names as keywords, it is also possible the use of a domain name in keyword advertisements. As for the trade names, not the trade mark law, but the provisions of unfair competition apply in this situation.

¹⁰⁸⁶ TGI Paris, Rent a Car v. Sixt, 11.06.2015

¹⁰⁸⁷ TC Nanterre, SA Autocar Suzanne v. SAS Neotravel, 24.06.2014

B. Use of Trademarks in Metatags

1. Metatags

Internet users, when they make a search on the internet, they reach what they are looking for either by typing the domain name if they know it, or by using search engines if they don't know the relevant domain name. As it is explained in the previous chapter, there are two kinds of result displayed on the search engine result page, such as natural results and paid results (advertisements). Besides being displayed among the paid advertisements, there are many ways that a company or a person can use in order to be featured in the first ranks of the natural results. One of these methods is the use of some keywords in the source code of the web page concerned. This type of keywords, invisible to the internet user¹⁰⁸⁸, is called "metatag".

Metatags are used to increase the likelihood of a web page to be seen by the internet user that has entered a particular search query into the search engine¹⁰⁸⁹. Such meta tags consisting of keywords, are read by search engines when they scan the internet to refer to the many sites therein, and allow these engines to rank the websites according to their relevance to the search term introduced by the user¹⁰⁹⁰. The primary types of metatags are "keyword" and "description" metatags. Keyword metatags are a word, series of words or short phrases that signals the content of the website. On the other hand, description metatags are a longer element that contains a concise summary of the website's contents¹⁰⁹¹. The difference between these two types of metatag is that while keyword metatags are used by spiders in the indexing process, description metatags, on the other hand, are what search engines display in their result list to give users more information about the sites listed, allowing them to choose which one to visit¹⁰⁹².

¹⁰⁸⁸ These words do not appear at first, but if desired, they can be viewed by right-clicking on the web page and selecting the "view source" from the menu. Tamer SOYSAL, "Marka Hukuku Perspektifinden İnternet Ortamında Anahtar Kelime (Meta-Tagging) ve Adwords Reklamcılık Uygulamaları", *Uyuşmazlık Mahkemesi Dergisi*, Year 6, No 12, December 2018, p.696

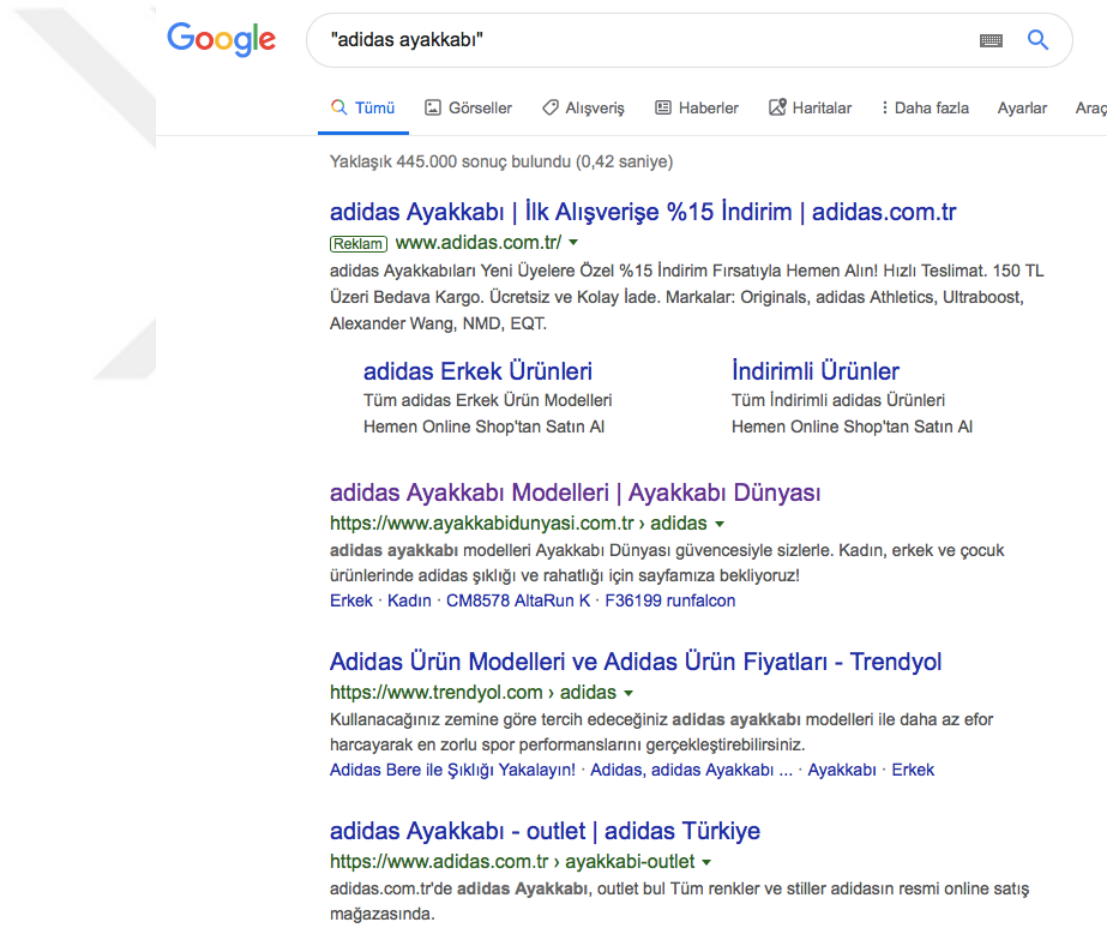
¹⁰⁸⁹ Jon M. GARON, "Tidying up the Internet: Takedown of unauthorized content under copyright, trademark and defamation law", 41 *Cap. U. L. Rev.* 513 2013, p.545

¹⁰⁹⁰ C-657/11, *Belgian Electronic Sorting Technology*, 11.07.2013, par.53

¹⁰⁹¹ Daniel DEVOE, "Applying Liability Rules to Metatag Cases and Other Instances of Trademark Infringement on the Internet: How to Get to No Harm, No Foul", *Boston University Law Review*, Vol.90, 2010, p.1222-1223

¹⁰⁹² Ben ALLGROVE, "Metatag 'Abuse': Where to Turn when the Law Falls Short", *Adelaide Law Review*, Vol.22, 2001, p.195

For instance, when a search is made for “Adidas ayakkabı” on Google¹⁰⁹³, while the first result is an advertisement given by Adidas, the second and third result are companies selling “Adidas” trademarked shoes, displayed among natural results. When the source code of the web page ranked, for example, in the second position is examined, the meta “title” tag is “Adidas Ayakkabı Modelleri Ayakkabı Dünyası”, the meta “description” tag is “Adidas ayakkabı modelleri Ayakkabı Dünyası güvencesiyle sizlerle. Kadın, erkek ve çocuk ürünlerinde Adidas şıklığı ve rahatlığı için sayfamıza bekliyoruz!”, and the meta “keyword” tag is “Adidas ayakkabı, Adidas ayakkabı modelleri, Adidas ayakkabılar, Adidas ayakkabı fiyatları, yeni sezon Adidas ayakkabıları”.



The screenshot shows a Google search for "adidas ayakkabı". The search bar contains the text "adidas ayakkabı" and the search button is visible. Below the search bar, there are navigation options: "Tümü", "Görseller", "Alışveriş", "Haberler", "Haritalar", "Daha fazla", "Ayarlar", and "Araç". The search results show approximately 445,000 results found in 0.42 seconds. The first result is an advertisement for Adidas, titled "adidas Ayakkabı | İlk Alışverişe %15 İndirim | adidas.com.tr". The ad text mentions a 15% discount for new members and lists various Adidas brands like Originals, Adidas Athletics, Ultraboost, Alexander Wang, NMD, and EQT. Below the ad, there are two promotional boxes: "adidas Erkek Ürünleri" and "İndirimli Ürünler". The second result is "adidas Ayakkabı Modelleri | Ayakkabı Dünyası" with a link to "https://www.ayakkabidunyasi.com.tr". The description for this result mentions Adidas shoes for women, men, and children, and lists models like CM8578 AltaRun K and F36199 runfalcon. The third result is "Adidas Ürün Modelleri ve Adidas Ürün Fiyatları - Trendyol" with a link to "https://www.trendyol.com". The description mentions Adidas shoes for various occasions and lists models like Adidas Bere ile Şıklığı Yakalayın! and Adidas, adidas Ayakkabı ... · Ayakkabı · Erkek. The fourth result is "adidas Ayakkabı - outlet | adidas Türkiye" with a link to "https://www.adidas.com.tr". The description mentions Adidas shoes for sale in the outlet store.

```
<title>adidas Ayakkabı Modelleri | Ayakkabı Dünyası</title> = 50
<meta name="description" content="adidas ayakkabı modelleri Ayakkabı Dünyası güvencesiyle sizlerle. Kadın, erkek ve çocuk ürünlerinde adidas şıklığı ve rahatlığı için sayfamıza bekliyoruz!">
<meta name="keywords" content="adidas ayakkabı, adidas ayakkabı modelleri, adidas ayakkabılar, adidas ayakkabı fiyatları, yeni sezon adidas ayakkabıları">
```

¹⁰⁹³ The search is made on 31.08.2019

The problem with this method was that metatags used on the code sources of a website might not have anything to do with the actual content of the webpage, as webmaster can use metatags even unrelated to the content of the webpage in order to increase the consumer traffic of their websites¹⁰⁹⁴. In fact, although, initially, metatags were an effective means of referencing an internet page, the abuses engendered by this technique quickly led search engines to almost completely ignore their use¹⁰⁹⁵. According to Google's statement made in 2009, Google disregards "keyword metatags" completely. They simply don't have any effect in Google's search ranking at present. Google uses sometimes the "description" meta tag¹⁰⁹⁶. Therefore, at present, Google only takes into account some metatags of a functional nature, insusceptible to positively influence the referencing of an internet page¹⁰⁹⁷. Indeed, tags of type `<META NAME='keywords' CONTENT=' '/>` are no longer taken into account. Only the tags `<META NAME='robots' CONTENT=' '/>` et `<META NAME='googlebot' CONTENT=' '/>` are used by robots¹⁰⁹⁸. Similarly, the search engine Yahoo! Still index the meta keyword tags, but the ranking importance given to them receives the lowest ranking signal¹⁰⁹⁹.

Although search engines, such as Google, indicated that the metatags will no longer be taken into account in the ranking, the conflicts arising out of the use of trademarks in metatags are still subject to many court litigations. Moreover, the ineffectiveness of a metatag does not make it legal¹¹⁰⁰.

2. Infringement of Trademarks in Metatags

It is a natural situation for a trademark owner who wishes to get higher position in the search engine results when his trademark is searched, to use its trademark or words describing its products or services as metatag in its web site source codes. However, the problem arises when this trademark is used by third parties in metatags without the

¹⁰⁹⁴ Daniel DEVOE, p.1223

¹⁰⁹⁵ Nathalie DREYFUS, p.262

¹⁰⁹⁶ Google Webmaster Central Blog, "Google does not use the keywords meta tag in web ranking", 21.09.2009, <https://webmasters.googleblog.com/2009/09/google-does-not-use-keywords-meta-tag.html>

¹⁰⁹⁷ Nathalie DREYFUS, p.262

¹⁰⁹⁸ Loic ANDRE, p.117

¹⁰⁹⁹ Chris EDWARDS, "Meta Keyword Tag Still Used by Google, Bing and Yahoo?", available at <https://datadrivenlabs.io/blog/keyword-meta-tag-google/> (last accessed on 28.05.2019)

¹¹⁰⁰ Emily THORNTON, "The Use of Trademarks as Metatags in Europe: Expanded Protections from the European Court of Justice", Wake Forest Journal of Business and Intellectual Property Law, Vol.14, Spring 2014, No.3, p.508

consent of the trademark proprietor. In this regard, it should be examined the conditions under which a trademark infringement can be found in such situations.

On this point, it should be pointed out that, there is any CJEU ruling on whether this kind of use constitutes a trademark infringement. The only ruling of the CJEU on metatags is related to whether the use of metatags can constitute “advertising”. The answer is affirmative. Accordingly, the use of metatags is encompassed by the term “advertising” within the meaning of the Trademark Directive 84/450 and 2006/114¹¹⁰¹. Therefore, the use of metatag may now subjects the site owner to liability under the advertising law¹¹⁰². However, the CJEU did not rule on whether the use of metatags constitutes a form of comparative advertising. One of the conditions in order to constitute a lawful comparative advertisement, is that it does not create a likelihood of confusion and it does not take unfair advantage of the reputation of the mark¹¹⁰³. In this regard, it should be determined in any way whether the use of metatags in question creates a likelihood of confusion and whether it takes an unfair advantage from such use.

Using another’s trademark as metatag in order to get higher rank in the natural results has some consequences for the trademark proprietors. Indeed, getting a higher position through this mechanism allows the web site concerned to be more visited by the internet users and thus shifting these internet users to the competitor. Moreover, the facts that such use may result also in taking unfair advantage of the mark used in metatags and may cause detriment to its distinctiveness, are one of the claims alleged by the trademark proprietors.

Regarding the use of the trademark in metatags, each country applies its own trademark law or unfair competition principles and reaches different decisions accordingly. In Turkey, pursuant to the art. 7/3-d of the IPL, using another’s trademark as metatag is considered as infringing trademark rights. In this regard, it will be examined the infringing uses of the trademark by metatags in this chapter.

¹¹⁰¹ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.60

¹¹⁰² Emily THORNTON, p.506-507

¹¹⁰³ For more information on comparative advertising, see “Comparative Adcertising” at the subsection III/7 under the Second Section

In order to constitute a trademark infringement, the alleged infringing use should be made, firstly “in the course of trade” and “in relation to goods or services”. Moreover, the requirement of use with commercial effect is of particular importance for the uses made on the Internet. Uses fulfilling these requirements should also satisfy the infringement conditions for identical, similar and reputed mark uses. In this regard, it will be examined in the first place, the requirement of use in the course of trade (a), use in relation to goods or services (b) use with commercial effect (c), and then the infringement criteria for identical, similar and reputed mark uses (d).

On this point, it should be pointed out that such examination is pertinent for uses made on search engines which take into account metatags in the ranking. Indeed, as stated above, search engines such as Google does not consider “keyword metatags” relevant in its ranking. Therefore, in my opinion, trademark infringement cannot not be pleaded for Google’s natural result rankings. However, as the policies of the search engines change over time, we may never know the exact functioning of these mechanisms.

a. Use in the Course of Trade

Under both the European and Turkish Trademark Law, in order to constitute an infringement, a use of identical or similar sign should be made “in the course of trade”. Use in the course of trade is “*a use which takes place in the context of commercial activity with a view to economic advantage and not as a private matter*”¹¹⁰⁴.

As in the case of AdWords, metatags are not placed on any goods, nor do companies carry out their commercial activities under them. On the other hand, there is no need for the metatag uses to make a distinction between the site owner who uses the sign in metatags and the search engine which displays the website’s link, as we do such distinction in AdWords cases. Indeed, the only function of the search engine here is to display the search results under certain criteria and there is no relationship between the search engine and the site owner regarding the use of the metatag in question. In other words, the person who uses the sign in question in metatag does not buy it from the search

¹¹⁰⁴ C-206/01, Arsenal, 12.11.2002, par.40; C-17/06, Céline, 11.09.2007, par.17; C-62/08, UDV North America, 19.02.2009, par.44; C-245/02 Anheuser-Busch, par. 62; C-487/07 L’Oréal, 18.06.2009, par. 57

engine, rather he inserts it itself into the source code of his website without paying any fee to the search engine operator. In this regard, whether there is a use in the course of trade should only be examined with regard to the person who uses the sign in the source code of its website.

All the activities of a commercial company, including those carried out in its internal sphere, are necessarily part of an economic perspective and the absence of any offer to the public of the goods or services bearing the sign is indifferent. Indeed, the use of the mark belonging to others as metatag on the source code of the web pages of the site allows the person who uses it to appear alongside the official website of the trademark owner on the result page and thus capture some of the clients of the trademark owner. Therefore, this use is considered to be in the context of commercial activity aiming at an economic advantage of it without the authorization of the trademark owner¹¹⁰⁵. Therefore, as for AdWords, the use of metatags having the consequence to trigger the web site of the third party next to that of trademark owner, the website owner uses it in the context of commercial activity.

b. Use in Relation to Goods and Services

Use in relation to goods and services requires that use should be made in a such way to distinguish the products or services of the person who use the sign at issue from those of others. It is not necessary to affix the sign on the products or services. This condition is fulfilled when a sign corresponding to a trademark is used in such a way as to establish “*a link*” between the sign at issue and the products marketed or the services provided by the third party¹¹⁰⁶.

There is no coherence between the EU member states’ court on whether the use of the trademark in metatags constitutes a use in relation to goods or services, thus use as a trademark. In France, for example, although at first, judges were inclined to hold the owner of the web pages liable for trademark infringement because of the use of their competitors’ trademark as keyword, they subsequently have made a complete reversal,

¹¹⁰⁵ CA Paris, Pole 5, RG No 12/18656, 19.03.2014, Artdesign v. Steelnovel

¹¹⁰⁶ C-17/06, Céline, 11.09.2007, par.23. See “Use in Relation to Goods and Services” at the subsection I/1-C under the First Section

considering that the use of metatags could not constitute an infringement since it did not constitute use as a trademark, which implies to be perceived by the public. But metatags are inserted into the site codes, so are not visible to the internet users¹¹⁰⁷.

For example, in a decision of the first instance court of Paris dating back to 2010, it was held that metatags, which are invisible to users, cannot, at any time, fulfill the function of a trademark which should be visible to the public which it addresses to guarantee the origin of the product, consequently, the use as metatag of a sign cannot constitute a counterfeit¹¹⁰⁸. Similarly, it was decided in a case before a first instance court in 2016, that the use of the trademark which is reproduced in the source code of the site cannot be considered as a counterfeit use of the trademark, since the sign is not used in the source code to designate products and services and is not accessible to the user who consulted the search engine by entering the mark in question. In this decision, a distinction was made between the use of the trademark in the source code of the site and the display of the mark in the result page of the search engine. The first situation is not considered an infringing use for the reasons mentioned above. On the other hand, the second type of use, namely the use in a manner that the trademark is displayed in the results as in the summary of the web page or in the link redirecting the user to the web page, is found to create a likelihood of confusion in the mind of the internet user, thus a trademark infringement¹¹⁰⁹.

Equally, a French first instance court¹¹¹⁰ held in 2017 that, the use of a sign as a metatag which contains information that is not visible to the internet user, but allows search engine robots to index a web page in their database, cannot constitute an act of infringement since it is not perceptible to the consumer. On this point, the court made a distinction as it was made in the abovementioned decision dated 2016 and considered that while as the mere use of the trademark as metatag is not visible to the internet user, this kind of use does not constitute a use as a trademark, thus does not constitute a trademark infringement, on the other hand, the uses which make appear the trademark in the search

¹¹⁰⁷ Nathalie DREYFUS, p.260-261

¹¹⁰⁸ TGI Paris, 3e ch., 3e sct., 29.10.2010, Free v. Osmozis

¹¹⁰⁹ TGI Paris, 3e ch, 3e sect, 29.01.2016, M.O.S, Un Amour de Tapis SARL v. e-services France

¹¹¹⁰ TGI Lyon, ch.3, cab 3 C, 17.01.2017, Julia Press et M.X v. Decathlon France et Soderumo

results constitute trademark infringement. According to the court, infringement may be held if the sign had been used in such a way as to make it appear in results visible to the consumer and whose title are intended to orientate its economic behavior. In this particular case, the defendant used the plaintiff's mark (Inuka). The use was found within the results page of Google by entering the keywords « Inuka purchase », « Inuka store », and « Inuka on the internet ». The term « Inuka » was associated with the website « decathlon.fr », but also on different pages of the website decathlon.fr as www.decathlon.fr/achats-inuka.htm and www.decathlon.fr/Acheter/inuka to which the results of the search engine were directing. Therefore, the use here was not merely a use of metatag which is not visible to the internet users, but it was a use which showed the trademark in question in sub-directory of the domain name which is visible to the internet users. In consequence, a likelihood of confusion had been held.

Some German Courts did not consider as well the use of the trademark in metatag as a trademark use in the early 2000. However, even though there is no consensus among the German courts on this issue, there are also decisions in which such use is considered as a trademark use¹¹¹¹. For instance, in *Impuls* decision dated 2006¹¹¹², the German Federal Supreme Court held that a metatag use amounts to a use “as a trademark”, and the fact that metatags are not visible to the users is irrelevant as they influence the results of the search and direct users to the website in whose code sources the metatags are embodied¹¹¹³. Therefore, according to the Federal Court, metatags are signs used to distinguish the goods or services of the metatag user from other goods or services¹¹¹⁴.

In my opinion, the requirement of visibility of the sign to the internet user is not consistent with the case-law of the CJEU on AdWords. Indeed, according to the CJEU, “*the fact that the sign used by the third party for advertising purposes does not appear in the ad itself cannot of itself mean that that use falls outside the concept of ‘(use)... in*

¹¹¹¹ For detailed information, see Ömer KORKUT, “Bir Markanın Web Sitelerinde Yönlendirici Kod (Meta Tag) Olarak Kullanılması Sorunu”, 24 Banka Huk Dergisi, 2007, p.509-511

¹¹¹² Bundesgerichtshof (BGH), 18.05.2006, I ZR 183/03, 2006

¹¹¹³ Emily THORNTON, p.500

¹¹¹⁴ Roland KNAAK, “Metatags and Keywords as Comparative Advertising”, Journal of Intellectual Property Law & Practice, 2014, Vol.9, No.9, p.771

relation to goods or services” within the terms of article 10 of the Trademark Directive (IPL art.7)¹¹¹⁵. In fact, it cannot be assumed that only the uses specified in art 10/3 of the Trademark Directive (IPL art.7/3) constitute “use” in the meaning of trademark law, since this is a list enacted before electronic commerce and the Internet become so widespread. Moreover, from the “use” examples given in art.10/3 of the Trademark Directive (IPL art.7/3), it can be seen that the use of the sign need not be visible to the public. For instance, even though the exported goods which bears the mark are not seen by the public in the country of export, it is considered as a use of the trademark which can be prevented by the trademark proprietor. In that regard, using another person’s trademark in an invisible way to the public in the source codes of a website falls within the definition of “use”¹¹¹⁶.

As a matter of fact, when the French appeal courts’ decisions are examined, it is seen that these appeal courts reversed the decisions of the first instance court which did not find a trademark infringement as such use is not visible by the internet user and thus does not constitute a trademark use. For instance, the decision of a first instance court rejecting the claims of the plaintiff regarding the use of the mark as metatag¹¹¹⁷ (according to which the sign in question is not visible to the normally informed consumer, since to make appear it, it is necessary to request the display of the internet page containing the source code of the page consulted and that consequently the sign thus reproduced does not fulfill the trademark function and does not constitute an infringement) is reversed by the court of appeal¹¹¹⁸. According to the appeal court, the use of a distinctive sign on a website aimed at the French public may constitute a trademark infringement, whatever form that use takes and even if the sign is not visible the internet user.

Under the Turkish Trademark Law, pursuant to the art.7/3-d, the use of another’s trademark as metatag is counted among the uses which can be prohibited by the trademark proprietor. Therefore, the Turkish courts interpret the metatag uses as trademark use. When the Turkish court decisions are examined, it can be seen that the courts do not do

¹¹¹⁵ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 65

¹¹¹⁶ Charles GIELEN, Keyword Advertising, p.2

¹¹¹⁷ TGI Paris, 21.09.2012, RG no 11/05164

¹¹¹⁸ CA Paris, Pole 5, 19.03.2014, Artdesign v. Steelnovel

any analysis whether such use constitutes a trademark use, unlike the German or French courts.

c. Use with Commercial Effect

In addition to the “use in the course of trade” and “use in relation to goods or services” requirements, there is another which is expressly stated in art.7/3-d of the IPL. This is the condition that the use on the internet should be made in a way that creates a “commercial effect”.

In Turkish doctrine, this requirement is understood in such a manner the trademark proprietor should be damaged because of the metatag use, or even if there is no damage to the trademark owner, the person who uses the sign as metatag should derive a profit from such use. This profit may be due to the increase in the number of visitors to the website and thus gaining advertising revenue¹¹¹⁹.

However, as explained in the previous chapters, use with commercial effect means that the use in question should produce commercial effect within the country or territory where the trademark in question is under protection. For this to happen, such use should target the country or territory in which the alleged infringed trademark is registered. Therefore, in order to be able to talk about a commercial effect in the use of the trademark in metatags, the website for which the metatag is used should target the country/territory where the trademark is registered. As indicated by the French appeal court, the use of a distinctive sign on a website aimed to the French public may thus constitute an act of trademark infringement, whatever form this use takes even if the sign is not visible to the user¹¹²⁰.

Similarly, according to the German case-law, for there to be an infringement of a German trademark on a foreign website, it is required that there be an economic link with Germany. In case of a use of the trademark as a keyword, the use of certain terms as metatag on foreign websites may infringe German trademark rights, “if the search engine

¹¹¹⁹ Ömer KORKUT, p.516

¹¹²⁰ CA Paris, Pole 5, 19.03.2014, *Artdesign v. Steelnovel*

optimization aims at increasing the reach of the website in Germany or if the operator of the website neglects to undertake necessary and reasonable measures to stop search engine crawlers accessing and listing the website in German search engines. Therefore, an economically relevant nexus is established by the use of a trademark as a metatag for a German search engine so that the website operator directs his website at customers in Germany by way of search engine optimization or neglects to ban search bots from listing his website in German search engines”¹¹²¹.

d. Infringing Types of Uses

As indicated above, while some countries or some courts consider the metatag use as not constituting a trademark use because of its invisibility to the internet user, some other countries or courts consider it as a trademark use.

In the event that such use is considered to be a use falling within the scope of trademark law, there are some other conditions to be fulfilled. These are, for identical uses, use liable to affect one of the functions of the trademark; for similar uses, likelihood of confusion; for reputed mark uses, unfair advantage from the reputation of the mark, detriment to the distinctive character or to the repute of the trademark.

In most cases, the internet user typing as a search term the trademark of the product of a company or the name of that company aims to find information or offers on this specific product or on this company. Therefore, when displayed among the natural results, links to sites offering products of a competitor of this company, the user can perceive these links as offering an alternative to the products of that company or think that these lead to sites offering the products of the latter. This is especially the case when the links of the competitor’s website are among the first search results, or when the competitor uses a domain name that comprises that company’s tradename or products name¹¹²². Consequently, such use will cause an advantage to the user of metatags as his

¹¹²¹ Benedikt F. FLÖTER, “Infringement of German National Trade Marks by Meta-tag Used on Foreign Websites. Federal Supreme Court – Resistograph”, 30.04.2018, accessible at <https://www.lexology.com/library/detail.aspx?g=f8edb162-ac29-4087-9320-d249b0172184> (last accessed on 30.12.2018)

¹¹²² C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.56

website's links will appear in the list of these results, even in some cases in close proximity of the said competitor's website¹¹²³.

If such an advantage is obtained, is it possible to found automatically an infringement of trademark rights? The answer to this question depends on the jurisdiction and on the facts at issue. There is no coherent view on this issue, even within the same jurisdiction. For instance, while the English Courts found that use of another's mark in metatag do not cause likelihood of confusion, other courts in various jurisdiction such as Germany, Denmark, Spain found that there is infringement. Moreover, French courts have diverging conclusions by deciding either in favor of the trademark proprietor or the user of the metatag¹¹²⁴. In Turkey, the courts hold in general that such use constitutes a trademark infringement. In this regards, it will be examined below the infringement conditions when the trademark is used as metatag, in the light of the recent judgment rendered on this matter.

aa. IDENTICAL & SIMILAR Use

In the context of "identical" use, the sign should be identical to the trademark and used for the same goods or services for which the trademark is registered. For this type of use, in principle, there is no need for a finding of a likelihood of confusion. However, as explained before, the CJEU requires also that such use should affect or is liable to affect one of the functions of the trademark in question in order to constitute an infringement.

In the context of "similar use", the sign should be identical to or similar with the trademark, and used for identical or similar goods or services for which the trademark is registered; and in consequence of this use, there should be a likelihood of confusion in the mind of the average consumer.

In this regard, it will be analyzed the identity and similarity between the trademark and the sign used as metatag (i), the identity or similarity between the goods or services for which the trademark is registered and those for which the metatag is used

¹¹²³ Ibid., par.54

¹¹²⁴ Emily THORNTON, p.498-502

(ii) and the uses affecting the functions of the trademark which is required for “identical” use infringements and the likelihood of confusion which is required for “similar” use infringements (iii).

i. Identity & Similarity between the Trademark and the Sign Used as Metatag

According to the CJEU’s case-law, “*a sign is identical with a trademark only where it reproduces, without any modification or addition, all the elements constituting the trademark or where, viewed as a whole, it contains differences which are so insignificant that they may go unnoticed by an average consumer*”¹¹²⁵.

Regarding the use of an identical sign in metatags, for instance, in a case where the defendant was allegedly used the term “doctor discount” in metatags and where the plaintiff’s registered trademark was “DrDiscount”, the French Court considered these two as “identical”. According to the court, the contraction of “doctor” into “Dr” does constitute for the average consumer, who is sensitive to the overall impression produced by the sign, only an insignificant indifference which does not alter the perception since the pronunciation of the usual abbreviation of “Dr” is “doctor”. The sign “doctordiscount” had been thus considered as being identical to “Dr discount” because of their phonetic and conceptual identity¹¹²⁶.

On the other hand, it is not necessary that there is both visual, phonetic and conceptual similarity between the signs. One of them suffice to find the similarity between the signs. As it is not possible to use figurative signs in metatags, in case where the mark consists of word and figurative element, only the word element can be used as metatags. In this regard, in the presence of semi figurative marks, there will be a similarity, and not an identity between the trademark and the sign used as metatag. Equally, in cases where the trademark used as metatag consists more than one-word element, there will be similarity when only some of these elements are used as metatag.

¹¹²⁵ C-291/00, LTJ, 20.03.2003, par.54; C-278/08, BergSpechte, 25.03.2010, par.25

¹¹²⁶ TGI Paris, 3e ch, 1ere sect, Scté Up Trade SAS – M. Cyrille Ouaki v. Central d’Achat Ubaldi SAS, No RG: 13/17195, 29.01.2015

ii. Identity & Similarity between the Goods and Services

For the “identical” use infringement, a metatag identical to the trademark should be used for identical goods or services for which the trademark is registered. For the “similar” use infringement, a metatag identical to or similar with the trademark should be used for identical or similar goods for which the trademark is registered. In order to determine whether the metatag is used for identical or similar goods for which the trademark is registered, the content of the website in whose source codes a metatag identical to or similar with the trademark is inserted should be taken into account.

For instance, in a case where the mark used as metatag by a third party was registered in classes 6 and 20, including furniture, chairs, seats, the activity of the website whose source code included the metatag in question had been taken into account in determining whether the goods or services are identical or similar. Since the third party’s site concerned furniture, armchairs, seats, it was considered that it was considered as being active in products or services identical to those included in the registration of the mark in question¹¹²⁷.

iii. Adverse Effect on the (Origin) Functions of the Trademark & Likelihood of Confusion

As explained before, in case of “identical use”, in order to find an infringement of trademark rights, there should be a use which affects or is liable to affect one of the functions of the trademark in question. This requirement is set forth by the CJEU and does not exist neither in Turkish legislation nor case-law.

The functions examined by the CJEU in this context until now are the origin, advertising and investment function. Regarding to the origin function, the adverse effect on this function occurs where the sign is used by the third party for its goods or services in such a way that consumers are likely to perceive it as indicating the source of the goods or services in question¹¹²⁸.

Therefore, the requirement of use liable to affect the origin function of the

¹¹²⁷ CA Paris, Pole 5, 19.03.2014, *Artdesign v. Steelnovel*

¹¹²⁸ C-17/06, *Céline*, 11.09.2007, par. 27

trademark in order to be an infringement means that the consumer must be in a situation likely to be confused between the signs. Indeed, the essential function is damaged when consumers are confused between the sign and the trademark, such that the mark cannot guarantee the origin of the goods. In this regard, the requirement of use liable to affect the origin function of the trademark in “identical” use situations corresponds to the requirement of likelihood of confusion in “similar” use situations. Indeed, the likelihood of confusion test applied by the CJEU for the use of trademarks in keyword advertisement is the same that formulated with regard to an adverse effect on the origin function of the trademark in identical uses. Both the origin function analysis under art.10/2-a of the Trademark Directive (IPL art.7/2-a) and the likelihood of confusion test under art. 10/2-b of the Trademark Directive (IPL art.7/2-b) include “the test whether the advertising is too vague to exclude a potential risk of consumer protection”¹¹²⁹.

Therefore, in order to constitute an infringement when the trademark is used as metatag, it is up to the trademark owner to demonstrate that such use undermines the origin function of its trademark and in particular to establish that the advertisement caused by this keyword or tag creates a likelihood of confusion with its own products or services¹¹³⁰.

According to the German Court, which stated in *Impuls* case¹¹³¹ in 2006, “a likelihood of confusion arises in the case where the internet user who is familiar with the trademark or trade names uses this term as a search word and receives information about a website operated by a competitor who offers the same goods or services as the trademark owner. In such a situation, the Internet user might mistake the infringer’s offer for the offer of the trademark owner. This risk is sufficient for establishing a likelihood of confusion, and it is irrelevant whether the confusion can be eliminated subsequently by getting involved more in detail with the infringer’s website”¹¹³².

In my opinion, this German case-law dated 2006 is nowadays outdated. Indeed,

¹¹²⁹ Martin R.F. SENFTLEBEN, Keyword Advertising, p.63

¹¹³⁰ TGI Paris, 3eme ch, 4eme sect., Webangells v. Laurent I., 26.01.2012 (www.legalis.net)

¹¹³¹ Bundesgerichtshof (BGH), 18.05.2006, I ZR 183/03, 2006

¹¹³² Norberts HEBEIS – Morton DOUGLAS, “Trademark Infringements by Metatags”, Lexology, 23.04.2007, <https://www.lexology.com/library/detail.aspx?g=deef1b00-4aae-40b0-9cca-324195770aa2> (last accessed on 17.08.2018)

when the recent French courts decisions are examined, it is seen that the courts do not consider the mere use of trademarks in metatag as an infringing use and apply by analogy the criteria set forth by the CJEU for uses made in keyword advertisement.

The criteria established by the CJEU to find whether the origin function is adversely affected is important in the determination of the infringement through keyword advertisement. Indeed, courts which have applied these criteria tend to find non adverse effect of the origin function of the trademarks which are used in AdWords in recent years¹¹³³. These criteria are set forth by the CJEU in *Google France* and subsequent cases. Accordingly, there would be an infringement in the case where “*that ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party*”¹¹³⁴. Therefore, there would be an adverse effect on the function of origin if a third party’s ad “*suggest that there is an economic link between that third party and the proprietor of that trade mark*”. Moreover, even if the ad does not suggest the existence of a link, but is “*vague to such an extent on the origin of the goods or services at issue that normally informed and reasonably attentive internet users are unable to determine, on the basis of the advertising link and the commercial message attached thereto, whether the advertiser is a third party vis-à-vis the proprietor of the trademark, or on the contrary, economically linked to that proprietor*”, this situation means that the function of indicating of the origin of the mark is adversely affected¹¹³⁵.

Since the purpose of using metatags and the results displayed in consequence of this use are similar to the purpose of using keywords in AdWords and the results displayed in consequence of this use, the question arises in terms of whether the criteria set forth for the determination of infringement in keyword uses are equally applicable to the metatags. On this point, for example, while some French courts apply these criteria in metatag cases, others do not find appropriate to apply them.

¹¹³³ See “Adverse Effect on the Origin Function” at the subsection II/2-A-2-d-aa-ii under the Second Section

¹¹³⁴ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par.99

¹¹³⁵ *Ibid.*, par. 89-90

For instance, the French Appeal Court in its decision dated March 2019¹¹³⁶, in parallel to the case law of the CJEU on AdWords, held that the essential origin function is impaired when the advertisement “*does not allow or only makes it difficult*” for the internet user *to know* whether the products or services referred to by the advertisement come from the trademark proprietor or from an undertaking economically linked to it, or on the contrary, from a third party. According to the court, the use of an identical sign with the trademark in the context of natural referencing may be prohibited if it suggests the existence of an economic link between the third party and the trademark proprietor.

Also in a decision of the Court of Appeal of Paris dating 2017¹¹³⁷, concerning the use of the mark « Merck » following a coexistence agreement between a German and American company, the defendant MSD France used the « Merck » trademark for which the plaintiff had the right to use, in the metatags of the website www.msd-France.com. For example, when the term « Merck » is entered as a search term in the Google search engine this site was appearing in the second page of search results under the announcement : « *MSD in France : Global pharmaceutical laboratory based on www.msd-France.com, MSG is also known as Merck in the United States and Canada. Merck&Co launches the MSD program for Mothers to fight against mortality* ». Firstly, the Court of first instance held that there was no infringement as it considered that the advertisement was enabling the internet user to understand that the goods and services concerned were not coming from the proprietor of the « Merck » trademark. However, this decision was overturned by the Appeal Court. Having found that the defendant used in the course of trade a sign identical to the trademark “Merck” for identical goods or services for which the mark is registered, the Court of Appeal applied exactly the same criteria as those of Google France case of the CJEU. Indeed, she repeated the judgment of the CJEU saying that there is an adverse effect of the function of indication of origin when the advertisement does not allow or only makes it difficult for the internet user to understand whether the goods or services covered by the advertisement come from the proprietor of the mark or a company economically connected with it or from a third party;

¹¹³⁶ CA Paris, pole 5, 1er ch., Rue du Commerce SAS v. Carré Blanc Expansion SAS et Carré Blanc Distribution SAS, 05.03.2019; PIBD No.1113, III, 19.04.2019, p.158

¹¹³⁷ CA Paris, Pole 5, ch. 1, 16/07065, Scté Merck KGaA v. MSD France SAS, 13.06.2017

that where the third party's advertisement suggests an economic link between the advertiser and the proprietor of the mark, it must be concluded that the function of indicating the origin of that mark is adversely affected; that, likewise, when the announcement, while not suggesting the existence of an economic link, remains so vague as to the origin of the goods and services in question that an internet user who is “normally informed and reasonably attentive” is not able to know, when it sees the promotional link and the commercial message that is attached to it, whether the advertiser is a third party to the trademark owner or otherwise if it is an undertaking economically linked to it, it must be concluded that the origin function of the mark is affected”. Applying these criteria, the Court noted that although the ads contains the “MSD laboratory” name and the link containing the name of that company, the user also finds express references to the term "Merck" that he is looking for. As a result, it concluded that this normally informed internet user, who is therefore unaware and cannot imagine that there are two independent pharmaceutical companies in the world, both called Merck, and that the one he is looking for is German, while the second is American, will necessarily be led to believe that there is at least a link between the company marketing drugs under the name of Merck he is looking for and the company MSD he found among the results of his research.

Similarly, in a case where the use of trademark in metatags was at issue, the French court in a decision dated 2015, after recalling the case law of the CJEU on the AdWords, it applied this to the metatag case and found that the use of the plaintiff's mark by the defendant in metatags does not adversely affect the origin function of the mark. According to the court, at the stage of both the display of results and the corresponding web page, the internet user cannot be mistaken on the URL of the site it consults, on its commercial connection and on the identity of the seller to which it is addresses. Therefore, it has been concluded that the defendant's use of the “doctordiscount” sign enables the internet user who is normally attentive and reasonably informed to distinguish the products offered for sale under the trademark “DrDiscount” or by the defendant and thus

does not liable to affect the origin function of this trademark¹¹³⁸.

On the other hand, the same court one year before held that the solution of the CJEU for the AdWords cannot be transposable to the metatag cases. The particularity of the case was that in consequence of the use by the defendant of the plaintiff's trademark in metatags, the results displayed was containing the plaintiff's trademark "cuir center" in the heading and in the commercial message of the ad. The defendant argued that the sign at issue is descriptive for the goods that it offers for sale, but the court did not accept this defense as appropriate. Indeed, the terms in issue were not used separately, which would have been permissible, but in an adjacent manner. Therefore, it was held that this visible use of the terms "cuir center" associated to the presentation of a commercial site necessarily creates for the internet user normally informed and reasonably attentive a likelihood of confusion about the origin of the products sold on the web site. This internet user will not be able, when saw the results displayed, to determine whether the products sold come from the trademark proprietor or from an entity economically linked to it or from a third party, as the distinctive part of the plaintiff's marks was reproduced identically in the title of the advertisement and in the brief description thereof¹¹³⁹. However, the important point here is that the plaintiff's mark was used in the ad text so that it can be seen by the internet user. Therefore, the court did not found an infringement solely because of the mere use of the mark in metatags but because of the fact that the trademark was visible to the internet users.

In the light of the above mentioned French court decisions, while some first instance courts did not take into account the CJEU's case-law on AdWords for metatag uses, the Appeal Courts applied it in their recent decisions. In that regard, the mere use of trademarks in metatags has not been considered an infringement automatically, but the courts examined the facts case by case and determined whether there is a likelihood of confusion in the mind of the normally informed and attentive internet user by applying the criteria set forth for keyword advertisement.

¹¹³⁸ TGI Paris, 3e ch, 1ere sect, Scté Up Trade SAS – M. Cyrille Ouaki v. Central d'Achat Ubaldi SAS, No RG: 13/17195, 29.01.2015

¹¹³⁹ TGI Paris, 3e ch, 3e sect, No RG: 13/00916, Cuir Center International SA v. Salso SARL, 29.08.2014

Therefore, even though the results triggered by the keyword and metatag uses are displayed in different parts of the search result page, the case-law according to which the mere use of trademarks as keywords in AdWords does not result automatically in an infringement can be applied by analogy to the metatag uses. Indeed, while the AdWords are an “ad” service of Google, metatag use also constitutes a form of advertising as stated by the CJEU. Therefore, both keyword and metatag uses are a sort of internet advertisement. The only difference between them is that search results triggered by keywords are displayed under the “ad” section, whereas the results caused by the metatags are displayed under the natural results. In that regard, the difference in the application of the AdWords case-law to the metatags may be the level of attention of the internet user. Indeed, while the internet user may know that the results displayed in the “ad” section are nothing to do with the trademark searched for as they are clearly stated as “ad”, on the other hand, they may think that the results displayed in the natural results are more related to the trademark searched for. As stated by the French Appellate Court in 2019, the degree of vigilance of the normally attentive internet user must be appreciated in view of the fact that it is a natural and non-promotional referencing system. Such a system enjoys greater credit from the user who will therefore pay less attention than a promotional referencing¹¹⁴⁰.

In other words, the internet user has more belief that the results under the natural results are related the trademark searched for. However, although this is called natural results, all of these natural results are not relevant to the trademark searched for by the internet user. The internet user is aware that not all the results displayed in the search engine are related to the trademark s/he is looking for. This is the result of the fact that the technology and thus the internet has become a part of our lives and therefore the internet user is now more aware of the functioning of the internet. In that regard, in my opinion, as with AdWords, the mere use of metatag does not constitute trademark infringement and in order to find an infringement, the result displayed due to the use of metatags should be examined as a whole, including its heading, commercial message and the domain name mentioned therein and it should be determined whether the internet user

¹¹⁴⁰ CA Paris, pole 5, 1er ch., Rue du Commerce SAS v. Carré Blanc Expansion SAS et Carré Blanc Distribution SAS, 05.03.2019; PIBD No.1113, III, 19.04.2019, p.158

can think that result is related to the trademark s/he is looking for. As stated by the English Court in *Reed* case in 2004, “causing a site to appear in a search result, without more, does not suggest any connection with anyone else”¹¹⁴¹.

For AdWords, the use of (even reputed) trademarks as keyword to trigger links offering alternative goods or service is considered lawful as long as it does not create a likelihood of confusion. In my opinion, there is no need to separate from this principle for metatags. Indeed, the internet user knows nowadays that the natural results displayed in consequence of a search are not all related to the trademark in question, and that irrelevant results may also displayed within these natural results.

For instance, in above mentioned case before the French Appellate court in 2019, the defendant had used the plaintiff’s trademark “Carré Blanc” in the source codes of its website and the result displayed in consequence of such use contained the trademark of the plaintiff in the heading and in the commercial message of the ad, so that the trademark at issue was visible to the internet user. For such a use, both the first instance and the appellate court held that this type of use undermines the origin function of the trademark, in that it is likely to let the internet user normally informed and reasonably attentive to think that “Carré Blanc” products will be offered on this web page. According to the court, “it does not allow the internet user, or only makes it difficult for it, to know whether the goods or services referred to by the advertisements come from the trademark proprietor or an undertaking economically linked to it, or on the contrary, from a third party”¹¹⁴². Besides, the defendant argued that this is a normal use of search optimization rules and showed as evidence other third parties links on the natural results displayed as a result of the search made by the trademark in question. However, the court stated that the defendant cannot rely on these third party uses as these do not contain the plaintiff’s mark in their heading, in their commercial message or in their URL in such a way that the mark can be seen by the internet users. Therefore, it is understood from this distinction made by the court that the internet user would not be confused about the origin of the goods or services if the trademark does not appear on the link displayed as a result of the

¹¹⁴¹ EWCA Civ. 159, *Reed*, 03.03.2004, par.148

¹¹⁴² CA Paris, pole 5, 1er ch., *Rue du Commerce SAS v. Carré Blanc Expansion SAS et Carré Blanc Distribution SAS*, 05.03.2019; PIBD No.1113, III, 19.04.2019, p.158

metatag use. Indeed, again in the above mentioned decisions of the first instance court decision dating 2016 and 2017, a distinction has been made between the use of the mark in the source code of the web site and the display of the mark in the results displayed on the search engine. While the first one is not considered as an infringing use as the sign is not used in the source code to designate products and services and is not accessible to the internet user who consulted the search engine by entering the mark in question; the second use, namely use in such a way that the mark is displayed in the search results, either in the summary of the web page or in the link directing the user on the site, is found as creating in the mind of the internet user a likelihood of confusion, thus a trademark infringement¹¹⁴³. Infringement may be held if the sign had been used in such a way as to make it appear in search results visible to the consumer and whose titles are intended to orientate its economic behavior¹¹⁴⁴.

On the other hand, the Turkish courts consider that the use of another's trademark in metatags constitute an infringement of this trademark rights. As in the keyword use decisions, the mere use of trademarks in metatags is considered as an infringing use without discussing any particular feature of the case¹¹⁴⁵. In my opinion, this kind of finding is erroneous. In each case, an assessment of likelihood of confusion in the mind of the normally attentive internet user should be done and a decision should be taken accordingly.

bb. Use of Marks with REPUTATION

In cases where the origin function of the trademark is not adversely affected or likelihood of confusion is not created by the use of signs identical to or similar with the trademark in metatags, such use can be prevented under certain conditions for the reputed marks. This situation is envisaged in art. 10/2-c of the Trademark Directive and art.7/2-c of the IPL. Accordingly, when a sign identical with or similar to a reputed mark is used in identical, similar or dissimilar goods or services, the trademark proprietor can prohibit such use provided that this use, without due cause, takes “unfair advantage of”, or is

¹¹⁴³ TGI Paris, 3e ch, 3e sect, 29.01.2016, M.O.S, Un Amour de Tapis SARL v. e-services France

¹¹⁴⁴ TGI Lyon, ch.3, cab 3 C, Julia Press et M.X v. Decathlon France et Soderumo, 17.01.2017

¹¹⁴⁵ See Yarg. 11. HD. 2013/15183 E. 2014/8580 K. 06.05.2014 T.; Yarg. 11 HD. 2013/11325 E. 2014/19 K. 06.01.2014 T. (www.kazanci.com)

detrimental to “the distinctive character” or “the repute of the trademark”.

As mentioned before, there is not any CJEU’s case-law on the infringement conditions regarding the use of trademarks in metatags. When examined the case-law of the European Member States and of Turkish courts, we could not find any decision discussing this issue from the perspective of reputed marks. In this respect, the infringement of a reputed mark by using it in metatags will be evaluated in the light of the general principles of trademark law and of the criteria set forth for uses in AdWords.

In the first place, the sign used as a metatag should be identical with or similar to the reputed mark. On the other hand, there is no need for the identity or similarity between the goods or services for which the reputed mark is registered and those which are used on the website in whose source codes the metatag is inserted. The reputed mark is also protected, under certain condition, for different goods and services for which it is registered.

Moreover, the infringements referred to in art.10/2-c of the Trademark Directive and art.7/2-c of the IPL do not depend on the presence of a likelihood of confusion in the mind of the relevant public. Rather, it is sufficient that that relevant public make a connection between the signs at issue. Moreover, beside that link, there must be one of the injuries mentioned in art.10/2-c of the Trademark Directive and art.7/2-c of the IPL, namely detriment to the distinctive character (dilution) or the repute of the mark (tarnishment) or taking unfair advantage of the distinctive character or the repute of the mark (free-riding)¹¹⁴⁶.

Regarding the detriment to the distinctive character of the reputed mark (dilution), it should be determined whether the distinctive character is damaged by the use of the reputed mark in metatags, in other words whether such use undermines the ability of the reputed mark in the mind of the internet user to establish a link between the source of the goods or services in question and the mark at issue. In case of use of trademarks as keywords in AdWords, it is considered that the trademark distinctiveness is not reduced when the ad makes clear that it originates from a competitor. So, where the

¹¹⁴⁶ For detailed information, see “Types of Injuries” at the subsection I/2-C-4 under the First Section

use, as a keyword, of a sign corresponding to a reputed mark makes appear an advertisement which enables the internet user to understand that the goods or services offered come not from the proprietor of the reputed mark but, on the contrary, from a competitor of the latter, it must be concluded that the distinctive character of that mark was not reduced by that use, since that use merely served to attract the attention of the user on the existence of an alternative good or service compared to that of the owner of said mark¹¹⁴⁷. It is possible to apply these principles to the metatag uses. Therefore, where the natural result leading to the website in whose source codes the metatag is inserted, is such way to enable the internet user to understand that such link is not related to the proprietor of the trademark which is searched for, but to a third party, there would not be a detriment to the distinctive character of the reputed mark.

Regarding the detriment to the repute of the mark, (tarnishment), in cases where the website in whose source codes the metatag is inserted, is related to low quality products or services or to products or services which as negative connotation, there may be a detriment to the repute of the mark.

Regarding the unfair advantage taken from the distinctive character or the repute of the mark (free-riding), when a third party uses a sign identical with or similar to a reputed mark, it is obvious that that third party takes an advantage from this use as the link to its website will be placed near the top of results, so that more internet user will visit its website. However, as accepted by the keyword advertising case-law, each advantage is not unfair. Indeed, it was considered fair the use of trademarks as keyword in AdWords for the purpose of offering alternatives to the trademark. On the contrary, such use is considered unfair when the purpose of such use is to offer imitations of the trademark. In this regard, as long as the link displayed in the natural results by using the trademark in metatags enables the internet user to understand that this does not belong to the trademark owner, but a third party, and as long as it is not offered imitation goods through the website to which internet users are directed by that link, use of trademarks in

¹¹⁴⁷ C-323/09, Interflora, 22.09.2011, par.80-81

metatags is fair, thus would not constitute an infringement when the goods or services offered are alternative to the reputed mark.



3. USE OF TRADEMARKS ON ONLINE MARKET PLACES

As a result of the development and expansion of the Internet, almost every trademark operates in the online environment beside their offline activities. While this online environment provides speed and convenience for consumers, it provides for trademark proprietors cost advantage and the possibility to access to new markets.

In addition to the internet sites where individual branded goods or services are offered, online market place have emerged where many different kind of products under different brands are offered for sale. While this has created a new and important means for companies and trademark proprietors to promote their goods or services, it has also created a new environment for them to make effort to protect their intellectual and industrial rights. In this respect, after having providing information about these online marketplaces (A), the situations in which the trademark rights are violated will be examined (B).

A. Online Market Places

One of the ways that a company may use to introduce its products or services to the customer on the Internet is to set up a webpage, to get a domain name for that webpage and to present its goods or services on this webpage. However, this may appear a costly and time consuming procedure for some traders. Moreover, in order to attract the attention of the internet user and thus to direct them to this webpage, it is necessary to use some mechanisms described in the previous chapters, such as using AdWords or metatags. However, these methods may not always be effective in attracting the necessary traffic. At this point, online market places come into play for the traders and companies which want to bring their products together with more customers. Indeed, these online market places are visited by millions of visitors¹¹⁴⁸ every day and therefore, the companies obtain the chance to benefit from the traffic of these market places as they offer their products for sale on these marketplaces. For example, 35 of the top 100 retailer in Turkey does not

¹¹⁴⁸ For example, Amazon.com had almost 2.4 billion visits during April 2019. Accessed from <https://www.statista.com/statistics/623566/web-visits-to-amazoncom/> (last accessed on 29.05.2019); the Turkish online market place Gitti Gidiyor had 23 million subscribed user in 2018. Accessed from <https://www.haberturk.com/gittigidiyor-2018-yili-rakamlarini-acikladi-2286604-teknoloji> (last accessed on 29.05.2019)

have a direct e-commerce activities conducted themselves, but they operate online sales through the online market places¹¹⁴⁹.

The biggest online market places are for example eBay, Amazon and Alibaba. It is expected that these three online market places will account for 40% of the world e-commerce by 2020¹¹⁵⁰. We can mention from Turkey GittiGidiyor (which is an eBay company), Hepsiburada and Sahibinden.com as the one of the biggest online market places in Turkey.

Online market places have several functionalities. Firstly, they are important sales channel for merchants. Moreover, due to their fulfilment services, traders can also get some services such as warehousing their products in “fulfillment centers” where the online market place does the packing and shipment of the goods and provides customer service for the traders. On the other hand, online market places are also one of the largest online retailers itself, so that their own offers for sale may directly compete with those of the traders using the online market place. Therefore, an online market places have dual role as being both marketplace sales representative and online retailer¹¹⁵¹.

B. Infringement of Trademarks on Online Market Places

In order to constitute a trademark infringement, the alleged infringing use should be made “without the consent of the trademark proprietor”, “in the course of trade”, “in relation to goods or services” in such a way that produces “a commercial effect” on the country/territory where the alleged infringed trademark is under protection. Moreover, in case of “identical” use, a sign “identical” to the trademark should be used for “identical” goods or services for which the trademark is registered and in consequence of this use, one of the functions of the trademark should be affected adversely. In case of “similar” use, a sign “identical to” or “similar with” the trademark should be used for “identical or similar” goods or services for which the trademark is registered and such a use should

¹¹⁴⁹ Öget KANTARCI, Murat ÖZALP, Cenk SEZGİNSOY, Ozan ÖZAŞKINLI, Cihan CAVLAK, “Dijitalleşen Dünyada Ekonominin İtici Gücü: E-Ticaret”, TÜSIAD-T/2017, 04-587, p.28, 49 (available at https://www.eticaretraporu.org/wp-content/uploads/2017/04/TUSIAD_E-Ticaret_Raporu_2017.pdf) (last accessed on 05.04.2019)

¹¹⁵⁰ Ibid. p.29

¹¹⁵¹ Thomas HÖPPNER, Philipp WESTERHOFF, “The EU’s Competition Investigation into Amazon’s Marketplace”, Lexology, 28.11.2018, available at <https://www.lexology.com/library/detail.aspx?g=163d91ac-ec94-41a0-89b2-ac9d9e20ab1c> (last accessed on 05.01.2019)

create “a likelihood of confusion” in the mind of consumers. In case of use of a sign identical with or similar to “a reputed mark” for identical, similar or dissimilar goods or services, such use should take “an unfair advantage”, or to cause “a detriment to the repute or the distinctiveness of the trademark”.

In addition to these, it is worth mentioning a number of uses carried out on and by these online market places. In principle, these online market places are online platforms where the goods or services of third parties are offered for sale. Their role is to display the goods or services of third parties. Therefore, their role is in principle neutral regarding the goods or services offered therein. However, in some situations, they may also offer a fulfillment service regarding the third parties’ goods, which goes beyond the scope of display service.

Moreover, as these market place operators have interests in the sale of these goods and services, they carry out some activities to increase the sales volume. For this, online market place operators use the trademarks of third parties without their consent and thereby violate these third parties’ trademark rights. The most common example of this is the use of trademarks of the products sold on the online market places by the operators of these market places in keyword advertisements, even when these trademarks are not sold on their sites. The purpose behind this kind of use is to attract customers to alternative products by taking advantage of the attractive power of the trademarks.

On the other hand, while search engines such as Google, Yahoo and Bing are search engines in the classical sense, the online market places have also in their internal structure their search engines. By this way, an internet user who wants to search for a certain trademarked goods can easily reach the desired products by writing the trademark s/he is looking for in the search section of the online market place. However, this internal search engines of online market places can also create trademark infringements.

In this context, it will be examined below, in the first place, the uses made in relation to goods or services displayed and offered for sale on the online market places (1) and secondly, the uses made by the online market place operators within the search engines to enable the goods or services offered to sale to reach more consumer (2).

1. Use regarding the Goods Displayed and Offered for Sale on the Market Places

The main infringement occurred within these online market places is related to the goods or services offered for sale on these places. In this context, third party sellers on these platforms may carry out activities which infringe another's trademark rights. On the other hand, these online market place operators have also some role in the display of infringing goods or services. Moreover, in addition to the display service, some online market places offer a "fulfillment" service. In this regard, it will be analyzed the use made by the market place operators (a) and then by the third party sellers on these platforms (b).

a. Use by the Online Market Place

aa. Display Services of the Online Market Place

The service provided by the operator of online marketplace includes the display of offers for sale of its selling customers. In cases where such offers relate to branded goods, signs identical or similar to marks will inevitably appear on the platform of the online marketplace operator¹¹⁵².

The question to be answered is whether this display generates a trademark infringement attributed to the operator of online market place. To answer this question, it should be examined, in the first place, whether the use made by the online market place operator by "displaying" constitutes a use within the meaning of trademark law.

According to the CJEU, although it is true that those signs are 'used' on the website of online market place's operator, it does not follow that that use has been made by the operator of the marketplace within the meaning of trademark law¹¹⁵³. This is mainly due to the fact that, as it has been stated in *Google France* case by the CJEU, "*the use, by a third party, of a sign identical with, or similar to, the proprietor's trade mark implies, at the very least, that that third party uses the sign in its own commercial communication*"¹¹⁵⁴. In that context, to the extent that the online market place operator provides a service consisting in allowing its customers to display signs corresponding to

¹¹⁵² C-324/09, eBay, 12.07.2011, par.99-100

¹¹⁵³ Ibid., par.101

¹¹⁵⁴ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.56

marks on its site, it does not “*itself*” use those signs within the meaning of trademark law¹¹⁵⁵.

On this point, it should be recalled that the fact of creating “technical conditions” necessary for the use of a sign and being remunerated for this service does not mean that the person rendering the service himself makes use of the sign. In so far as it has enabled its client to make such use, its role must, where appropriate, be examined from the point of view of other rules of law than trademark law, such as those which regulate the liability of internet intermediary service providers¹¹⁵⁶.

Therefore, the display of signs identical with or similar to trademarks on the website of the operator of an online marketplace is not considered as a “use” by the operator of the marketplace for the purpose of trademark law¹¹⁵⁷. In consequence, the use by displaying cannot be considered as a trademark infringement attributable to the operator of online market place. Rather, the use identical or similar marks in online sale offers *is made by the sellers* of the operator of that marketplace¹¹⁵⁸. Therefore, trademark infringement actions with regard to the displayed goods or services can be pointed to these sellers who are customers of the online market place.

bb. Fulfillment Services of the Online Market Place

In general, the online market places serve as intermediaries to display the goods of third parties. Therefore, they provide an online platform for third parties to display their goods. While the activities such as stocking of the goods offered for sale and dispatching them to the consumers are carried out by sellers, in some cases, the online market places do these activities on behalf of these third party sellers, which is called “fulfillment service”. For example, Amazon provides fulfillment service which covers an array of services such as stocking, shipping the order and customer service¹¹⁵⁹.

In case where an online market place provides such a service on behalf of the

¹¹⁵⁵ C-324/09, eBay, 12.07.2011, par.102

¹¹⁵⁶ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.57; for detailed information, see the third section “Liabilities”.

¹¹⁵⁷ C-324/09, eBay, 12.07.2011, par. 105

¹¹⁵⁸ Ibid., par. 103

¹¹⁵⁹ EWHC 181 (ch), Lush, 10.02.2014, par.15

seller by storing and shipping the goods which are allegedly infringing a trademark, the question is whether that online market place infringes the trademark rights of the owner.

This type of use had been subject in a case before the German Court where the claimant, having identified that certain of its products being sold on Amazon as parallel imports by a seller who was using Amazon's fulfilment service, argued that Amazon had infringed its trademark by storing and shipping these products on behalf of the seller. However, the German court ruled in favor of Amazon by concluding that Amazon does not infringe a trademark right when it stores goods for third parties and is not aware that the goods are infringing another person's trademark¹¹⁶⁰.

However, the German Federal Court of Justice has requested clarification on this issue. The question referred to the CJEU¹¹⁶¹ is about on the interpretation of art.9/3-b of Regulation 2017/1001 (art.10/3-b of the Trademark Directive, art.7/3-b of the IPL) pursuant to which "*offering the goods or putting them on the market, or stocking them for those purposes, under the sign, or offering or supplying services thereunder*" may be prohibited by the trademark owner in so far as the conditions of identical, similar or reputed mark use are fulfilled. Accordingly, the referring court asked whether "a person who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stocks those goods for the purpose of offering them or putting them on the market, if it is not that person himself but rather the third party alone which intends to offer the goods or put them on the market". As of the writing date of this thesis, the CJEU has not ruled yet on the issue. Therefore, we have to wait and see the last word of the CJEU on this matter¹¹⁶².

¹¹⁶⁰ Louisa DIXON, "Could Amazon's fulfilment service be infringing trademarks?", Lexology, 17.09.2019, <https://www.lexology.com/library/detail.aspx?g=8876fe97-84be-41a8-a307-e3ce31312ec6> (last accessed on 13.11.2018)

¹¹⁶¹ C-567/18, Coty Germany GmbH v. Amazon Services Europe S.a.r.l and others ("Coty Germany"), 09.11.2018

¹¹⁶² Opinion of the Advocate General M. Manuel Campos Sanchez-Bordona had been delivered on 28 November 2019. According to the Advocate General, the fact that the person who stores the goods on behalf of a third party, is unaware that the third party offers or sells products constituting trademark infringement does not exempt him from liability as long as it can reasonably be expected from him to implement the means to detect this infringement (par.84)

b. Use by the Third Party Seller

aa. Use in Offers for Sale

In the event where the good or service offered for sale on an online market place is an infringing good or service, provided that those sales took place “in the context of commercial activity”, it is obvious that the person who offers them for sale is the person who makes the use in the sense of trademark law. Therefore, this person who will be liable for infringing uses, can be prevented by the trademark owner.

On this point, it is necessary to make a distinction between counterfeited and non-counterfeited goods. It is undisputed that the trademark owner has an absolute right to prevent counterfeiting products. According to a study undertaken by OECD and EUIPO in 2013, international trade in counterfeit and pirated goods, known as “fakes” by the general public, represents up to 2.5% of world trade, or as much as USD 461 billion. In the EU, counterfeit and pirated goods amount to up to 5% of imports or as much as EUR 85 billion (USD 116 billion)¹¹⁶³. Especially, the sale of counterfeit goods on the internet constitute an important part of this trade as counterfeit goods are increasingly distributed via online market places. Fake products are sold on major, widely available and trusted platforms. For instance, in 2016, over 4500 illicit domain names seized for selling counterfeit products worth over EUR 1.75 million¹¹⁶⁴. In this context, a Memorandum of Understanding (‘MOU’)¹¹⁶⁵ which applied to trademarks, designs and copyright, was concluded between right holders and internet platforms in 2011 and updated in 2016. It sets out a cooperative approach for fighting the sale of counterfeit goods¹¹⁶⁶.

On the other hand, the goods offered for sale on the online market places may not be counterfeit, but genuine. However, in such a situation, having regard to the borderless of the Internet, some issues should be examined.

¹¹⁶³ OECD/EUIPO (2016), “Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact”, p.11, OECD Publishing, Paris

¹¹⁶⁴ Europol/EUIPO, “2017 Situation Report on Counterfeiting and Piracy in the European Union”, June 2017, p.36

¹¹⁶⁵ “Memorandum of Understanding on the Sale of Counterfeit Goods via the Internet”, accessible at https://ec.europa.eu/growth/industry/intellectual-property/enforcement/memorandum-understanding-sale-counterfeit-goods-internet_en (last accessed on 03.01.2019)

¹¹⁶⁶ “Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, A balanced IP enforcement system responding to today’s societal challenges”, COM(2017) 707 final, 29.11.2007, p.7

One of these issues is the exhaustion of the rights on the goods offered for sale on the Internet. The exhaustion of trademark rights¹¹⁶⁷ prevents the proprietor of the trademark to oppose to the uses made in relation to goods on which his rights are exhausted. On the contrary, if the goods in question are not put on the market by the proprietor or with its consent, therefore if the rights of the trademark proprietor are not exhausted on these goods, uses made by third parties may be prevented by the trademark proprietor. Therefore, it cannot be prevented by the trademark proprietor to sell on the internet genuine goods which had been put on the market by the trademark proprietor or with its consent.

On the other hand, the requirement of use “with commercial effect”¹¹⁶⁸, which is expressly stated in the IPL for uses made on the internet and which is also applied in the European case-law, is of importance for the uses made on the online market places. Indeed, when a sale or an offer to sale through an online market place is made from anywhere in the world, the goods bearing the trademark may be located in a third country. In a case where these goods are sold by an economic operator through an online market place to a consumer located in the territory covered by that trademark, it is obvious that there is a use with a commercial effect on that territory, so that the proprietor may prevent such use. However, these goods which are located in a third country *may only be offered for sale or advertised* on such a marketplace and may not be forwarded to the country where the mark is under protection. So, there can be no use of a trademark in the relevant territory as the goods in question are not put on the market therein. In this case, how will be possible for the trademark owner to prevent such use¹¹⁶⁹? On this point, the concept of “targeting” comes into play.

According to the CJEU, the proprietor of a trademark can rely on its exclusive trademark rights “*as soon as it is clear that the offer for sale of a trade-marked product located in a third State is targeted at consumers in the territory covered by the trade*

¹¹⁶⁷ For detailed information, see “Exhaustion” at the subsection III/4 under the Second Section

¹¹⁶⁸ For detailed information, see “Use with Commercial Effect” at the subsection I/1-D under the First Section

¹¹⁶⁹ As explained before, it is not possible for the trademark proprietor to prevent the uses of genuine goods on which trademark rights are exhausted. On the other hand, it is possible for him/her to prevent the use of genuine goods in the online market place in cases where trademark rights are not exhausted with regard to these products or where the trademark proprietor has legitimate reasons to prevent such use.

mark”. Otherwise, the effectiveness of the trademark law of a given country or territory would be affected if the use, in an offer for sale or advertising on the Internet intended for consumers located in a given country or territory, of a sign identical or similar to a mark escaped from the application of the trademark law of that country or territory simply because the third party at the origin of that offer or advertisement is established in a third State, that the server of the website is situated in such a State, or that the product which is the subject of the said offer or advertisement is located in a third State¹¹⁷⁰.

However, how will be assessed whether the offers for sale are targeted at consumer in the territory covered by the trademark? The mere accessibility of a website from the territory where the mark is under protection is not sufficient to conclude that the offers for sale displayed therein are intended for consumers located in that territory. Indeed, if the accessibility in that territory of an online marketplace was sufficient for the advertisements displayed there to fall within the scope of, for example the European Trademark legislation, websites and advertisements which, while obviously intended exclusively for consumers located in third States, are nevertheless technically accessible within the territory of the Union would be unduly subject to Union law¹¹⁷¹.

For such assessment, the CJEU had given to national courts some guidance. For instance, when the offer for sale is accompanied by details of the geographical areas to which the seller is willing to send the product, this type of precision is of particular importance in the context of the said assessment. Top level domain name may indicate the target of the offer for sale at issue¹¹⁷². Moreover, the international nature of the activity, indication of international telephone numbers and of an international clientele domiciled in various countries may be taken into consideration¹¹⁷³.

¹¹⁷⁰ C-324/09, eBay, 12.07.2011, par.61-63

¹¹⁷¹ Ibid., par.64

¹¹⁷² Ibid., par.65-66

¹¹⁷³ Joined Cases C-585/08 and C-144/09, Pammer, 07.12.2010, par.75. See “Use with Commercial Effect” at the subsection I/1-D under the First Section

bb. Use of Another's Sale Listing

Besides the use of a sign identical with or similar to the trademark on the products offered for sale on online market places, an infringement of trademark rights can also occur when someone offers for sale by using someone else's "sale listing" in online market places.

When a seller creates a seller account on the online market place, he may add a product that he wants to sell in different ways. First, he can add a product which is already on that market place. Or he can create a new product listing if he is uploading a brand new product that is not currently sold on that market place.

For instance, in Amazon, upon creation of Listings, it is generated a unique Amazon Identification Number (or ASIN) which is a unique product identifier and a unique European barcode (EAN) for the product so listed. All sellers are free to sell genuine product on Amazon listings on which the brand is stated. Therefore, an Amazon listing, although set up by one seller, can be used by multiple sellers to sell the same product. Another seller can do so by locating the specific item he wishes to sell in the Amazon catalogue through its EAN or ASIN number; reviewing the description of the item which includes a description of its brand and manufacturer; confirming that the item it wishes to list is the same as that in the listing it wishes to join; pricing the item including delivery charges; and submitting the listing. Under Amazon's own listing policy, any product which does not match the specification should not be sold under that unique ASIN number and EAN barcode and should not be sold using the Listings¹¹⁷⁴.

When there are multiple sellers on a listing, one is selected by Amazon as the default seller and is promoted in the listing and in the Buy Box. If the buyer simply clicks on the 'Add to basket' or '1-Click' buttons, it will purchase from that Buy Box seller. If it wants to consider the prices, delivery charges and delivery times of any of the other sellers using that listing, it will have to click a separate link to inspect them. The Buy Box seller is usually, but not always, the one that charges the lowest total price for the product plus

¹¹⁷⁴ EWHC 1400 (IPEC), *Jadebay Ltd & Ors v. Clarke-Coles Ltd (t/a Feel Goog UK)* ("Jadebay"), 13.06.2017, par.11, 30

delivery charges¹¹⁷⁵.

First of all, it should be determined whether such uses are made by the online market place operators or by the seller. As it was indicated in *eBay* case by the CJEU, to be used within the meaning of the trademark law, there must be, at the very last, a use by a third party for its own commercial communication. In that context, to the extent that the online market place operator provides a service consisting in allowing its customers to display signs corresponding to marks on its site, it does not “*itself*” use those signs within the meaning of trademark law. Rather, the use identical or similar marks in online sale offers *is made by the sellers* of the operator of that marketplace¹¹⁷⁶. In that context, regarding a use of the mark by the listing, it is the seller on an online marketplace who makes use of the signs displayed on a product listing within it, because the marketplace provides a means for the seller to make its own commercial communications¹¹⁷⁷.

On this subject, regarding the use of listings by the sellers, two cases were brought recently before the English courts¹¹⁷⁸ and it was decided that using the listing which contains a trademark belonging to another person constitutes a trademark infringement. As mentioned above, it is possible to use these listing for the sale of original trademarked products. However, in case of same kind of products but under different trademarks, use of these lists constitutes trademark infringement.

For instance, in the case before the UK Court, the claimant who is owner of the mark “Design Element” and sells the flagpoles on Amazon.co.uk under the shop name “The Discount Outlet”, argued that by using its listing, which all refer to the flagpoles for sale on those listings as being 'by DesignElements', the defendant has infringed its trademark. Therefore, the only use complained of is the defendant’s use of the listings to sells the products.

The claimant’s arguments were: their listings should only have been used to sell identical product, in other words the claimants’ flagpoles branded with the trademark;

¹¹⁷⁵ Ibid., par.11-12

¹¹⁷⁶ C-324/09, eBay, 12.07.2011, par.102-103

¹¹⁷⁷ EWHC 26 (IPEC), Birlea Furniture Ltd. v. Platinum Enterprise (UK) Ltd and Mr. Mohammed Raheel Baig (“Birlea”),11.01.2018, par.37

¹¹⁷⁸ EWHC 1400 (IPEC), Jadebay, 13.06.2017; EWHC 26 (IPEC), Birlea, 11.01.2018

this is the product which the relevant ASIN and EAN numbers uniquely identify; if the defendant wished to sell its own flagpoles, it should have created a new listing for Feel Good UK branded flagpoles with its own unique ASIN and EAN numbers; it has not done so, choosing instead to sell its product as being 'by DesignElements' in order to ride on the coat-tails of the claimants' existing reputation for high-quality flagpoles and capture sales to the detriment of the second claimant. It claimed damages for such infringement and passing off and an injunction to prevent future infringement and passing off.

On the other hand, the defendant's arguments were: the listings are 'generic' because the title of the listing (such as "Aluminium Flagpole 20ft with 2 Flags Union Jack and England Flag") does not refer to any brand; accordingly it is entitled to use the listings to sell any flagpole that meets that generic description; further it is required by Amazon's listing policy not to create additional listings when there is an existing listing which matches the product it wishes to sell; it has not used the claimants' trademark at all, because the trademark does not appear anywhere on the listings, and the phrase 'by DesignElements' is not a use of the sign (which in any event is two words not one), or any sign, but the use by Amazon of the name of the seller who created the listing¹¹⁷⁹.

However, the court did not agree with the defendant and considered that the defendant had "used" the trademark of the claimant, namely "Design Element". In addition, this use is made in the course of trade as the defendant has sold a significant number of product units in so doing; and in relation to the identical goods such as flagpoles for which the claimant's trademark was registered. Furthermore, as the sign used by the defendant was only the word part of the mark, the Court found similarity, and not identity between the signs and proceeded to the likelihood of confusion assessment. In consequence it found that the use of the sign complained of in relation to the products amounted to infringement of the claimant's trademark¹¹⁸⁰.

¹¹⁷⁹ EWHC 1400 (IPEC), Jadebay, 13.06.2017, par.16-17

¹¹⁸⁰ Ibid., par.75-88

2. Use of the Trademark by the Online Market Place in Search Engines

In addition to the activities such as the display of listings of goods offered for sale by the third parties, these online market places may also advertise the goods sold on their platforms by third parties. Therefore, they may act as an advertiser in the search engines' advertising programs. On the other hand, these online market places have also their own search facilities within their system. Nowadays, beside search engines in the classical sense such as Google or Yahoo, there are also other internet service providers which provides search engine services within their platform, as YouTube is a search engine for videos, Amazon is not just an online marketplace, but a shopping search engine. In this regard, beside placing ads on search engines such as Google as an "advertiser" for the goods sold on their market places or for their own online market places, they may be also act as a referencing service provider within their internal search engines.

In this regard, it will be examined below the use of trademarks by the online market places as a keyword in the search engines' keyword advertisements programs, such as Google's AdWords (a) and then in their own search engines which may appear in the form of use of the trademark as a keyword (b) and of use in their internal facilities (c).

a. Use in Search Engines' Ad Programs as Keyword

As explained before, there are two actors in the search engine referencing advertisement, which are the advertiser and the referencing service providers. The activities of the referencing service providers such as Google which places ads of third parties are not considered as a "use" within the meaning of the trademark law. This is due to the facts that, according to the case-law of the CJEU, for instance, Google does not use the trademarks used as a keyword for its own commercial communication. As there is not any use in terms of trademark law, there is not any use which can be prohibited by the trademark owner under the trademark law. Rather, the responsibility of these referencing

service providers can be sought as a hosting service providers under the E-Commerce directive¹¹⁸¹.

However, while these online market places have been qualified, in principle, as hosting service providers which are technical in their nature, there may be cases where they do not act as a mere technical service provider. In this regard, for example, they may perform various promotional and advertising campaigns to increase the sale of products sold on their market place. One of the methods used by the online market places for this regard is to advertise through Google AdWords. Indeed, they select a keyword which correspond or not to a trademark of the product sold on their market place, and thereby promote both the goods sold on the market place and their own marketplaces. In such a situation, it is not possible to consider them as a mere technical service provider as they act beyond the scope of their main activities such as providing a technical environment for third party sellers. In this regard, in such a case, the online marketplace operator is considered as “an advertiser”. That operator makes displayed links through which not only certain offers for sale on that marketplace but also that marketplace itself is advertised¹¹⁸².

In the determination of whether the use of an online market place, as an “advertiser”, constitutes a trademark infringement, it should be examined in the first place whether such use is made “in the course of trade”, “in relation to goods or services” and produces “commercial effect”. When these conditions are fulfilled, it should be determined whether the use in question affects or is liable to affect one of the function of the trademark in the case of “identical” use or whether the use in question creates a likelihood of confusion in the case of “similar” use. These issues will be examined respectively below.

With regard to keyword advertising, the CJEU in *Google France* case has already held that a keyword is “the means used by an advertiser to trigger the display of

¹¹⁸¹ See “Referencing Service Provider” at the subsection III/2-B under the Third Section

¹¹⁸² C-324/09, eBay, 12.07.2011, par.85

his advertisement” and therefore its use by an advertiser constitutes a use “*in the course of trade*” within the meaning of trademark law¹¹⁸³.

Next, it is necessary to consider whether keyword advertisements of the online market place are made *in relation to goods or services identical with or similar* to those for which the trade mark is registered. On this point, it should be made a distinction between two kinds of products or services as the online market place operator causes the display of links which promote both its marketplace and offers for sale on that market place.

In this regard, *for ads to promote its own online market place*, unless the keyword selected and used by the online market place is not registered for an online market places services, the use of trademarks to promote its an online market place services is not made in relation to either goods or services identical with or similar to those for which the trademark is registered. In such a situation, the provisions related to the trademarks with reputation (art.10/2-c) may be applied as it concerns the situation where the third party use relate, inter alia, to dissimilar goods or services¹¹⁸⁴.

On the other hand, *for ads to promote its customer-sellers offers for sale*, if a sign identical with or similar to the trademark is selected and used as a keyword for goods or services identical with or similar to the goods or services for which the trademark is registered, it can be said that there is an identical use¹¹⁸⁵. Therefore, the art. 10/2-a and b can be applied. On the other hand, in the event where the trademark selected as a keyword is used neither for goods or service identical with or similar to the goods or services for which the trademark is registered, the provisions related to the trademarks with reputation (art.10/2-c) should be applied.

On this point, it should be recalled that even though “the use in relation to goods or services” relates in principle to goods or services of third party who makes use of the sign¹¹⁸⁶, it may also relate to goods and services of other persons on whose behalf the

¹¹⁸³ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.51-52

¹¹⁸⁴ Ibid., par.89-90

¹¹⁸⁵ Ibid., par.91

¹¹⁸⁶ C-48/05, Opel, 25.01.2007, par.28-29; C-533/06, O2, 12.06.2008, par.34

third party acts¹¹⁸⁷. In that regard, in situations where the service provider uses a mark corresponding to another's mark to promote products of its customer sellers using this service, it is considered that such use falls within the scope of art. 10/2 of the Trademark Directive and art.7/2 of the IPL when it is made in such a way that it establishes a link between the said sign and the said service¹¹⁸⁸.

In this context, as far as the use of an online market place's use for the promotion of the goods offered on its website, it was accepted that such a link exists as the online market place's advertisements create an obvious association between the trademarked goods mentioned in these advertisements and the possibility of acquiring them through this online market place¹¹⁸⁹.

Therefore, the infringement conditions encompass, inter alia, the uses "in the course of trade" and the uses "in relation to goods or services" identical with or similar to those for which the trademark is registered. It is obvious that the use of an online market place as an advertiser occurs "in the course of trade". On the other hand, for the "use in relation to goods or services identical with or similar to those for which the trademark is under protection", it should be distinguished the facts that that online market place promotes, through the ad, both the goods sold on its market place and also the market place itself. As far as the ad is related to the online market place services, unless the trademark used as a keyword is not registered for online market place services, there would not be an identity nor a similarity between the goods or services for which the trademark is registered and the online market place services and therefore only provisions related to reputed marks can be applied. On the other hand, as far as the ad is related to the goods sold on the market place by third parties, if the goods or services for which the trademark is registered are identical with or similar to the goods or services offered for sale on the market place, the requirement of use in relation to goods or services identical with or similar to those for which the trademark is registered would be satisfied and the art.10/2-a and b (IPL art.7/2-a and b) can be applied.

¹¹⁸⁷ C-62/08, UDV North America, 19.02.2009, par.43-51

¹¹⁸⁸ C-324/09, eBay, 12.07.2011, par.92

¹¹⁸⁹ Ibid., par.93

In my opinion, such distinction made by the CJEU has not any practical effect on the outcome. Indeed, while the “use in relation to identical or similar goods or service” criterion is not satisfied when the ad intends to promote, inter alia, the market place as such as the market place services are not identical with or similar with the goods or services for which the trademark used as a keyword is registered; this criterion will be satisfied anyway as the ad promote the goods or services offered for sale on that marketplace as well. In case, where the goods or services promoted by the advertisement and those for which the trademark used as a keyword is registered are different, in such a case, the art. 10/2-c of the Trademark Directive and art.7/2-c of the IPL will be applied. Indeed, in *Lush v. Amazon* case before the English court¹¹⁹⁰, the judge, without doing such distinction as the CJEU, considered that by using a trademark belonging to a third party in AdWords, Amazon had used the mark “in the course of trade”, “in relation to the relevant goods” and proceeded to examine whether there is a use liable to affect the functions of the mark.

In addition to these above mentioned conditions, in the case of “identical” use, the use in question should *affect or is liable to affect the functions of the trademark*. In case of “similar” use, due to a *likelihood of confusion* on the part of the public, the use should affect, or is liable to affect, the essential, thus the origin function of the trade mark.

Regarding the use of trademarks in AdWords on the Internet, the criterion for these conditions have been set forth in *Google France* and the subsequent cases. Accordingly, in case of *identical* use, there is such an adverse effect “*where that ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or from an undertaking economically linked to it or, on the contrary, originate from a third party*”¹¹⁹¹. With regard to the use of keyword *similar* to a trademark, the CJEU in the *BergSpechte* case¹¹⁹² has determined that there is a likelihood of confusion when internet users are shown a third party’s ad which “*does not enable normally an average internet users, or enables that user only with difficulty to ascertain whether the*

¹¹⁹⁰ EWHC 181 (ch), *Lush*, 10.02.2014, par.38

¹¹⁹¹ Joined Cases C-236/08 to C-238/08, *Google France*, 23.03.2010, par.99

¹¹⁹² C-278/08, *BergSpechte*, 25.03.2010,

goods or services referred to by the ad originate from the proprietor of the trademark or from an undertaking economically linked to it, or on the contrary, originate from a third party”¹¹⁹³.

On this point, it is necessary to draw attention to an interpretation of the CJEU on the online market places’ advertisements and the hesitation which may occur in the mind of the average internet users when they see these advertisements. In this context, the CJEU recalls that the need for a transparent display of advertisements on the Internet is underlined in EU e-commerce legislation. In order to ensure the fair trading and consumer protection, Article 6 of the E-Commerce Directive 2000/31 lays down the rule that “*the natural or legal person on whose behalf the commercial communication is made must be clearly identifiable*”. Therefore, advertising made by the operator of an online marketplace and displayed by the operator of a search engine must, in any event, communicate the identity of that operator and the fact that the goods advertised and bearing the trademark are offered for sale through the marketplace it operates¹¹⁹⁴. In this regard, it can be said that online market places’ ads which satisfy the transparency requirement set forth in E-Commerce directive cannot cause any likelihood of confusion in the mind of the internet users. However, in the “identical” use cases, it should also be examined whether the other functions of the trademark are adversely affected in any way.

Regarding *the identical use of a mark by an online market place operator*, the UK court had an occasion to examine in *Lush* case whether the use, in Google AdWords, of Amazon which is one of the biggest online market place operator, is liable to affect the functions of the plaintiff’s mark “Lush” which is well known for its colorful soaps and also for its bath bombs. On this point, the Judge made a distinction between the situations where the ad in which the mark was appearing and not appearing and reached different conclusions. The specialty of the case was the fact that the products of the plaintiff whose mark is used by Amazon for AdWords, were not sold through Amazon site. However, some “Lush” branded products from third party suppliers were being sold therein.

¹¹⁹³ Ibid., par.39-41

¹¹⁹⁴ C-324/09, eBay, 12.07.2011, par. 95-96

The first type of AdWords did not show the plaintiff's mark "Lush" neither in the ad text nor in the heading, but made references to equivalent or similar goods even though there were no indication that the "Lush Cosmetics Bath Bomb" were not available for sale on the Amazon website. In such a situation, infringement claims had been rejected as the ad did not show the mark in the ad text. According to the Judge, average consumers would expect "Lush" product advertising to include a reference to the "Lush" mark, clues to distinguish that advertising from other's ads which he may expect to see on Google results page. Moreover, the presence of other ads from third parties makes the situation even clearer and the average consumer could not reasonably fail to understand that the Amazon ad was simply another advertising from a supplier offering similar to those requested by the searcher"¹¹⁹⁵.

On the other hand, the Judge reached a different conclusion for the second type of AdWords which contained the plaintiff's mark "Lush" both in the heading and within the commercial message. In the event where the internet user clicks on the link in question, he was taken to the online marketplace's website and presented with the opportunity to look over or buy equivalent products to "Lush Soap". Moreover, there were not any indication neither on the ad text nor on the marketplace that "Lush Soap" is not available for sale on Amazon. In such a situation, the Judge considered that this kind of use infringed the claimant's mark. This is due to the fact that as Amazon is a reliable supplier, the average consumer would not expect Amazon to be advertising "Lush soap" if it were not available for sale; and seeing the ad he would expect to find claimant's Lush soap available on the Amazon site. In this regard, the Judge rejected the defendant's argument that the average consumer would find out without difficulty that the goods referred to by the advertisement in question were not the plaintiff's goods or connected it"¹¹⁹⁶.

Similarly, in a case between the famous brand Louis Vuitton and eBay, eBay reserved on different search engines keywords confusingly similar to the Louis Vuitton trademark, such as "Viton", "Louis Viton", "Wuitton", "Wuiton", "Witton",

¹¹⁹⁵ EWHC 181 (ch), Lush, 10.02.2014, par.46-48

¹¹⁹⁶ Ibid., par.42

“Louisviton”, “Vuton” and “Viutton”. However, even though the ads triggered by these keywords were making reference to bags by stating, for example, “*Bags Wuitton www.ebay.fr Discover a wide variety of handbags from the greatest brands on eBay! The whole universe Wuitton*”, the said ad was redirected to eBay where products different than bags were proposed for sale. The Court, after acknowledging that the keywords are confusingly similar to the trademarks and were used as trademarks, considered that the use made by eBay infringed the plaintiff’s mark¹¹⁹⁷. However, the Court refused the idea of likelihood of confusion. Because, according to the court, the user who enters the keyword on the search engine and reads the advertisements appearing on this screen in a place distinct from that relating to the natural search results, understand that this is an advertisement for the online market place eBay which offers a range of used products. For that reason, it considered that there is no risk of confusion in the mind of this consumer as to the origin of the products in the sense that the user will not be led to believe that the products in question come from eBay or this latter is economically linked to the company LVM. On the other hand, since the web pages of the site eBay.fr to which the internet user accesses when he clicks on the ad link, was proposing different products or was not offering any product, and since the use of these signs in the advertisements in question lead to the eBay.fr site by using a catchphrase, the purpose was to incite the internet user to visit the website in question. In consequence, this use of signs imitating the reputed trademarks “Louis Vuitton” and “Vuitton” was considered as damaging and weakening the distinctive power of these marks through a massive use to promote an online market place which contains various products. Therefore, by unduly benefiting from the reputation of these trademark to generate traffic to its online market place and also by creating in the mind of the internet user false impressions about the relationship between eBay and LVM, eBay had been found to be doing an unjustified exploitation. Moreover, the court did not accept the defense that the use in question was made in order to inform the public about the sale of genuine products on eBay, thus due cause defense,

¹¹⁹⁷ INTA, “Cases Addressing the Use of Another’s Party’s Mark as a Keyword to Generate Sponsored Links in Internet Search Engines”, p.86-87 (available at <https://www.inta.org/Advocacy/Documents/INTA%20Keyword%20Jurisprudence.pdf>) (last accessed on 05.01.2019)

as this use must not affect the rights of the trademark proprietor and in particular not derive undue advantage from the distinctive character or the reputation of the mark¹¹⁹⁸.

The specialty of this *Lush* and *Louis Vuitton* cases was that the product advertised in AdWords were not sold on Amazon or on eBay even though these operators did chose the marks in order to trigger their ads. However, what would be the situation if the product advertised through AdWords was sold on the online market place and if the trademark used as a keyword was appearing in the ad text? On this subject, in a case brought against eBay before a French first instance court¹¹⁹⁹, the court found no infringement as the use of the trademark in the ad text is intended to inform that the products in question are sold on the market place and the internet user is able to distinguish between the natural results and the advertisements. In this case, eBay, by selection of a keyword corresponding to the plaintiff's trademark (Weston) on different search engine operators, made appear a promotional link towards eBay.fr, accompanied by a commercial message relating to the possibility of buying on this site, products under the trademark searched for. The advertisements at issue were containing the plaintiff's trademark in their titles and texts. The court, after having established that an identical sign is used for identical goods, examined whether that use is likely to impair one of the functions of the trademark and in particular the essential function. According to the court, even though the contentious ads were mentioning the plaintiff's trademark in the title and in the commercial message, these advertisements communicated the identity of the online marketplace operator (eBay) and the trademarked products subject to the ad, namely Weston shoes, are on sale through the market place that eBay operates. Therefore, the Court found that the title of advertisement and their text are descriptive of the content of the service offered on eBay.fr, namely the purchase and sale of Weston shoes. According to the court, the relevant public, which is made up of internet users who are normally informed and reasonably attentive, have become accustomed to do searches on the internet and to distinguish between so-called "natural" results and those having an advertising nature. These internet users are also expected to know, based on general knowledge of the market characteristics, that the website eBay.fr is not part of the

¹¹⁹⁸ TGI Paris, *Louis Vuitton Malletier v. eBay International*, 11.02.2010 (www.legalis.net)

¹¹⁹⁹ TGI Paris, 3e ch., 1ere sect., *JM Weston v. eBay France et autres*, 26.06.2012 (www.legalis.net)

distribution network of Weston, but constitutes a separate marketplace allowing individuals to buy and sell various products including Weston shoes that were originally manufactured and marketed by Weston. Therefore, having taken into account the distinction between the natural results and the advertisements, the content of the ads in dispute and the general knowledge of the website eBay.fr, the court concluded that the internet user normally informed and reasonably attentive which consults the results displayed in response to a search for “Weston”, is able to distinguish the goods or services of the “Weston” trademark proprietor from those which are subject to the disputed advertisement. Thus, an adverse effect to the essential function of the trademark in question, namely the origin function had not been found and the infringement action brought against eBay had been dismissed.

On the other hand, what would be the situation if the products in question were not genuine, but counterfeit? In other words, if the product advertised through the AdWords of the online market place is counterfeit, and if this product is sold on that online market place, does the use of the trademark as a keyword in a manner that it appears in the ad text of the ad lawful? In my opinion, the answer is negative. Indeed, the functions of a trademark is liable to be affected by use of the sign in relation to goods which do not emanate from the trademark proprietor or a licensee, including counterfeits¹²⁰⁰.

Besides these kind of uses, another kind of use that the trademark owner can prevent is the use of the trademark as a keyword for advertisements of products on which the trademark proprietor’s rights are not exhausted. Indeed, the sale of products on which the trademark proprietor’s rights are exhausted cannot be prevented by this proprietor. Equally, it is also possible to use that trademark to advertise these products. Therefore, it is only possible to place an AdWords by using as a keyword the trademark of a product on which the rights are exhausted for the seller of that product or for the online market place which provides an environment for the sale of that product.

¹²⁰⁰ EWHC 1094 (ch), eBay, 22.05.2009, par.289

On the other hand, as the proprietor of a trademark can prevent the sale of products on which his rights are not exhausted, s/he can also prevent third parties from placing ads which use its trademark as a keyword. In this case, in order that the proprietor prevent such uses, it is not necessary that the goods subject to the dispute to be sold to the consumer. What is important is the fact that the advertisement targets the consumer in the relevant territory. On this point, a distinction should be made between an actual sale and an offer or advertisement for sale. Accordingly, when there is “a sale” through an online marketplace to a consumer located in the territory where the trademark is registered or protected, the proprietor of this trademark may prevent that sale. On the other hand, when there is only “an offer” or “advertisement” for sale, if the goods in question are intended for consumers located in that territory, the trade mark proprietor can prevent that offer for sale or advertising. Therefore, as long as it is an offer for sale or an advertisement through an online marketplace accessible from the territory where the trademark is registered or protected, it is sufficient that it targets at consumers in that territory¹²⁰¹. However, it should be noted that this above mentioned principles are valid for the European exhaustion regime, as it is regional exhaustion. On the contrary, in Turkey, international exhaustion is adopted and therefore, if a product is put on the market by the trademark owner or with its consent in anywhere in the world, third parties can use the said trademark as a keyword in their advertisements concerning these products¹²⁰².

b. Use in Online Market Place’s Own Search Engine as Keyword

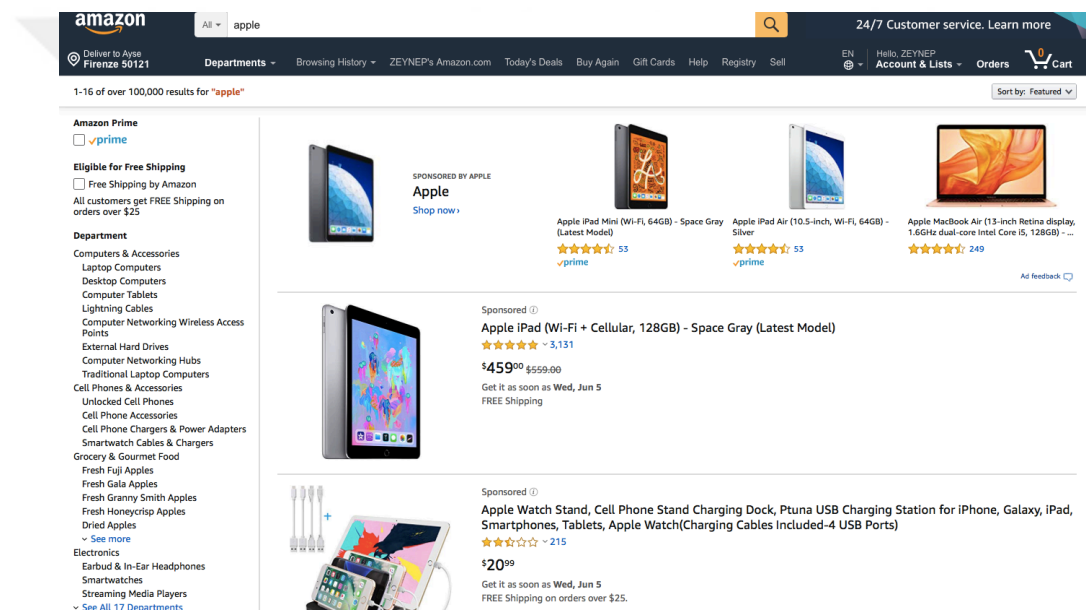
Beside acting as an “advertiser” for the goods sold on their platforms, the online market place operators may also be in a position of referencing service provider so that third parties can advertise on these market places through the internal search engines of that marketplace. For instance, eBay proposed until February 2011 a paid referencing service on www.ebay.fr called “Ad Commerce” whereby any economic operator could reserve keywords to generate the appearance on www.ebay.fr sponsored promotional links redirecting to their eBay store - ads available under the "Sponsored eBay Results" insert - or to a third-party website page - ads available under the "Sponsored Results"

¹²⁰¹ C-324/09, eBay, 12.07.2011, par.58 - 67

¹²⁰² For the exhaustion, see the subsection III/4 under the Second Section

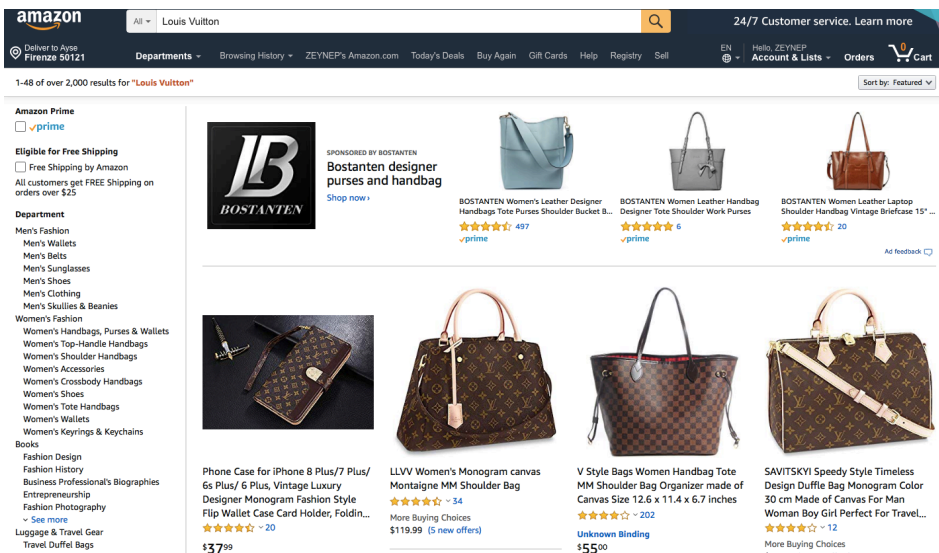
insert, these promotional links were accompanied by a photograph of the promoted product and a brief commercial message.

Amazon has also “Sponsored Ads” which includes “sponsored products” and “sponsored brands” which are keyword-targeted advertising solutions and which run on the cost-per-click (CPC) model. These types of ads allow advertisers to buy ads that appear at the top of, alongside, or within search results and on product detail pages of Amazon¹²⁰³. For instance, when you search for “Apple” on the internal search engine of Amazon, the sponsored link to Apple is displayed at the top of the result page as follows:



However, it may also happen that when you search for a specific trademark, the sponsored link of another trademark may be displayed. For example, when you search for “Louis Vuitton” trademark, the advertisement of another trademark appears on the top of the search results, as follows:

¹²⁰³ See Amazon Advertising available at https://advertising.amazon.com/resources/faq?ref=a20m_us_gw_faq (last accessed on 31.05.2019)



The use of trademarks as a keyword may also make appear third party trademarks in the “result list” generated by Amazon’s search engine upon entering the trademark as a search term.

In these cases, allowing to place an advertisement within the market place’s search engine results by using the trademark of others as a keyword coincides with the referencing advertising mechanisms of search engines such as Google AdWords. In such situations, the criteria set forth for referencing service providers in Google France and in subsequent cases by the CJEU are applicable to determine the liability of these online market places for trademark infringements. However, while some courts of European Union member states found, following the CJEU reasoning for the referencing service providers, these online market places as not using the signs at issue within the meaning of trademark law, some others decided on the contrary way.

For instance in a case before the French Court¹²⁰⁴, a trademark proprietor accused eBay of making appear on www.ebay.fr, following the search made by its trademark, two "sponsored results" using the mark and redirecting the internet user to competitors’ websites. However, the Court by applying Google France reasoning found that eBay offering to any economic operator, through the selection of one or more

¹²⁰⁴ TGI Paris, 3e ch., 1ere sect., JM Weston v. eBay France et autres, 26.06.2012 (www.legalis.net)

keywords, the possibility to make appear a promotional link to its site, acts like “an internet referencing service provider” who allows its clients to use signs which are identical with, or similar to, trademarks, without “itself” using those signs, either as a keyword or in the text of the advertisement. Therefore, it had been considered that eBay had not made use in the course of trade within the meaning of trademark law and the Court proceeded to examine the responsibility of eBay under the E-Commerce Directive, and found that eBay had not played an active role so that it can benefit from the special liability regime of the hosting service providers¹²⁰⁵.

On the other hand, German courts consider that the online market places “use” the trademark in these situations. For instance, in a case where a search for the trademark “Ortlieb” on Amazon’s internet search engine made appear a list of results which included third party trademarks such as “Vaude”. The “Ortlieb” trademark’s proprietor sued Amazon for trademark infringement. Regarding the use of Amazon, the Federal Supreme Court considered that, in the event where a keyword entered into the search engine causes the link to the third-party result, although the search results are automatic, it is Amazon who provides this function and therefore “uses” it in commerce. On the other hand, however, regarding whether such use infringes the rights of the trademark owner, the Court found no infringement. According to the court the mere fact alone that the result list contained third party trademark is not sufficient for a finding of infringement. Moreover, by applying the case-law of the CJEU, it found that the consumer will not be confused when they see in the search results the products belonging to competitor of the trademark they searched for and therefore there would be no adverse effect on the origin function of the trademark. It is because of the fact that the internet users know from experience that result lists include references to competitor products, particularly when competitive products are clearly identified by the third party trademark¹²⁰⁶.

Therefore, even though the internal referencing system of the online market places are coinciding with the referencing services provided by search engines, such as

¹²⁰⁵ See “Liability in Online Market Places” at the subsection III/3 under the Third Section

¹²⁰⁶ Federal Supreme Court, Case I ZR 138/16, 15.02.2018; Trademark Reporter, “Annual Review of EU Trademark Law 2018 in Review”, March-April 2019, Vol.109, No.2, p.545-547

Google AdWords, the courts in Germany assessed the case differently than the CJEU. However, even though the German courts found that the online market place had “used” the trademark in question, it followed the CJEU for the rest of the case by holding that the mere use does not constitute a trademark infringement and that in order to find an infringement, the internet user should not be able to ascertain that the products were not those of the trademark owner, but a third party.

c. Use in Online Market Place’s Internal Search Facilities

It is a normal situation for a product sold on an online market place to be displayed in the list of search results when the trademark of this product is searched for in the search engine of this market place. However, when a trademark which is not sold on the online market place is searched for in the search engine of that market place, it may happen that this trademark appears on the drop-down menu of the internal search engine. Moreover, this trademark may also appear in some forms on the search result page generated when it entered into internal search engine as a search term. In this respect, it is necessary to examine whether such situations create an infringement.

Before examining these types of use, it must be examined in the first place, whether the use of the online market place in the drop down menu of its own search engine and/or the use on the displayed screen after the search has been done constitutes a use of this market place operator which may be prohibited by the proprietor of the mark. As explained before, one of the conditions of trademark infringement is use in the course of trade. Regarding the online market places’ use in the course of trade in relation to the relevant goods, what is required is a use for its own commercial communication in order to consider it as using the mark in the course of trade in relation to the relevant goods. In so far as the online market places provide “*a service consisting in enabling its customers to display on its website, in the course of their commercial activities such as their offers for sale, signs corresponding to trade marks, it does not itself use those signs*” within the meaning of trademark law¹²⁰⁷.

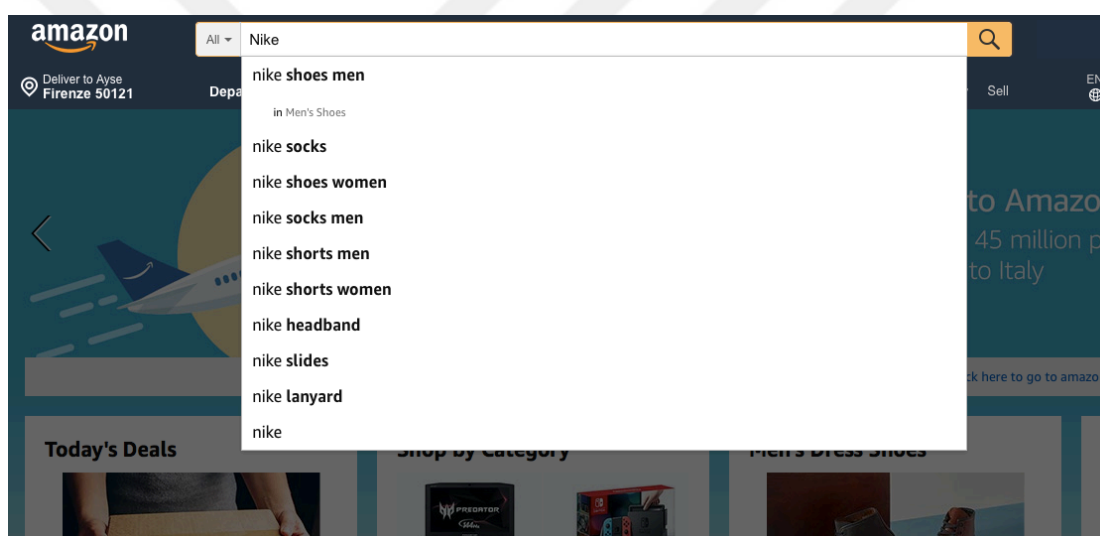
However, the activities of an online market place may be more than a service

¹²⁰⁷ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.56-57; C-324/09, eBay, 12.07.2011, par.102; EWHC 181 (ch), Lush, 10.02.2014, par.56

consisting of enabling its customers to display on its website signs corresponding to trade marks. In that regard, below will be examined some of the uses attributable to the online market places.

aa. Use in the Drop Down Menu

A drop-down menu, an easy way to display a range of choices, is a list of items that appear whenever a piece of text or a button is clicked¹²⁰⁸. For example, as shown below, when you type “Nike” into the search box of Amazon, several options such as Nike shoes men, Nike socks, Nike shoes women are displayed so that consumer can choose among them the one s/he is looking for.



In the first place, it should be noted that entering as a search term a trademark of a product which is not sold on the online market place and making a search in this way does not constitute a use which gives rise to the responsibility of this online market place¹²⁰⁹. The uses which may be attributable to that online market place operator are rather those related to results displayed during such search and after the search has been made. For instance, when a trademark of a product, which is not sold on the market place in question, is started to be entered as a search term in the internal search engine of the online market place, after the entry of its first letters, a drop down menu may appear and

¹²⁰⁸ Drop-Down Menu, available at <https://www.techopedia.com/definition/5429/drop-down-menu> (last accessed on 31.05.2019)

¹²⁰⁹ EWHC 181 (ch), Lush, 10.02.2014, par.58

include the mark and the variation of this mark. In such a case, the search engine of the online market place suggests itself the mark to the consumer.

For instance, in *Lush* case before the English courts, where the proprietor of the mark “Lush”, known for colorful soaps and bath bombs, sued Amazon for trademark infringement because of the fact that if a consumer makes a search for “Lush” on Amazon, as soon as the letters “lu” are typed, a drop down menu was appearing and showing various options such as “lush bath bombs”, “lush cosmetics” or “lush hair extensions”. When the consumer clicks on these options, a new page featured products similar to those offered by Lush, without no explicit reference to the non-availability of Lush’s products¹²¹⁰.

In such a situation, the online market place had been considered as making a use in the course of trade in relation to goods or services as “*it has used the sign as part of a commercial communication that it is selling the goods on its website*”¹²¹¹.

On the other hand, regarding whether this use affects or is liable to affect one of the functions of the trademark, and especially *the origin function*, by applying the Google France criteria, the Judge considered that the average consumer would not understand without difficulty that the goods to which he was directed did not emanate from the plaintiff. This is due to the fact that the internet user or the consumer would think when seeing the drop-down menu that the “Lush” products of the plaintiff are available on that marketplace as there were no indication that they are not available for purchase therein. Moreover, according to the Judge, Amazon’s use of the plaintiff ‘Lush’ trademark was a use as a “generic” indicator of a class of goods, which would damage the mark’s ability to indicate the origin of products. Therefore, the use by Amazon had been considered as damaging the origin function of the Lush trademark belonging to the claimant¹²¹².

Regarding the damages on the *advertising function*, it had been held that it is has been damaged. Indeed, according to the Judge, the plaintiff uses its trademark to show the customers that the goods under that trademark are their goods and to attract the

¹²¹⁰ Ibid., par.11

¹²¹¹ Ibid., par.60-61

¹²¹² Ibid., par.66-69

attention of them. Therefore, when the online market place uses this trademark to sell third party's goods by attracting the attention of the consumer through this trademark, but on the other hand by not indicating that the trademarked goods are not available for purchase, the advertising function of the trademark is considered as being damaged¹²¹³.

Concerning *investment function*, the Judge took into consideration the claimant's ethical image and found that the use made by Amazon damages the investment function as it damages the ethical trading image of the claimant by not allowing its goods to be sold on Amazon¹²¹⁴.

Similarly, in a case before the German Federal Supreme Court¹²¹⁵, the trademark owner contested the "autocomplete" effect of the Amazon's search engine (and not the search suggestions showed after clicking on the menu). When entered into Amazon's internal search engine the words "goFit" or "gofit" which is the trademark of the plaintiff used on foot reflex zone message mats, a drop-down menu was opened and the auto-complete function of the Amazon's intra-page search offered various different search word suggestions, such as "gofit mats", "gofit health mat" or "gofit food reflexology mat". The "gofit" mats were sold neither by the plaintiff nor any other third party via the website www.amazon.de. Therefore, the trademarked goods of the plaintiff were not available on Amazon. But, when entered the trademark into the internet search engine of Amazon, the drop-down menu opened and contained the search suggestions containing this trademark. However, as the drop-down menu showed only search suggestion that referred to the plaintiff and its products¹²¹⁶, the Court dismissed the infringement claims by holding that the use of the trademark by Amazon does not constitute "trademark use" and that the search word suggestion does not impair the origin function of the trademark "gofit" as the internet user would not be under the false impression that "gofit" products were offered on Amazon¹²¹⁷.

¹²¹³ *ibid*, par.69

¹²¹⁴ *ibid*, par.70-71

¹²¹⁵ BHG, I ZR 201/16, 15.02.2018

¹²¹⁶ The Trademark Reporter, "Annual Review of EU Trademark Law, 2018 in Review", March-April 2019, Vol.109, No.2, p.544-545

¹²¹⁷ Yvonne STONE, "Use of Trade Marks by Amazon Search – Trademark Infringement or not?", Lexology, 20.06.2018, <https://www.lexology.com/library/detail.aspx?g=e43cc4a8-8998-45bb-a0a0-6cc65568cc2c> (last accessed on 16.08.2018)

These two decisions show different approaches taken by national courts regarding the use of a trademark in the drop-down menu of an online market places. However, in my opinion, the deferent outcome of these decision may result of the claims alleged by the plaintiffs. Indeed, in “gofit” case, the plaintiff’s claims were directed only against the search word suggestions and the links to the underlying offers of competitors had not been contested. In this regard, the German Supreme court did not find any infringement as the drop-down menu showed only search suggestions that referred to the plaintiff and its products and did not show the products of competitors¹²¹⁸. On the other hand, in Lush case, the claim concerned *the consequence* of typing “Lush” into the search engine of Amazon, such as use on the displayed screen after the search had been done, which is examined below.

bb. Use on the Displayed Screen after the Search

After making a search with the trademark on the internal search engine of the online market, some results are displayed on the screen. For instance, when a trademark is searched in the search engine of an online market place, it is also possible that products under different trademarks are listed in the results. In this situation, the question is whether there is an infringement of trademark rights, if, for example, XYZ trademarked goods are listed when ABC trademark is searched for in the search engine of the online market place. On this point, the Federal Supreme German Court¹²¹⁹ considers that “listing third-party trademarks in the “result list” generated by Amazon’s search engine upon entering the plaintiff’s trademark as a search term did not infringe that trademark”. Infringement is accepted only if the internet user “did not know or was unclear whether the trademarks listed in the result list originated from the proprietor or from a third party”¹²²⁰.

Moreover, just above the results displayed, the mark can also be used in different place of the page. On this point, two situations must be considered. One is the repeat of

¹²¹⁸ The Trademark Reporter, “Annual Review of EU Trademark Law, 2018 in Review”, March-April 2019, Vol.109, No.2, p.544-545

¹²¹⁹ Federal Supreme Court, Case I ZR 138/16, 15.02.2018; The Trademark Reporter, “Annual Review of EU Trademark Law, 2018 in Review”, March-April 2019, Vol.109, No.2, p.545-547

¹²²⁰ Yvonne STONE, “Use of Trade Marks by Amazon Search – Trademark Infringement or not?”, Lexology, <https://www.lexology.com/library/detail.aspx?g=e43cc4a8-8998-45bb-a0a0-6cc65568cc2c> (last accessed on 16.08.2018)

the mark just below the search box and the other is the use of the mark in the “related search” section which is also below the search box. Regarding the repeat of the mark just below the search box, it is arranged by the online market place operator and is intended to be a repeat of the consumer request. In case where the trademarked good is not sold on this online market place, the fact that there is no explicit reference that the search returned no result for the mark searched for and that “related searches” line refers to some goods with the said trademark, would lead the average consumer to think that these “Related Search” items are presented by the online market place operator to help him/her in his/her search and that if the consumer clicked on one of them he would find the said trademarked goods. In these circumstances, it has been considered by the English court that this type of use impair the origin, advertisement and investment function of the trademark¹²²¹. Regarding the use of the mark in the “related search” lines, it is arranged to occur by the online market place and is a list of searches to indicate to the consumer what prior consumers, also searching for trademark in question, have also searched. On this point, it is also accepted as a commercial communication by the online market place to aid the sales by this online market place of the products other than those of trademarked goods¹²²².

¹²²¹ EWHC 181 (ch), Lush, 10.02.2014, par.73-75

¹²²² Ibid., par.76

4. USE OF TRADEMARK IN ONLINE SOCIAL MEDIA

The term “social media” encompasses many websites and applications. In this respect, after having providing information about the online social media (A), the situations in which the trademark rights may be violated will be examined (B).

A. Online Social Media

Social media is an extraordinary broad term, and embody many different media, including social networks such as *Facebook*, *Google +*, blogs such as *WordPress* and *Blogger*, microblogs such as *Twitter*, business networks such as *LinkedIn*, enterprise social networks such as *Yammer* and *eXo*, forums and message boards such as *Gaia Online*, photo sharing sites such as *Instagram* and *Flickr*, products/services reviews such as *Yelp*, social bookmarking such as *Pinterest*, social gaming such as *Microsoft’s Xbox Live* and *Sony’s PlayStation Network*, video sharing such as *YouTube* and *Vine*, and virtual worlds such as *World of WarCraft* and *Second Life*¹²²³.

The definition of social media is based on three basic elements. These are content, community and web 2.0. The content is created and shared by users in many different ways, including photos, pictures, videos, location information, tags and comments. Creation and use of these content by many users constitute the participative aspect of the social media and thus the community. Finally, digital technology enabling to create and share the content is the web 2.0. On this point, it should be noted that the web 1.0 which existed prior to web 2.0. was a low-level of interaction technology, allowing users only to search for and read information and therefore was not enabling users to contribute to the content. On the contrary, web 2.0. is a second generation internet service created by the users jointly by creating and sharing. Web 2.0 reveals the technological dimension of the transformation in the Internet and the social media exhibit the social dimension of this transformation for users¹²²⁴.

¹²²³ Robert T. SHERWIN, “#HaveWeReallyThoughtThisThrough?: Why Granting Trademark Protection to Hashtags is Unnecessary, Duplicative, and Downright Dangerous”, *Harvard Journal of Law & Technology*, Vol.29, No.2, Spring 2016, p. 459-460

¹²²⁴ Gonca YAZICI, “İnternette Pazarlamada Yeni bir Boyut: Sosyal Medyanın Tüketicilerin Marka Tercihlerine Etkisi Üzerine Bir Araştırma”, Gazi University Institute of Social Sciences Department of Marketing Master Thesis, October 2014, p.43-46; For more information on the history of social media See Simeon EDOSOMWAN, et al. “The History of Social Media and its Impact on Business”, *Journal of Applied Management et Entrepreneurship*, Vol.16, No.3, 2011

Nowadays, social media sites dominate Internet usage, as internet users spend more time with social media than any other type of Internet site¹²²⁵. For instance, the internet is used for mostly social media in Turkey¹²²⁶. In this context, more and more businesses use social media channels to spread information, to obtain or respond to consumers' needs or for marketing/promotional purposes. For instance, according to European statistics, "almost half of all EU businesses with internet access (49 %) reported in 2017 that they used at least one social media channel: most common were social networks (such as Facebook, LinkedIn or Xing) that were used by 46 % of businesses with internet access, followed by multimedia content sharing websites (such as YouTube, Flickr or Picasa) which were used by 16 % and blog or microblogs (such as Twitter) used by 15 %"¹²²⁷.

B. Infringement of Trademarks in the Online Social Media

In parallel with the widespread use of social media, unlawful uses have also appeared on these platforms. For instance, social media has become one of the channels whereby counterfeit and pirated goods are sold. Even, social media has overtaken auction sites as criminals' channel-of-choice for counterfeiting and piracy activity, according to the report from the UK National Trading Standards, eCrime Team¹²²⁸.

As mentioned above, social media tools have been classified differently according to the environments in which they take place, to their technical characteristics, to the opportunities they offer, to the applications they use and to the shared content¹²²⁹. Within the scope of this thesis, it will be examined different kinds of trademark rights infringement on social networking sites (1), in virtual worlds (2) and through mobile applications (3).

¹²²⁵ Robert T. SHERWIN, p. 459

¹²²⁶ Öget KANTARCI, Murat ÖZALP, Cenk SEZGİNSOY, Ozan ÖZAŞKINLI, Cihan CAVLAK, p.51

¹²²⁷ EUROSTAT, Digital Economy & Society in the EU

¹²²⁸ Stephen FORSTER "Crackdown on Counterfeiting & Piracy Online", National Trading Standards eCrime Team, 24.06.2015, available at <http://www.tradingstandardsecrime.org.uk/crack-down-on-counterfeiting-and-piracy-on-social-media/> (last accessed on 22.04.2019)

¹²²⁹ Mine KAYA, "Sosyal Medya ve Sosyal Medyada Üçüncü Kişilerin Haklarının İhlali", TBB Dergisi, Issue. 119, July 2015, p.282

1. Infringing Uses in SOCIAL NETWORKING SITES

As indicated above, the social media is an extraordinary broad term and encompasses a wide variety of online platforms. One of these platforms are social networking sites.

Social networking sites are online platforms where each user can create profiles with personal information, invite friends and colleagues to access the profile, send e-mail and instant message to each other. What makes social networking sites specific is that they offer people the opportunity to meet with others, as well as show their social networks. By this way, users can see people who are associated with other people on these social networking sites and add them to their friends list¹²³⁰ so that the network expands and sharing increases¹²³¹.

On the other hand, while social networking sites originally allowed individuals the opportunity to contact long lost friends or new acquaintance, more and more companies have started using social networking sites as a means to distribute information to the public about their product¹²³², to strengthen their brand image by communicating with their customers. Moreover, the social account names figure on the advertisements or promotional materials of the companies in addition to their domain names.

Nowadays, the most known social networking site is *Facebook*. On a daily and monthly basis, Facebook has 1.49 billion daily active users on average and 2.27 billion monthly active users as of 30 September 2018¹²³³. On the other hand, Facebook's popular sharing site *Instagram* has more than 1 billion users and is expected to generate 14 billion

¹²³⁰ In a case in France concerning being "friends" on social media, a decision was made as to whether a party lawyer and a judge being "friend" on Facebook would prevent the impartiality of the judge. It was stated that the term "friend" used to refer to people who agree to contact in social networks does not refer to friendships in the traditional sense of term. As a result, the existence of contacts between the different people through these media is not sufficient to characterize a particular particularity. In fact, the social network is simply a means of specific communication between people who share the same interest and in this case the same profession. C. Cass., 2eme ch. Civile, 16-12.394, 05.01.2017; Etienne WERY, "Le Juge qui est "ami" sur Facebook avec une partie, est-il encore impartial?", Droit & Technologies, 19.01.2017, available at <https://www.droit-technologie.org/actualites/juge-ami-facebook-partie-impartial/> (last accessed on 08.05.2019)

¹²³¹ Mine KAYA, *Sosyal Medya*, p.285

¹²³² Nabil A. ADAWI, "Social Networking and 'Brand-Jacking' – Is it Infringement?", Law School Student Scholarship, Vol.28, 2010, p.1

¹²³³ Stats, <https://newsroom.fb.com/company-info/> (last accessed on 20.01.2019)

\$ in 2019¹²³⁴. In addition to these, there are *Google+* and *MySpace* which enables individuals to create unique profiles, add friends and send messages¹²³⁵, and *LinkedIn* for professional networking. On the other hand, *Twitter* is a social media enabling users to post their thoughts and messages through “tweets” and allows individuals to follow others’ tweet¹²³⁶.

One thing that social media services, also known as Web 2.0 applications, have in common is that they are based on user-generated content communicated to a network of users¹²³⁷. In that context, some mechanisms have been created in order to tackle with infringing uses of the users IP rights. However, these mechanisms are run only at the request of the right owner and the social media operator does not conduct a trademark infringement investigation by its own. For instance, in Facebook, Facebook users can only post content on Facebook if it does not violate the intellectual property rights of another party, including trademarks. The Facebook users are responsible for the content that they post. In case where the content posted by the user violates Facebook policies or is reported to Facebook as infringing the intellectual property rights of another party, Facebook may remove that content. The party whose rights are infringed submit the Trademark Report to Facebook whereby the reporting party is asked to provide contact information of the owner of the trademark, trademark information (such as what the trademark is, where the trademark is registered, the registration number, the goods/services covered by the mark), information on the content reported (whether the content reported relates to a photo, video, post, an entire page, group or profile, photo album, username etc.)¹²³⁸. In case where Facebook remove a content, the alleged infringer receives a notification from Facebook that includes the name and emails of the rights owner who made the report, so that it can contact with him or her¹²³⁹. Similar mechanisms have been provided also by other social networking site operators. For instance, Twitter

¹²³⁴ Tuğçe İÇÖZÜ, “Instagram’ın bu yıl 14 milyar dolar gelir elde etmesi öngörülüyor”, *Webrazzi*, 23.01.2019, available at <https://webrazzi.com/2019/01/23/instagramin-bu-yil-14-milyar-dolar-gelir-elde-etmesi-ongoruluyor/> (last accessed on 28.01.2019)

¹²³⁵ Thomas J. CURTIN, “The Name Game: Cybersquatting and Trademark Infringement on Social Media Websites”, *Journal of Law and Policy*, Vol.19, Issue 1, 2010, p. 356, footnotes:22-23

¹²³⁶ *Ibid.*, p. 356, footnotes:22-23

¹²³⁷ Danny FRIEDMANN, “A Paradigm Shift of the Trademark Logo – Towards Algorithmic Justice”, PhD thesis, Chinese University of Hong Kong Faculty of Law 2013, p.88

¹²³⁸ <https://www.facebook.com/help/contact/1057530390957243> (last accessed on 28.01.2019)

¹²³⁹ https://www.facebook.com/help/507663689427413?helpref=about_content (last accessed on 28.01.2019)

accounts that pose as another person, brand or organization in a confusing or deceptive manner may be permanently suspended under Twitter's impersonation policy. The impersonated party or an authorized representative may file an impersonation report to Twitter. Moreover, using another's trademark in a manner that may mislead or confuse others about the brand affiliation may be a violation of Twitter trademark policy. In such a case, the trademark owner submit Trademark Issue Support form to Twitter, accessible through its website¹²⁴⁰.

On the other hand, it is always possible for people whose rights are infringed on the social networking sites to file a lawsuit before the courts, by grounding on the general principles of trademark law. At this point, it should be noted that the case-law on the trademark infringement on social networking sites has not been developed so much neither in Europe, in Turkey nor in the United States. One of the reasons for this may be the violation reporting procedures that take place on these sites. However, a satisfactory result may not always be obtained through these mechanisms. In this respect, it will always be the trademark law that the person claiming infringement of his rights will ground on. Nevertheless, some difficulty in the application of the trademark may occur when for example the alleged infringing use is not related to any offer of sale or promotion of a product or service. Indeed, in order to find an infringement of trademark rights, there should be, *inter alia*, "a use in the course of trade". Even if this condition is fulfilled, this use may not necessarily constitute "a use in relation to goods or services", as these are both independent requirements. In that regard, for instance, there will be no infringement if the mark is not used for the advertising or sale of goods or services, even the use is realized in a commercial context¹²⁴¹. Moreover, besides the inherent limit of trademark protection that follow from the confinement of exclusive rights to use in the course of trade and use as a trademark, the use on the social media for criticism and comment may also fall under a specific limitation of trademark rights seeking to safeguard freedom of expression and information. However, cases of trademark infringement on social media may arise where trademarks are used to mislead consumers as to the origin of the

¹²⁴⁰ <https://help.twitter.com/en/rules-and-policies/twitter-impersonation-policy#>; <https://help.twitter.com/en/rules-and-policies/twitter-trademark-policy> (last accessed on 31.01.2019)

¹²⁴¹ Lisa P. RAMSEY, "Brandjacking on Social Networks: Trademark Infringement by Impersonation of Mark Holders", *Buffalo Law Review*, 58, 2010, p. 870, 876

information communicated, and where this information does not serve the legitimate purpose of criticism and comment¹²⁴².

Social networks allow their users to create accounts for which they can adopt user names, personalized sub-domain names, and where they can post pictures and hashtag links to content. All of these have the potential to create confusion as to source¹²⁴³. In this context, it will be analyzed in the following sections types of trademark infringement which commonly occur on social networking sites, such as use of trademarks in usernames (username squatting) (a), in hashtags (b).

a. Use of the Trademark in Usernames (Username Squatting)

Nowadays, almost every company and trademark has its own page or profile on social media such as Facebook, Twitter and Instagram. Because, these platforms are one of the most important strategic marketing channels that legal or natural person can use to communicate directly with the customer and to promote their products or services. In general, people use their trademarks for their pages or accounts usernames¹²⁴⁴. However, trademark owners are not the only ones who have registered usernames corresponding to trademarks on social network sites. People with bad faith may register usernames identical with or similar to another person's trademark. This practice is called "username squatting"¹²⁴⁵. The purpose behind this is in general to sell the account to the trademark owner, to mislead the consumer to the products or services of other companies, to distribute false information about a company or a trademarked good or service, or simply to prevent the trademark owner from using its trademark in social networking sites as a username for marketing purposes¹²⁴⁶.

Even if each social networking site has its own features and a specific mode of operation, the majority of them operate on the principle of a free or paid registration for

¹²⁴² Martin R.F. SENFTLEBEN, "An Uneasy Case for Notice and Takedown: Context-Specific Trademark Rights", ("Notice and Takedown"), 2012, p.23 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2025075) (last accessed on 04.02.2019)

¹²⁴³ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, "Trademarks" in "Network Interference: a Legal Guide to the Commercial Risks and Rewards of the Social Media Phenomenon", 3rd Edition, 2014, p.111, available at <https://www.reedsmith.com/-/media/.../2014/.../network-interference-a-legal-guide.../net> (last accessed on 23.03.19)

¹²⁴⁴ Lisa P. RAMSEY, p. 851-852, 863

¹²⁴⁵ Ibid., p. 852, 863

¹²⁴⁶ Steven T. SHELTON, "Threats to Brands from Social Media", New York Law Journal, Vol.5, 2012, p.2

the allocation of a user account. A registration requires at least to provide an e-mail and a password, then to choose an identifier to be known on the selected network. A username is a unique identifier on a social networking site that allows access to a page or an account through a short URL in the form of “socialnetworkingsitename/username”. Therefore, a username is a distinctive sign attributed automatically or by express request according to the social networking site¹²⁴⁷.

In that regard, the username is comparable to a sign insofar as it is the name under which the company or trademark is known and recognized on the social networking site. However, unlike a real sign which forms part of a companies’ goodwill, the username belongs to the social networking site operators. The company has only a right to use on its username and this rights can be withdrawn at any time¹²⁴⁸.

Like the registration of domain names, the allocation of usernames on social networking sites is done on a « first come, first served » basis, the first served being also the only one served for a username¹²⁴⁹. In that regard, as far as it had not been taken by somebody, the user can get any sign as a username. Therefore, if a trademark had not allocated as a username to the trademark proprietor, this can be taken by others. Those who want to use a sign identical with or similar to a trademark are often competitors of this trademark, or fans who has admiration for this trademark or gripe sites in order to criticize the trademark.

The username is chosen by the users during their inscription to the social networking site. It can consist of a natural person’s name or pseudonym, or a company’s trade name or a trademark. This username is displayed on the profile page of the user and usually included in the unique URL assigned to each user¹²⁵⁰. For instance, Facebook, on 13 June 2009, unveiled a new username feature that allowed its users to create distinct web addresses, or “vanity URLs” for their profiles¹²⁵¹, such as www.facebook.com/yourname or www.facebook.com/brandname. Until that day, the

¹²⁴⁷ Nathalie DREYFUS, p.329

¹²⁴⁸ Ibid, p.357

¹²⁴⁹ Ibid., p.329-330

¹²⁵⁰ Sevan ANTREASYAN, “Réseaux Sociaux et Mondes Virtuels : Contrat d’Utilisation et Aspects de la Propriété Intellectuelle”, PhD Dissertation, University of Geneva, 2016, p.204

¹²⁵¹ Thomas J. CURTIN, p. 355-356

one place where the identity of the user was not reflected was in the web address of their profile or the Facebook page that they administer. The URL was just a randomly assigned numbers. But then the users could choose a username for their profile¹²⁵². Equally, Twitter allow users to create personalized URLs, which allow a user's name to become part of the web address, such as twitter.com/username¹²⁵³.

In that context, user name infringement can be in two forms: use in the username and use in the URL of the profile page, which both serve to identify the person who is the owner of the page hosted on the social networking site. In other words, when a username is created on Facebook for example, it appears automatically in the URL. In consequence, if a username infringes a trademark right, the corresponding URL will also infringe this right¹²⁵⁴.

Regarding the username infringement, as in the case of domain names cybersquatting, there has been some abuse of username registration, the best known being username squatting, which consists of registering a username including a natural person name, a trade name, a copyrighted work or a trademark¹²⁵⁵. This is also called “brand-jacking” and thereby “Facebookjacking” for uses on Facebook and “Twitterjacking” for uses on Twitter¹²⁵⁶.

Reserving a username corresponding to another's trademark, as in the case of reserving a domain name, allows the cybersquatter to prevent the trademark owner from using his trademark on that particular social media website. Moreover, such use can also damage the reputation of the mark, by tarnishment and dilution¹²⁵⁷. In addition, there may occur an infringement by creating an impressing of economic link with the trademark proprietor, thus likelihood of confusion when an identical or similar sign is used as a username. Brand-jacking causes confusion regarding the source of information and site

¹²⁵² “Coming Soon: Facebook Usernames”, 09.06.2009, available at <https://www.facebook.com/notes/facebook/coming-soon-facebook-usernames/90316352130/> (last accessed on 20.01.2019)

¹²⁵³ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH,, p.112


¹²⁵⁴ Nathalie DREYFUS, p.358

¹²⁵⁵ Ibid., p.353

¹²⁵⁶ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.111

¹²⁵⁷ Thomas J. CURTIN, p. 370

sponsorship because the site appears to be authentic¹²⁵⁸.

On this point, it should be noted that while social media platforms such as Facebook and Twitter have a verification features, such as Twitter's blue badge ¹²⁵⁹, which establish the authenticity of the account owner, it is not a permanent solution to the username squatting problem¹²⁶⁰. For example, it is always possible to reply to user comments made on the verified account through an account which gives the impression of being economically linked to the trademark, or to make comments through such account on this verified account¹²⁶¹.

Unlike the domain names, for the moment, there is no dispute resolution mechanism for the uses which infringe trademark rights on social networking sites. Even in cases where the alleged infringing use occurs in the URL, the UDRP offers no remedy for these kind of infringements as neither Facebook nor Twitter are registrars of domain names so that they are not subject to the UDRP¹²⁶².

In addition to infringement notification procedures on social networking sites, it is possible to refer to courts where these procedures fall short. When an action is brought before a court, the trademark law will be applied. In this regard, there should be an identity or similarity between the trademark and the sign used as a username; an identity or similarity between the goods or services for which the trademark is registered and those which are used on the page under the contentious username; such identical or similar use should be liable to affect one of the trademark's function or create a likelihood of confusion; and moreover such use should be made in the course of trade in relation to goods or services and should produce a commercial effect on the country/territory in

¹²⁵⁸ Nabil A. ADAWI, p.3

¹²⁵⁹ Created following the 'La Russia' case. *Antony La Russa v. Twitter Inc*, Case Number CGD-09-488101 (Cal. Super Ct, San Fran. Co, May 2009), where St. Louis Cardinals Manager Tony La Russa sued Twitter for trademark infringement for allowing an impersonator to send unauthorized and offensive messages under his name. The case settled in 2009.

¹²⁶⁰ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH,, p.115

¹²⁶¹ Daniel DOFT, "Facebook, Twitter and the Wild West of IP Enforcement on Social Media: Weighing the Merits of a Uniform Dispute Resolution Policy", the *John Marshall Law Review*, Vol.49, Issue 4, 2016, p.971

¹²⁶² Natalma M. MCKNEW, "Post-Domain Infringement: in search of a remedy", *Business Law Today*, Vol.19, No.4, March/April 2010, p.3 (available at <https://www.americanbar.org/content/dam/aba/publications/blt/2010/03/post-domain-infringement-201003.authcheckdam.pdf>) (last accessed on 07.01.2019)

which the alleged infringed trademark is registered.

One of these conditions is *use in the course of trade*, which requires that the use should be in a commercial purposes and not for private ones. A finding of a use for commercial purposes on social media account will depend on the “content” of the jacked profile. As long as the page in question is not a a parody or gripe page, the person harmed will probably have the chance to prove commercial use by showing the page contained a commercial aspect, such as advertising¹²⁶³. Therefore, as long as companies/brands use the social networking sites to conduct business transaction, convey information and provide services to consumer, this requirement may be easily fulfilled. Even though there does not exist always any offer for sale of the goods/services concerned on social media accounts, as long as there is a publicity related to these goods or services, there is a commercial use and therefore can be prohibited by the trademark holder.

On the other hand, trademark fan pages or griping pages are common on social networking sites. Whether uses made on a fan or griping page constitute a use in the course of trade, for example, in a case where the defendant created a Facebook page under the username “PBLV Marseille” which consisted of the trademark “PBLV” belonging to the plaintiff who is the producer of a television series “Plus Belle La Vie” taking place in Marseille, the first instance court of Paris dismissed the plaintiff’s infringement claims as it could not demonstrate that the defendant made use of the trademark in the course of trade or derived a direct or indirect benefit from it. According to the court, the use of the logo and the name of the series on the username is insufficient to demonstrate any commercial use. In addition, the fact that the page had more than 6000 fans has not being considered as an exploitation relevant to a use in the course of trade¹²⁶⁴. However, what would be the situation in a case where the mark in question is not used in a commercial context (i.e. parody or gripe pages), but the user provided links to other commercial pages or websites in posts on the site, or earns money from advertisement displayed alongside

¹²⁶³ Dan MALACHOWSKI, “‘Username Jacking’ in Social Media: Should Celebrities and Brand Owners Recover from Social Networking Sites When Their Social Media Username are Stolen?”, *DePaul Law Review*, Vol.60, Issue 1, Fall 2010, p.258

¹²⁶⁴ TGI Paris, 3eme ch, 4eme sect., Laurence C. v. Telfrance Serie, Facebook France, 28.11.2013 (www.legalis.net); “Facebook contraint de rétablir la page non officielle de ‘Plus belle la vie’”, available at <https://www.legalis.net/actualite/facebook-constraint-de-retablir-la-page-non-officielle-de-plus-belle-la-vie/> (last accessed on 20.01.2019)

the noncommercial expression on the site? In such a situation, for example in domain names, even though no product is sold on the website under a domain name, the fact that there is advertising and promotional activities on this site means there is a use in the course of trade¹²⁶⁵. In this regard, if there is, on the profile page under the alleged infringing username, any activity which can be associated with commercial activity such any advertising or promotional activities, such use will fall within the scope of use in the course of trade.

On the other hand, another condition for a finding of a trademark infringement is that the alleged infringing use should be made *in relation to goods or services*, in other words as a trademark. On this point, as stated above, infringing use of the mark in the username also includes uses in the URL which is linked to the page under that username. Though, as explained in the domain name chapter, some countries' courts consider that use of trademarks in sub-domains does not constitute a trademark infringement as the sub-domains do not have any distinctiveness and therefore use of trademarks in these sub-domains does not enable to distinguish the goods or service. However, there are also decisions in the opposite way. Even though there is general view that sub-domains cannot be used in relation to goods or services as they do not have any distinctiveness, this may not apply to uses on social networking sites. Indeed, in the context of social networking sites, the username and, by extension, the post-domain name URL do fulfill the role of identification of the origin as they consist of an identification of the users which are natural or legal persons¹²⁶⁶. On this subject, for example, in a case before the Turkish Supreme Court, the plaintiff, owner of the trademark "ANKA", sued the defendant because of its use of "ANKA KİRALAMA" (Anka renting) in its domain name www.ankakiralama.com and of "ANKA RESIDENCE" in its Facebook page in the form of "facebook.com/AnkaResidence". The court, in its decision which is approved by the Supreme Court, found a likelihood of confusion between the signs at issue, and held that the use of a sign identical with "Anka" in conjunction with a similar logo in its domain name and its Facebook page constitutes an infringement of the plaintiff's trademark

¹²⁶⁵ Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T. (www.kazanci.com)

¹²⁶⁶ Sevan ANTREASYAN, p.210

rights¹²⁶⁷.

On this point, it should be noted that, while the use in the username and in URL attached to it is a distinguishing use, the determination of an infringement can be difficult in some cases. For instance, in a case where the competitor of a trademark X registers the sign X as a username and indicates that the account name is X, while this competitor provides in its posted information about the X branded products, it may actually sell its own branded products. In such a case, there will be a trademark infringement as the use is related to the goods or services of this competitor and there is a diversion of the consumer to its own product. On the other hand, however, what would be the situation where the mark is not used in connection with any goods or services because it had been only registered as a username on a social networking site and there is any content on the social network site page linked to that username?

In such case, for example, for domain names, except the use of reputed marks, the mere registration of a domain name containing the trademark is not considered as a use in the course of trade and in relation to goods or services, thus does not constitute a use within the meaning of trademark law. Equally for the usernames, it is likely for the courts to consider the mere registration of a trademark as a username as not constituting a use in relation to goods or services. In such a situation, the trademark proprietor would need to prove some content on the page linked to that username before it could make the user liable for trademark infringement¹²⁶⁸.

Finally, before having examined the similarity or identity between the signs and goods/services concerned and thus likelihood of confusion or adverse effect on the functions of the mark, there must be established that the use concerned has *a commercial effect* on the country/territory where the alleged infringed trademark is protected. For instance, does a use made in a non-public account¹²⁶⁹, where the account owner is a French citizen and it's all "friends" are from the European Union member states, produce commercial effects in Turkey? Or does such use would produce commercial effects in

¹²⁶⁷ Yarg. 11. HD. 2016/6607 E. 2018/484 K. 22.01.2018 T. (www.kazanci.com)

¹²⁶⁸ Lisa P. RAMSEY, p. 877

¹²⁶⁹ Facebook users can determine who can view their pages. In this respect, there are pages open to all users, pages open to friends only, and pages / accounts open to people designated by the user.

Turkey even in case where the account is an open account and where the owner of this account and his friends are from the European Union?

As explained before regarding the use with commercial effect, one of the conditions of trademark infringement is that such alleged infringing use *should target* the average customer where the trademark is registered and thus protected. When this criterion is applied to social networking sites such as Facebook, Twitter or LinkedIn, different conclusion may be reached depending on geographical coverage and demographic reach of the account in question¹²⁷⁰. In this regard, the language and the actual use of the page by the account holder should be examined. To evaluate the actual use of the page, the “friends” or “followers” of this page will constitute influencing factors of the outcome¹²⁷¹.

For instance, in *Thomas Pink v. Victoria’s Secret* case in the UK, the plaintiff, who is the proprietor of the trademark “Pink”, brought an infringement action for the use of the sign “Pink” as a sub-brand of the famous company Victoria’s Secret in the UK. One of the defenses alleged by the defendant was that it did not use the sign “Pink” alone, but with the sign “Victoria’s Secret” and thus it did not infringe the plaintiff’s mark. In order to prove such use, the defendant showed its Facebook profile page. In return, the plaintiff objected to this evidence as this Facebook page does not target the consumer in the UK or in the EU. There was no doubt that internet users from the UK or other EU member states could access the page in question. However, in parallel to the CJEU’s case-law, the Court did not accept the mere accessibility to the page as amounting to the use within the EU. On the contrary, due to the facts that the currency used was US dollars, the telephone and website addresses mentioned were US telephone numbers and websites, the content referred to was about events occurring in the US led the Court to hold that the Facebook postings were not targeted to the EU or UK. A few recent postings referring to events in the UK were found insufficient to alter the targeting of the

¹²⁷⁰ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.114-115

¹²⁷¹ Sevan ANTREASYAN, p.38

defendant's Facebook presence. Therefore, the Judge concluded that the "Victoria's Secret Pink" sign has not been used in the EU by the defendant¹²⁷².

This above mentioned case is illustrative in terms of showing how a targeting use should be made in social media accounts. In this case, even though the uses made on Facebook page are submitted in order to prove that there is not any infringing use made in the UK or the EU, this had not been taken into consideration as it was not targeting the UK or the EU. In the determination of whether such use targeted the UK or the EU where the infringement was alleged to be occurred, the court took into account the language, currency, telephone number used in the relevant page. These criteria are only some of the targeting criteria set forth by the case-law, and the appropriate ones may be taken into consideration on a case basis¹²⁷³.

After having established the use has been made "in the course of trade", "in relation to goods or services", and has produced a "commercial effect" on the country/territory in which the trademark is registered, the principles of trademark law regarding infringing uses of identical, similar and reputed marks will be applied here as well. In order to find an infringement, while it is required that the alleged infringing use should affect adversely one of the functions of the trademark in identical use situations, likelihood of confusion is sought for similar use situations.

There are two situations in which social media users encounter a username identical with or similar to a trademark. One of them is the pages from which it is clearly understood that it does not belong to the trademark owner or to an entity economically related to it, which is the situation of fan, griping or parody pages. The second one is the pages from which the user cannot understand easily whether it belongs to the trademark owner. The second situation creates obviously a likelihood of confusion. Regarding the likelihood of confusion, using of a mark that is identical or similar to a protected mark on a social network site, such as the account name or other identifying content, will increase the likelihood of confusion. If however, the site indicates in some fashion that the account

¹²⁷² EWHC 2631 (ch), Thomas Pink, 31.07.2014, par.128-137

¹²⁷³ For the criteria taken into account in the determination of whether a use on the internet target the relevant consumer in a given country/territory, see "Use with Commercial Effect" at the subsection I/1-D under the First Section

is not sponsored by the respective company, the likelihood of confusion is consequently diminished¹²⁷⁴. Therefore, likelihood of confusion on social media account should be examined from the content of the individual page on a case-by-case basis. For example, a username jacking victim would not be able to recover it when this is a gripe or parody page so that there is no confusion. However, these kind of pages should be clear enough to be understandable by a reasonable person. Clarity can be achieved through the profile's name or URL (for example twitter.com/McdonaldsSucks), through the profile content or by labeling the profile¹²⁷⁵.

Moreover, social networking page should not give an impression that there is an economic relation with the trademark proprietor. For instance, in a case before the UK Court, a company called Technosport London Limited dealing in the repair and maintenance of cars such as BMW motor cars used the trademark "BMW", among other uses, in the username on its Twitter account, @TechnosportBMW. The defendant's Twitter page had a panel which had Technosport@TechnosportBMW prominently displayed. Beneath this address it was explained that Technosport is an independent BMW and MINI specialist in North West London. Therefore, BMW's allegations of infringement of the BMW mark concerned the use of the mark in conjunction with the defendant's trading name "Technosport". While the first instance court found that the defendant's use of the BMW signs did not convey to the average consumer any implication of the defendant being an authorized dealer, the Appeal Court did not agree with that view. According to the Appeal Court's judge, the distinction which should be made is between uses which convey the true message "my business provides a service which repairs BMWs and/or uses genuine BMW spare parts" (informative use) and those which convey the false message "my repairing service is commercially connected with BMW" (misleading use). Which of these messages is conveyed depends on a close consideration of the detail and context of the use¹²⁷⁶. Regarding the use on Twitter username, the Judge found it as an infringement, as it is not mere informative use and as

¹²⁷⁴ Nabil A. ADAWI, p.11-12

¹²⁷⁵ Dan MALACHOWSKI, p.255

¹²⁷⁶ EWCA Civ 779, Bayerische Motoran Werke Aktiengesellschaft v. Technosport London Limited, George Agyeton ("Technosport"), 21.06.2017, par.18

there is a risk that the average consumer will take the use of this trading style to indicate a commercial connection between the motor repair services offered and BMW¹²⁷⁷.

Except fan and gripe pages, the mention on the page that the account holder of the said page is not economically related to the trademark does not prevent to find a use as taking unfair advantage from the trademark used without the consent of the trademark proprietor or as damaging the distinctiveness of this trademark. Even though these mentioned situations are, in general, applicable to the reputed marks, an ordinary trademark may also be damaged by such use. For instance, when a sign corresponding to a trademark is taken as a username and by this way it is aimed to prevent the trademark owner to use it, this bad faith cannot be protected by the legal order. Similarly, as in the case of domain names, there will be those who would take a sign identical with or similar to a trademark as a username with the aim of selling it to the trademark owner. In such situation also, it is not possible to protect this bad faith. However, on this point, the trademark law may fall short as the person who takes the username may not perform any use which is liable to create a likelihood of confusion, or he may not perform any active use on the page under this username. While the mere identity or similarity of the username with the trademark may create a likelihood of confusion, the owner of the page under this username may prevent it by mentioning that s/he is not connected to the trademark owner. In such a situation, how the trademark owner will prove the likelihood of confusion? Or in a case where the username is taken but not used actively, as there would not be a use in the course of trade and in relation to goods or services, there would be no likelihood of confusion. In this respect, it can be said that the conditions set forth by the alternative dispute resolution policies which are applicable for domain name uses, should also be applicable here.

¹²⁷⁷ Ibid., par.27-33

b. Use of the Trademark in Hashtags

Today, hashtags¹²⁷⁸ are used in every fields, from advertising campaigns on social media, to fund raising campaigns such as #IceBucketChallenge, or social events such as posting old photos every Thursday under the hashtag #TBT. In this regard, hashtag usage has become nowadays a pop culture phenomenon and besides its use on social media platforms, it has become an important online marketing tool that allows consumers to interact with the trademark owners.

A hashtag is a form of metadata composed of a word or phrase preceded by the symbol '#'. When this # symbol is put at the beginning of a word or phrase on social media such as Twitter, Facebook, Instagram, users turn that word or phrase into a searchable expression¹²⁷⁹. Therefore, hashtags are sort of keywords that identify the subject of a publication on social media. In addition, they allow the social network operator to group conversation topics on their platforms and improve search efficiency¹²⁸⁰. Moreover, beside its grouping and categorizing functions, hashtags become also a new cultural shorthand of adding humor, context and interior monologues to our communication¹²⁸¹.

On this point, it should be pointed out that while the use of hashtags is in principle free, there is also a fee-based option that allows to be appeared higher in the list of results when a search is made by a word corresponding to the hashtagged term. In this regard, whereas the free use of hashtags can be assimilated to metatags, on the other hand, insofar as the advertiser pays the operator of the social networking site to privilege his publication in the list of results linked to a hashtag, this situation is similar to « keyword advertising » model where the sponsored link (or ad) makes appear the trademark¹²⁸².

¹²⁷⁸ Even though “hashtags” use had been proliferated on Twitter, even before Twitter, there was Internet Relay Chat (“IRC”) which was invented to facilitate internet discussion in the form of text and whereby IRC users began using the symbol “#” to categorize content into groups; Robert T. SHERWIN, p. 461

¹²⁷⁹ Betsy A. BUTWIN, “#Trademarklaw: Protecting and Maximizing the Value of Trademarks in an Evolving Social Media Marketplace”, *Cybaris Intellectual Property Law Review*, Vol.7, 2015, p. 111

¹²⁸⁰ Sevan ANTREASYAN, p.205

¹²⁸¹ Robert T. SHERWIN, p. 464

¹²⁸² Sevan ANTREASYAN, par.217-222

The starting point of hashtags uses, that is, by whom it was created, may differ. For instance, some of them may be selected by producer or marketers, the other ones may be generated by consumers or citizens¹²⁸³. This widespread use of the hashtags had increased the use of hashtags by trademark owners, while on the other hand, their concerns about trademark infringement have also increased. Indeed, for example, during the summer of 2016, in the lead up of the Rio 2016 Summer Olympic Games, the United States Olympic Committee (USOC) had published its policy on social media activities by non-sponsors as part of its Olympic and Paralympic Brand Usage Guideline and it prohibited commercial entities from posting about the Games on their corporate social media account, including the use of USOC trademarks in hashtags such as #RIO2016¹²⁸⁴.

A hashtag provides many benefits to businesses, such as raising brand awareness by facilitating the process of increasing sales and profitability. For instance, the famous beer brand Budweiser, before launching its 2013 Super Bowl Commercial titled “Clydesdales¹²⁸⁵ Brotherhood”¹²⁸⁶ on television, put a picture of the foal on its Twitter account asking followers to suggest names for it with the hashtag #Clydesdales. The tweet generated a lot of attention from Twitter users, with more than 60.000 name suggestions. In this way, Budweiser used the hashtag #Clydesdale to engage people in conversation regarding the name selection for the foal and it undoubtedly raised awareness for the Budweiser brand¹²⁸⁷. However, use of hashtags to promote the brand is not always successful. For instance, Starbucks’ campaign in 2015 on Twitter under the hashtag #racetogether which was aimed to generate communication on ending racism, has turned out to be a failure because of many negative emotions about the brand¹²⁸⁸. Similarly, the #McDStories Twitter campaign launched by McDonald’s and inviting consumers to share

¹²⁸³ Alexandra J. ROBERTS, “Tagmarks”, *California Law Review*, Vol.105, No.3, 2017, p.611-621; Stephen McKELVEY, John GRADY, “#JoinTheConversation: The Evolving Legal Landscape of Using Hashtags in Sport”, *Journal of Legal Aspects of Sport*, Vol.27, No.1, 2017, p. 93

¹²⁸⁴ John GRADY, Stephen McKELVEY, “#Congratulations but #SeeYouInCourt: Olympic Hashtag Restriction Raise Concerns Over Trademark Rights and Free Speech”, *Harvard Journal of Sports and Entertainment Law*, Vol. 9, p.101-106

¹²⁸⁵ it is a breed of horse originated from Scotland

¹²⁸⁶ <https://www.youtube.com/watch?v=8v6KKMtjm54>

¹²⁸⁷ Debbie CHU, “#CautionBusinesses: Using Competitors’ Hashtags Could Possibly Lead to Trademark Infringement”, *Catholic University Journal of Law and Technology*, Vol.25, Issue 2, Article 8, 2017, p.387-388

¹²⁸⁸ The Washington Post, “The snarkiest tweets about Starbucks’s ‘Race Together’ campaign”, available at https://www.washingtonpost.com/news/the-fix/wp/2015/03/17/the-snarkiest-tweets-about-starbucks-race-together-campaign/?noredirect=on&utm_term=.3a224649fff8 (last accessed on 14.02.2019)

their pleasant experiences under this hashtag had been stopped due to negative comments under this hashtag¹²⁸⁹.

Besides being a type of metadata, thus a hyperlink leading to other online content¹²⁹⁰, signs with hashtags can now be registered as a distinctive sign, namely as a trademark¹²⁹¹. For instance, the US Patent and Trademark Office's trademark manual added a specific guidelines dedicated to hashtag trademarks. Accordingly, "*a mark consisting of or containing the hash symbol (#) or the term HASHTAG is registrable as a trademark or service mark only if it functions as an identifier of the source of the applicant's goods or services*" in the USA¹²⁹². In this regard, for example, in the United States, the Coca Cola Company registered #smilewithacoke and #cokecanpics, McDonalds registered #McDStories and Nike registered #makeitcount as a trademark¹²⁹³. In the European countries, for example in the United Kingdom, in 2014, the UK's largest independent cheese producer Wyke Farms became the first brand in the country to successfully register a trademark for its #freecheesefriday social media campaign¹²⁹⁴. Similarly, signs with # symbol can also be registered in Turkey. As seen from the Turkish Trademark and Patent Institute, the first sign containing a hashtag symbol "#" registered as a trademark in Turkey is #cazareketi and it was registered in 2013.

On the other hand, the question that must be answered in terms of infringement of trademark rights which is the subject of this thesis, is whether use of a trademark belonging to third parties in hashtags constitutes an infringing use. The answer to this question varies in each case. For example, use of a hashtag which contains a trademark by a consumer who bought a product under this trademark does not fall within the ambit of commercial use. Moreover, another kinds of uses may be fair, even it is used in the

¹²⁸⁹ Forbes, "#McDStories: When a hashtag becomes a Bashtag", available at <https://www.forbes.com/sites/kashmirhill/2012/01/24/mcdstories-when-a-hashtag-becomes-a-bashtag/#593c3f94ed25> (last accessed on 14.02.2019)

¹²⁹⁰ Elizabeth A. FALCONER, "#CanHashtagsBeTrademarked: Trademark Law and the Development of Hashtags", North Carolina Journal Law & Technology, Vol.17, Issue 5, Online Issue, 2016, p.3-4

¹²⁹¹ For more information on registrability of hashtags as trademark in the USA See Debbie CHU, p.400-407; for the unnecessary of registration of hashtag as a trademark See Robert T. SHERWIN, p. 475

¹²⁹² Section 1202.18 of Trademark Manual of Examining Procedure (TMEP), available at <https://tmap.uspto.gov/RDMS/TMEP/current> (last accessed on 29.01.2019)

¹²⁹³ Claire JONES, "Hashtag Trademarks: What can be protected?", WIPO Magazine 5/2017, available at https://www.wipo.int/wipo_magazine/en/2017/05/article_0009.html (last accessed on 09.02.2019)

¹²⁹⁴ Ibid.

course of trade. However, what would be if such use is not fair and if the link/content in which the hashtag is used directs the internet user to the hashtag user's trademark or to its web page under the domain name containing the trademark or to its social media account?

As mentioned above and as applied to the use of the trademarks in usernames, before examining whether there is an identity or similarity between the signs and between the goods or services in question and thereby whether there is a use which affect adversely the functions of the trademark or it creates a likelihood of confusion, it is necessary to determine, in the first place, whether such use is made in the course of trade, in relation to goods or services and produces a commercial effect.

Regarding the use of hashtags *in the course of trade*, this condition is not fulfilled in the event where, for example, a tweet is not used to advertise a good or service or does not include a link to a website that offer to sell these products or services¹²⁹⁵.

On the other hand, whether the use of hashtags serves to distinguish the goods or services, in other words, whether this kind of use constitutes "*a use as a trademark*" is not certain, due to the scarcity of the case-law on this issue both in Europe, Turkey and in the United States. While, on the one hand it can be argued that a hashtag, as a form of metadata, is incapable of being s source indicator as the users perceive hashtags as a way to group content¹²⁹⁶, on the other hand, the fact that the hashtags can be registered as a trademark indicates that they can be used as a trademark.

In deciding whether a sign distinguishes the goods or services of an undertaking from those of other undertakings, the fact that consumers know the identity of a source is irrelevant, they need only recognize that the mark indicates that the product is coming from a single producer. It is the consumer perception and not the trademark proprietor's intent, determines whether the term functions as a trademark¹²⁹⁷. Therefore, in deciding whether a hashtag use falls within the ambit of "use in relation to goods and services", it is necessary to ascertain whether the consumer perceives a hashtag as "a source-indicator"

¹²⁹⁵ Sevan ANTREASYAN, p.221

¹²⁹⁶ Elizabeth A. FALCONER, p.31

¹²⁹⁷ Alexandra J. ROBERTS, p.632

or a mere “hashtag”.

It is well accepted that when a third party affixes the sign at issue on the goods which it markets, there is use “in relation to goods”. However, even where the sign is not placed on a good, there is use ‘in relation to goods or services’ where the third party uses that sign in such a way to establish a “link” between the sign at issue and the goods marketed or the services provided by the third party¹²⁹⁸. Therefore, in the event where a link can be established between the hashtags and the goods or services concerned, such use will fulfill the condition of use in relation to goods or services. In this regard, while a #hashtag alone is a generic symbol with no source-identifying significance, used in conjunction with a product name or campaign tagline it may function in the same way as a trademark¹²⁹⁹. Therefore, whether a hashtag is used as a source identifier may depend also the manner they are used.

In addition to use in the course of trade and in relation to goods or services, there should be a *use with commercial effect* for a finding of a trademark infringement in a given country/territory. A use with commercial effect means that such use should produce commercial effects by targeting the consumers on the country/territory where the alleged infringed trademark is registered. We could not find any decision regarding how this requirement should be satisfied for hashtag uses on the social media. However, in my opinion, regarding the use of hashtags on social networking sites such as Facebook, Twitter, Instagram, it should be determined whether such use targets the country/territory where the trademark is registered, from the profile page of the person who used the trademark in hashtag. As in the case of usernames uses, the language and the effective use of the page by the account holder should be examined. Moreover, the “friends” or “followers” of the page in question can constitute a determinant clue¹³⁰⁰. In addition, the language, currency, telephone number used on this page should also be take into account.

In order to be prevented by the trademark proprietor, a hashtag use which is

¹²⁹⁸ C-206/01, Arsenal, 12.11.2002, par.41; C-17/06, Céline, 11.09.2007, par.21-23. For detailed information, see “Use in Relation to Goods and Services” at the subsection I/1-C under the First Section

¹²⁹⁹ Claire JONES, “Hashtag Trademarks: What can be protected?”, WIPO Magazine 5/2017, available at https://www.wipo.int/wipo_magazine/en/2017/05/article_0009.html (last accessed on 09.02.2019)


¹³⁰⁰ Sevan ANTREASYAN, p.38

made in the course of trade, in relation to goods or services and produces commercial effect in a given country/territory, should adversely affect the functions of the trademark or create a likelihood of confusion.

Problematic hashtag uses can occur when a person uses an identical or similar sign with the trademark as hashtag as either a source identifier of its own goods or services or with the intention and the effect of diverting the trademark owner's consumers to itself¹³⁰¹. Therefore, use of a competitor's trademark as a hashtag in social media posts can, in certain circumstances, deceive consumers¹³⁰².

For instance, in *Frank v. Nike* case before the English Courts¹³⁰³, while on the one hand the plaintiff was the owner of UK and EU trademarks "LDNR" registered for "clothing" including "sportswear", on the other hand, the famous brand Nike launched a campaign in the UK in which it used the sign "LDNR". Under this campaign, Nike



awarded a t-shirt bearing  to 58 people who had positively contributed to London's sporting communities. The campaign took also effect in social media as people who had received the Nike award posted their own photos and videos on their social media account with hashtags "#LDNR" and/or "#Nike".

The key question for the Judge was how the average consumer would perceive the signs "LDNR" and "LDNR" in this context. First of all, the Judge found that the two signs are confusingly similar and as far as Nike used the signs at issue in connection with clothing, then clothing is identical to goods for which the plaintiff's trademarks are registered. On this point, Nike asserted, inter alia, that "LDNR" is inherently descriptive and therefore the average consumer would perceive "LDNR" as an abbreviation for "Londoner" and not as referring to the origin of goods. For this purpose, Nike provided some evidences showing London-centric social media posts with the use of hashtag "#LDNR" on Twitter and Instagram. While the Judge accepted that point of view, he

¹³⁰¹ Betsy A. BUTWIN, p. 120-121

¹³⁰² Debbie CHU, p.408; Fraternity Collection, LLC v. Fagnoli, 2015 WL 1486375 (S.D. Miss. Mar. 31, 2015)

¹³⁰³ EWHC 1893 (ch), Frank Industries Pty Ltd v. Nike Retail BV, Nike European Operations Netherland BV, Nike (UK) Limited, 25.07.2018

added that “LDNR” was also capable of being perceived in an appropriate context as a brand name for goods¹³⁰⁴. All of these led the Judge to a finding of a likelihood of confusion on the ground that it is likely that a significant number of consumers believe that the presence of “LDNR” in the alleged signs indicates some form of collaboration or connection between the plaintiff and Nike¹³⁰⁵.

Therefore, in the cases where a use creates a connection with the trademark proprietor, thus a likelihood of confusion, then there may be grounds for trademark infringement for hashtag use. On the other hand, however, there would be no infringement if the post containing the trademark in hashtag is simply promoting the intended social media message¹³⁰⁶.

In addition, there may be the cases where trademarks with low distinctiveness are used as hashtags. As in domain names, the use of this low distinctive mark by third parties in the identical or similar goods or services for which the trademark is registered may constitute an infringement. For instance, the use of hashtag #Apple in the posts of a technology company for newly released phones would violate the well-known “Apple” trademark as it would give the impression that there is a connection between that company and Apple. However, the use of #Apple hashtag is always possible as long as it does not evoke the Apple trademarked products.

Moreover, although the use of hashtag does not prevent the owner of the mark from using its mark, the free use of a trademark in a hashtag can have some damages by diluting it or even leading it to become generic. In other words, the more freely a mark is used, the less likely consumers will perceive it as a source identifier¹³⁰⁷. In that regard, although the use of extensive hashtag for a trademark may lead to increase brand awareness, it can in some cases also cause the trademark to become generic¹³⁰⁸.

¹³⁰⁴ Ibid., par.95-106

¹³⁰⁵ Ibid., par.117-119

¹³⁰⁶ Claire JONES, “Hashtag Trademarks: What can be protected?”, WIPO Magazine 5/2017, available at https://www.wipo.int/wipo_magazine/en/2017/05/article_0009.html (last accessed on 09.02.2019)

¹³⁰⁷ Thomas J. CURTIN, p. 371

¹³⁰⁸ Betsy A. BUTWIN, p. 127; Elizabeth A. FALCONER, p.37

2. Infringing Uses in VIRTUAL WORLDS

Although there is no single definition of the term “virtual world”, this notion can cover two distinct conceptions. The first one, in a broad sense, encompasses the entire cyberspace. The second one, which is one of the subjects of this thesis, deals with the virtual worlds in the narrow sense. Virtual worlds, in the narrow sense, are everlasting universes, supported by a computer system, connecting users which communicate through their avatar and interact¹³⁰⁹. As games have always been a means for engaging people, virtual worlds are social networks with a purpose, which is gaming. In that regard, virtual worlds contextualize social encounters in a way that social networking cannot do¹³¹⁰.

Virtual worlds are virtual environments where users can represent themselves through avatars in a three-dimensional world and where they can communicate with others as in the real world. There are two types of virtual world, such as virtual game worlds and virtual social worlds. *Virtual game worlds* allow a large number of users to interact in a virtual gaming world. In these games, the user has a character around a particular theme, develops it and can communicate with other characters if necessary. On the other hand, *virtual social worlds* are environments that allows users to experience an experience similar to that in their real life. Here, in a three dimensional world, the user can represent himself through an avatar, develop it and communicate with others simultaneously¹³¹¹. We can mention *World of Warcraft*¹³¹², *City of Heroes*¹³¹³ as examples of virtual game worlds, and Linden Lab’s *Second Life*¹³¹⁴ as example of virtual social/reality worlds. These are often referred to as “Massively Multi-Player Online Role Play Games” (MMORPGs).

¹³⁰⁹ Sevan ANTREASYAN, p.7

¹³¹⁰ Andrew SPARROW, *The Law of Virtual Worlds and Internet Social Networks*, 2010, p.6

¹³¹¹ Mine KAYA, *Sosyal Medya*, p.288-289; Fatma Zeynep ÖZATA, “Sosyal Medya Platformları”, *Dijital İletişim ve Yeni Medya*, Editör: Mesude Canan Öztürk, Eskişehir 2013, p. 88-90

¹³¹² www.worldofwarcraft.com

¹³¹³ www.cityofheroes.com

¹³¹⁴ www.secondlife.com

Virtual game worlds are generally referred to as closed virtual worlds, in that users are prevented from importing (virtual) things into the virtual world. These virtual worlds comprise goals predefined by the game publisher that players must reach to earn rewards. These can take the form of virtual goods¹³¹⁵ granting their owners additional powers¹³¹⁶. Therefore, game worlds like Word of Warcraft are similar to video games where players lack creative control over the environment and the visual content is rather generated by the game company. Trademarks usually appears therein due to the promotional agreements concluded between the mark owner and the game company¹³¹⁷.

On the other hand, virtual worlds like *Second Life*¹³¹⁸ are "open" virtual worlds in which users can work, enter into contracts, entertain, or simply interact socially as in the real world. Users in this world enjoy more creative freedom than in "closed" virtual worlds, because users have the ability to create or distribute virtual goods¹³¹⁹. Indeed Linden Lab states expressly that Second Life is a virtual world created by its users¹³²⁰. In that regard, even though, Second Life is a massive multiplayer online role-playing game (MMORPG), it is not a traditional one¹³²¹. In Second Life, from 2013 when it first created to 2018, 57 million accounts have been created and 350.000 new registration on average are created monthly from about 200 countries around the world¹³²².

In consequence, virtual game worlds raise more questions about contractual law because the ability of users to create content is generally limited, whereas virtual social worlds such as *Second Life* are more problematic in intellectual property law to the extent that users have the ability to create content¹³²³. In this regard, it will be analyzed below

¹³¹⁵ For detailed information on "virtual goods", see Sevan ANTREASYAN, p.19-21

¹³¹⁶ Sevan ANTREASYAN, p.13

¹³¹⁷ Candidus DOUGHERTY, Greg LASTOWKA, "Virtual Trademarks", Santa Clara High Technology Law Journal, Vol.24, Issue 4, 2008, p.760

¹³¹⁸ Second Life is an online social community, created by Linden Labs, where users are called "residents" and residents are represented and interact with each other therein by their "avatars". An avatar is a virtual character that the user can control and individualize WIPO, Standing Committee on the law of trademarks, industrial designs and geographical indications, trademark and the internet, 31.08.2010, SCT/24/4, Annex I, p.12, footnote.74

¹³¹⁹ Sevan ANTREASYAN, p.14

¹³²⁰ Linden Lab, <https://www.lindenlab.com> (last accessed on 14.02.2019)

¹³²¹ Max VERN, "Second Life – a New Dimension for Trademark Infringement", 90 J. Pat. & Trademark Off. Soc'y 51, 2008, p. 51

¹³²² Linden Lab, "Second Life End-of-Year Update: Wrapping up 2018. What's Next for 2019", 19.12.2018, available at <https://community.secondlife.com/blogs/entry/2461-second-life-end-of-year-update-wrapping-up-2018-what's-next-for-2019/> (last accessed on 13.02.2019)

¹³²³ Sevan ANTREASYAN, p.12-13

rather this latter type of virtual social world regarding the uses which may infringe trademark rights.

a. Virtual Worlds and Trademarks

The virtual world has become as real as the physical world. In fact, the players can socially interact with each other through their avatars. Moreover, players can create their virtual businesses and therefore sell products and services to other players. The wealth obtained in this way can then be spent on other virtual products or services, or converted into real world currencies to be spent in the physical or online worlds¹³²⁴. For example, in Second Life, players can buy virtual goods or services with virtual “Linden Dollars”, which can be bought in exchange of real dollars. 1000 Linden dollar is 3,99 US Dollar as of May 2019¹³²⁵. In 2017, approximately 65 million was paid to Residents for a variety of items and services. On the marketplace, there are, as of the end of 2018, 5 million virtual goods for sale. Most popular shopping categories are avatar apparel and accessories¹³²⁶. Another example is the purchase by a user of an island which exists only within the game called Project Entropia which is a MMORPG, for 26.500 \$¹³²⁷.

Virtual worlds have also created a new venue for trademark owners to use their trademark therein. So, as in the real world, trademark owners can use their trademarks in these virtual worlds. For example, trademark holders may buy advertising spaces on virtual billboards, lands or buildings on which they may display their marks. In that regard, for example, Adidas, Sun Microsystems and the NBA have their own headquarters in Second Life. Moreover, the companies may do also marketing events or virtual marketing campaigns within these virtual worlds¹³²⁸. For instance, in 2007, Coca Cola launched a contest called “Virtual Thirst” for a virtual Coke machine to be used in

¹³²⁴ Feng LI, Savvas PAPAGIANNIDIS, “Living in Multiple Spaces: Extending the Business Environment Through MMORPGS and Virtual Worlds”, *Environment and Planning D: Society and Space* 2010, Vol.28, p.434, available at <http://openaccess.city.ac.uk/15278/1/Living%20in%20multiple%20spaces%20%20pre-publication%20version.pdf> (last accessed on 13.02.2019)

¹³²⁵ <https://secondlife.com/my/lindex/buy.php> (last accessed on 14.02.2019)

¹³²⁶ Linden Lab, “Second Life End-of-Year Update: Wrapping up 2018. What’s Next for 2019”, 19.12.2018, available at <https://community.secondlife.com/blogs/entry/2461-second-life-end-of-year-update-wrapping-up-2018-what's-next-for-2019/> (last accessed on 13.02.2019)

¹³²⁷ Feng LI, Savvas PAPAGIANNIDIS, p.433

¹³²⁸ Sally M. ABEL, Adrianna WONG, “Is There a Second Life For Trademarks in Second Life?”, *Fenwick & West LLP*, 2009/2010 Winter Bulletin, p.1, available at https://www.fenwick.com/FenwickDocuments/2010-03-17_Is_There_A_Second_Life.pdf (last accessed on 13.02.2019)

Second Life¹³²⁹. Furthermore, companies may have their own virtual shops where they sell in-game versions of their products. These virtual sales can be used for the marketing of corresponding real world products. For instance, users can click through Second Life to access Reebok's website and buy custom sneakers that match with their avatar's shoes¹³³⁰. Another example is the (virtual) Dell factory set up in Second Life, where a virtual client can customize his own Dell computer in this virtual factory and then order online an authentic Dell computer which is delivered to the client's address in the physical world¹³³¹. Similarly, it is possible to order a Domino's Pizza in-world and get delivered the actual pizza in the real world¹³³².

Using trademarks in such virtual worlds brings financial benefits for both the game companies and the users who use these marks. According to researches, users are willing to pay more for trademarked goods even in virtual worlds¹³³³. In this respect, virtual worlds create a new venue for trademark owners so that their trademarks can exist outside the real world, but also a new venue that presents a danger for their trademark. On this point, it should be noted that the disputes arising out of these virtual worlds do not relate to the use of trademarks in the name of these virtual worlds, but rather within these virtual worlds.

In these virtual worlds, beside the real world trademarks, there are virtual trademarks which are created by users. These virtual worlds can also be registered as trademarks in the real world. For instance, both in the Europe and in Turkey, these kinds of trademarks can be registered as trademarks as long as they are distinctive. On this point, the question may arise as in which class they will be registered. For example, should a trademark which is used for shoes in the virtual world be registered in class 25 or in class 42 which includes computer services and software? For instance, a clothes designer for Second Life, Alyssa LaRoche obtained a US registration for her online brand « Aimee Weber Studio » in class 42. Another Second Life designer, Carol Higging,

¹³²⁹ <http://virtualthirst.com>; <https://www.youtube.com/watch?v=USRhNFFi11c> (last accessed on 13.02.2019)

¹³³⁰ Sally M. ABEL, Adrienna WONG, "Is There a Second Life For Trademarks in Second Life?", 2010, p.1, available at https://www.fenwick.com/FenwickDocuments/2010-03-17_Is_There_A_Second_Life.pdf (last accessed on 13.02.2019)

¹³³¹ Feng LI, Savvas PAPAGIANNIDIS, p.436

¹³³² Andrew SPARROW, p.7

¹³³³ Candidus DOUGHERTY, Greg LASTOWKA, p.766

registered her mark for her virtual fashion line in class 25¹³³⁴. However, another question is whether these trademarks registered in the real world, can be revoked for nonuse. In other words, the use made in virtual worlds can constitute a genuine use in the real world? In my opinion, as the persons using these virtual trademarks in the virtual worlds are real persons, uses made by such real persons, even in the virtual worlds, may constitute a genuine use in the real world.

b. Infringements in Virtual Worlds

As stated above, there exist in these virtual worlds both real world trademarks and virtual trademarks. In this regard, there may occur infringement of two types of trademark in these virtual worlds. One of them is the infringement of “real life trademarks”, the other one is the infringement of “virtual trademarks” which was created by the users of this virtual world. Moreover, it is also possible that virtual trademarks can also be infringed in the real world. In other words, both real world marks and virtual marks can be infringed in both real and virtual worlds.

Infringement of real world trademarks in the real world is the main situation for trademark infringement. However, as the the virtual environments have become nowadays important means for trademark owners to reach consumers, real world trademarks are more present in these worlds. For example, it is normal for an avatar to wear a Nike shoes or to drive a BMW car. However, these kind of uses may be carried out without the consent of the trademark proprietor. In such a case, the real world trademark will be infringed in a virtual environment if the conditions examined below are met.

On the other hand, the virtual trademarks created by the users of the virtual worlds can be infringed in these virtual worlds. As an example of this situation, we can cite a case where the virtual trademark “Sexgen” which was created by a Second Life user for adult products, had been copied and sold by another second Life user to other users without authorization of the trademark owner. The plaintiff’s “Sexgen” mark was registered with the USPTO and used for adult themed virtual products in Second Life and

¹³³⁴ Brittany FRANSEN, “Is Using Call of Duty in this Comment Infringement?”, *BYU Law Review*, Vol.2016, 2016, p.311

not for real products¹³³⁵. The holder of virtual mark sued the defendant for trademark infringement before the US Courts, but at the end the parties reached a settlement. Regarding the infringement of these virtual trademarks in the real world, it may happen that a virtual trademark which have a certain goodwill and creates a certain association between the mark and the source of virtual product can be used for example in a real world clothing line and it may be offered for sale on a web site related to Avatars or Avatars clothes.

The disputes in these virtual worlds can occur between two virtual world competitors, between a real world trademark owner and a virtual world user and between the two real world trademark owners which operate in the virtual worlds¹³³⁶. The infringing uses in these virtual worlds can be related to the unauthorized use of « real » and « virtual » brands with virtual products, with Avatar's name or in the profile of these Avatars.

Unauthorized use of trademarks in such platforms may result in loss of control of the trademark owners over their marks. Through the use of such kind, trademarks may become generic, moreover may harm the distinctiveness and reputation of these marks¹³³⁷.

Nevertheless, the use of a trademark in a virtual world may not be relevant under trademark law in some cases because it may not constitute use in the course of trade or use as a trademark. Even if it does, the use may still fall under a specific limitation of trademark rights that exempts criticism and comment. Moreover, when a trademark has become an independent symbol of a certain lifestyle or attitude, users of virtual worlds may have a legitimate interest in using that trademark to express themselves and indicate their lifestyle in the virtual environment. However, the situation becomes more complex in the case of virtual worlds that allow commercial transactions, such as the sale of user-generated content for virtual currency that can be exchanged into real currency¹³³⁸. For example, as stated above, Second Life, besides being a virtual world where users can

¹³³⁵ Eros LLC v. Leatherwood, No.8:2007 CV 01158 (M.D. Fla.2007)

¹³³⁶ Max VERN, p. 53

¹³³⁷ Brittany FRANSEN, p.296

¹³³⁸ Martin SENFTLEBEN, Notice and Takedown, 2012, p.24

interact with each other, it also allows users to create virtual products for sale online, to use online currency to make transactions¹³³⁹.

For example, you are the owner of the trademark “X” registered for shoes in the real world. But a user in a virtual world such as Second Life has created virtual shoes and affixed the trademark “X” on these shoes. In the real world, the person who thinks that its trademark rights are violated can base its claims on art.10/2-a and b of the Trademark Directive or on art.7/1-a and b of the IPL; and on art.10/2-c of the Trademark Directive or art.7/2-c of the IPL if its trademark is reputed. However, in any way, such alleged infringing use should be made “in the course of trade”, “in relation to goods or services” and produce “commercial effect”. These mentioned conditions should equally be fulfilled for uses made in virtual worlds.

Within the framework of the general principles of trademark law, the use in the virtual world should be made *in the course of trade* in order to find an infringement in this virtual world. Use in the course of trade implies a use “in the context of a commercial activity with a view to economic advantage and not as a private matter”¹³⁴⁰. Therefore, to be successful in an infringement claim, one must in the first place prove that the use had been made with commercial intentions. However, in general, users of virtual world often take part in these worlds to entertain themselves, thus for a noncommercial purpose. A use is not considered as commercial when a user creates, acquires or possesses virtual goods for his own use. This may be the case, for example, when a trademark is used in the names of Avatars. For instance, the owner of the cartoon heroes such as Ironmen, Spiderman, Hulk sued NCSOFT in the United States on the basis that the avatars created in its “City of Heroes” game were identical in name, appearance and characteristics belonging to it¹³⁴¹. But the court held that the creation and use of avatars in the image of cartoon characters for which the plaintiff has trademark rights did not constitute a commercial use under the American law¹³⁴². In other worlds, users in that case were just

¹³³⁹ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.116

¹³⁴⁰ C-206/01, Arsenal, par.40

¹³⁴¹ Marvel v. NCSOFT, No. CV 04-9253 (C. D. Cal. Mar. 9, 2005); Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.118

¹³⁴² Marvel v. NCSOFT, No. CV 04-9253 (C.D. Cal. March 9, 2005); Sevan ANTREASYAN, p.189

playing a game and not engaged in a commercial activity even though the avatars have been used in a commercial manner within their worlds. However, the characteristics of the game in question had also been taken into consideration. Indeed, unlike Second Life where users play for real money profit, the players in above mentioned case (in City of Heroes game) competed only to gain in world status and wealth is not recognized outside the game world environment¹³⁴³.

Therefore, considering the characteristics of the virtual world in question, such as Second Life which is a commercial forum containing its own economy and where currency and virtual goods may be exchanged with real-world currency such as US dollars, some users' activities may constitute a use in the course of trade. For example, in 20016, a user Ailin Graef, controlling an avatar names Anshe Ching, earned 1 million US dollar from assets within Second Life¹³⁴⁴. In this regard, for example, if a user uses "X" mark on virtual shoes that s/he created and if s/he is wearing this to his/her avatar, this constitutes a private use. S/he can do this in the real world and the owner of the trademark "X" cannot prevent such use as it is not commercial, but private. However, when this user realizes the sale of these "X" trademarked shoes, or it offer them for sale, then there may be a use which can create an infringement. But, in any event, factors such as the amount of the sale and its frequency should be taken into consideration in the determination whether such use is made in the course of trade¹³⁴⁵. Therefore, while the uses made in a professional capacity constitutes obviously use in the course of trade, on the other hand, for uses made by private individuals, use in the course of trade may occur depending on the nature and the frequency of the sales or offers for sales.

The use of a trademark can be considered commercial in two situations. The first one is when the trademark is used in relation to the offer for sale of real world goods or services within the virtual world, but provided in the real world for a fee. This is the case when they are offered against a sum of money or against virtual currency which has a real

¹³⁴³ Candidus DOUGHERTY, Greg LASTOWKA, p.779

¹³⁴⁴ Melissa UNG, p.692

¹³⁴⁵ According to a BBC article, some Everquest game players make higher average income than people in some Eastern European countries. Ryan ESPARZA, "Wierd Science! It's My Creation... Is it Really? Or Crafting a New Universal Trademark Standard for User-Created Avatars", Pace Intellectual Property, Sports & Entertainment Law Forum, Vol. 8, No.6, 2017, p.127

value, such as Linden Dollar. This situation can be assimilated to the use of trademarks to offer goods or services on a website. The second situation is when the trademark is used in relation to virtual goods or services that are offered in the virtual world. In such a situation, the use can be considered as commercial when goods or services are offered for a fee, or when the virtual money used is convertible into real money or vice versa¹³⁴⁶.

Therefore, whether a use in a virtual world fall within the ambit of “use in the course of trade” will depend on whether virtual currency or goods can be exchanged for real world currency. Moreover, the fact whether this virtual world is purely recreational or it serves as a place of commerce is also to be taken into account in the assessment¹³⁴⁷. For instance, while some games is funded only by players subscription revenues, others funded by either advertising or by sales of virtual property generated by the game operator or by the users¹³⁴⁸.

In that context, in a virtual environment with commercial elements of this kind, the risk of trademark infringement increases with content that is created by users with a profit motive. Moreover, as real life brands establish themselves in virtual worlds, content that gives the false impression of an official establishment may infringe trademark rights¹³⁴⁹.

On the other hand, beside the game players, it should be determined whether the game developers use the real world marks in these virtual worlds. The example given above in relation to “X” trademarked products that avatars use, these are not sold or offered for sale by the game developers, but by the game players, thus the users. However, online game developers may also use real world trademarks or trade dress to enhance the look and feel of their games¹³⁵⁰. As these products enhance the experience of the game and the advertising revenues might not be as high in the absence of these products, the

¹³⁴⁶ Sevan ANTREASYAN, p.188-189

¹³⁴⁷ Sally M. ABEL, Adrienna WONG, “Is There a Second Life For Trademarks in Second Life?”, 2010, p.8, available at https://www.fenwick.com/FenwickDocuments/2010-03-17_Is_There_A_Second_Life.pdf (last accessed on 13.02.2019)

¹³⁴⁸ Candidus DOUGHERTY, Greg LASTOWKA, p.758

¹³⁴⁹ Martin SENFTLEBEN, Notice and Takedown, 2012, p.24

¹³⁵⁰ Melissa UNG, p.711

use in the course of trade may be interpreted widely and infringement can be found¹³⁵¹. On the contrary, the use of real world trademarks by the online game player in virtual worlds in order to give it a real world feeling can also be considered as an artistic use. For instance, in a case before the US Courts¹³⁵², the owner of a strip club called “Play Pen” in Los Angeles brought an action for trademark and trade dress infringement for the use of “Pig Pen” strip club in a virtual game. However, the Court found that the use had artistic relevance to defendant’s twisted, irreverent image of urban Los Angeles. Moreover, it had been found no consumer misleading as to the content of the game, because “Pig Pen” did not appear neither in any promotional materials nor on the exterior packaging of the game¹³⁵³.

Therefore, although virtual worlds such as Second Life is a virtual environment, there is a commercial element and a risk that users may create and sell digital content, which may infringe real life trademark rights¹³⁵⁴. However, in any event, these products are not actually offered for sale in the real world, but only online. Therefore, the question to be solved is whether this difference in nature of the goods (real v. virtual) make difference for finding *a use in relation to goods and services*. The use of a sign “in relation to goods or services” within the meaning of Trademark Law is use to distinguish the goods or services as originating from a particular undertaking, thus *as a trademark*¹³⁵⁵. For this, it is not necessary to affix the sign on the goods or services. The present condition is satisfied when a sign corresponding to a trademark is used “in a such way that *a link* is established between the sign and the goods marketed or the services provided by the third party”¹³⁵⁶. Therefore, use as a distinctive sign is possible in the virtual world. For instance, the affixing of a trademark on a virtual shoe or clothing which is offered for sale for a fee in a virtual world would be in principle a use of the trademark as a distinctive sign¹³⁵⁷.

¹³⁵¹ Andy LUCAS, Robyn CHATWOOD, “Intellectual Property Rights in a Virtual World”, available at <https://www.lexology.com/library/detail.aspx?g=30d7168d-4886-46e1-8ef6-ff7245948a91> (last accessed on 12.02.2019)

¹³⁵² E.S.S Entm’t 2000, Inc. v. Rock Star Videos, Inc., 444 F. Supp. 2d 1012, 1014 (C.D. Cal.2006)

¹³⁵³ Melissa UNG, p.712

¹³⁵⁴ WIPO, Standing Committee on the law of trademarks, industrial designs and geographical indications, trademark and the internet, 31.08.2010, SCT/24/4, Annex I, p.13

¹³⁵⁵ C-17/06, Céline, 11.09.2007, par. 20; C-63/97, BMW, 23.01.1999, par.38

¹³⁵⁶ C-17/06, Céline, 11.09.2007, par.23. See “Use in Relation to Goods and Services” at the subsection I/1-C under the First Section

¹³⁵⁷ Sevan ANTREASYAN, p.191-192

On the other hand, in addition to use “in the course of trade” and “in relation to goods or services”, such use should produce a “commercial effect” on the country/territory where the alleged infringed mark is protected. In that regard, the question to be solved whether a use of the trademark by third parties in a virtual world produces commercial effects for example in Turkey so that the Turkish trademark owner can prevent such use? As social networking sites, virtual worlds are open worldwide and any person anywhere in the world can access it. However, it is difficult to determine whether a use on these virtual worlds targets specifically customers in a given country/territory. In my opinion, it should be resolved case-by-case basis and commercial effect, for example, in Turkey may be accepted to occur when the alleged infringing uses targets Turkish players of this virtual world.

After these above mentioned requirement, it is necessary to determine whether the alleged infringing use relates to a sign identical with or similar to a trademark and whether it has been used for identical or similar goods or services for which the trademark is registered. *The identity or similarity between the signs* will be determined according to the criteria applied for determining identity or similarity of real world trademarks. On the other hand, the determination *of identity or similarity between the goods or services* in question presents some problems due to the virtual nature of the goods and services. Indeed, we are faced with goods or services provided and used in the real world and in the virtual worlds. Since the nature of virtual (immaterial) goods and real (material) goods is totally different, the question is whether the nature itself of these goods influences the determination of identity or similarity. In other words, does the fact that a virtual trademark is affixed in a virtual shoes prevent a finding of identity with the real shoes? By application of the Opel case of the CJEU, this question may be answered negatively. In this Opel case, the plaintiff was the owner of the trademark “Opel” registered for both cars and toys. On the other hand, the defendant was the manufacturers of scale model cars on which it uses “Opel” logo. In the determination of identity or similarity between the cars and scale model of these cars, whether there may be use by the defendant of the Opel logo as a trademark registered for motor vehicles, the court found that since the defendant does not sell vehicles, there is no use of the Opel logo by the defendant as a trademark

registered for motor vehicles¹³⁵⁸. Therefore, the court did not consider equal the real cars and toys cars and the use of a trademark registered for real cars in toys cars had not been considered as a use in relation to goods or services as the defendant does not sell real cars. If the same logic is applied to the virtual world, a virtual shoe would be different from a real world shoe in the same way that a replica car is different from a real car. Therefore, an infringement claim may fail where the real world product is replicated virtually¹³⁵⁹.

As explained in the previous chapters, in order to assess the similarity of the goods or services, it is necessary to take into account all the relevant factors which characterize the relationship between the goods or services in question. Those factors include, in particular, “*their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary*”¹³⁶⁰.

While the question is how will be assessed whether the goods and services related to the alleged infringer in virtual world are identical or similar to the trademark owner’s goods and services, one option proposed is registration of the real world marks for class 41 which include online interactive games¹³⁶¹. However, even the real world mark is not registered in class 41 for online interactive games, it is also possible to view the virtual goods as *complementary* to the real world products or as being *marketed to the same class of consumers*¹³⁶². According to the CJEU’s case-law, “complementary goods are goods which are closely connected in the sense that one is indispensable or important for the use of the other so that consumers may think that the same undertaking is responsible for the production of both goods”¹³⁶³. In that regard, in the case where a user of virtual worlds wears a X branded shoes in his real life, he will probably purchase the same branded product for its avatar. Therefore, even though the nature of the goods are totally different, the consumer buying the branded goods will be the same, which will

¹³⁵⁸ C-48/05, Opel, 25.01.2007, par.30

¹³⁵⁹ Andy LUCAS, Robyn CHATWOOD, “Intellectual Property Rights in a Virtual World”, available at <https://www.lexology.com/library/detail.aspx?g=30d7168d-4886-46e1-8ef6-ff7245948a91> (last accessed on 12.02.2019)

¹³⁶⁰ C-39/97, Canon, 29.09.1998, par. 23; C-16/06, Éditions Albert René, 18.12.2008, par. 65

¹³⁶¹ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.116

¹³⁶² Candidus DOUGHERTY, Greg LASTOWKA, p.786

¹³⁶³ T-169/03, Sergio Rossi v. OHIM – Sissi Rossi, 01.03.2005, par.60

increase the risk of association¹³⁶⁴.

Another factor which can also be taken into account is the distribution channels of the goods concerned¹³⁶⁵. In the case of virtual worlds, products are sold in very different markets than that of real world. Moreover, the prices on the virtual worlds are significantly divergent than those of real worlds. However, there is an overlap of potential market in internet sales and advertising. For example, a real life brand, which is used by a third party in a virtual world, may have an extensive online store whereby consumers can buy real world goods. On the other hand, virtual world users also sell their virtual products via online stores on their personal websites, in addition to selling via in-world user-to-user exchanges and from virtual boutiques or stores. Moreover, real life brand owners may be present in these virtual worlds where they either advertises their real world products or sell their own virtual version of their real apparel¹³⁶⁶.

In the event that these above mentioned requirements (use in the course of trade, use in relation to goods or services, use with commercial effect, use of identical/similar sign for identical/similar goods or services) have been fulfilled, there should also be a use liable to affect the functions of the trademark and/or a use creating likelihood of confusion. The likelihood of confusion is assessed in the mind of the relevant average consumer. In virtual worlds, the relevant consumer is the game players/users. Therefore, the likelihood of confusion for uses made in these virtual worlds should be assessed in the light of these game players' perception. These game players/users who are aware of the difference between the real and virtual worlds, are considered not being confused by a virtual copy of a physical product. For instance, in the USA, while the Courts usually find no infringement as consumer would not buy a video game thinking he had bought a product of a trademark owner. However, there is also findings of infringement as it is possible that consumer could think that the mark owner sponsored or was affiliated with the game producer¹³⁶⁷. Likelihood of confusion comprises also the likelihood of association. Therefore, in case where users of the game are confused by believing that

¹³⁶⁴ Candidus DOUGHERTY, Greg LASTOWKA, p.786

¹³⁶⁵ T-48/06, Astex, 10.09.2008, par. 38

¹³⁶⁶ Candidus DOUGHERTY, Greg LASTOWKA, p.787

¹³⁶⁷ Brittany FRANDBSEN, 2016, p.301-302

there is an economic connection with the mark holder¹³⁶⁸, infringement can be found, especially due to the fact that several trademark owners have actively promoted the use of their product on Second Life, have established their virtual shops or headquarters therein. Therefore, there is a risk that a mark used in virtual world is endorsed by the trademark owner¹³⁶⁹.

The determination of likelihood of confusion should be made by taking into consideration of the characteristics of each virtual world. As differentiated above, for the uses made on virtual worlds less open such as Word of War Craft, it is less likely to occur a confusion between the trademark owner and the game producer. However, it is always possible to occur a perception that there is an economic relationship between the trademark owner and the game producer. On the other hand, uses made on open virtual worlds such as Second Life where the creation of the users is not limited, are more likely to create a likelihood of confusion.

Likelihood of confusion occurs when a good or service comes from the trademark owner or for an entity economically linked to it. It is unlikely that users who buy goods or services in the virtual worlds would buy them by thinking that they are real world equivalents. On the contrary, it is possible for the users to think that a good or services in the virtual world is put on this virtual world by the trademark owner or with its permission. However, for a likelihood of confusion, beside the identity or similarity between the signs, there should also be an identity or similarity between the goods or services for which the trademark is registered and those which are used on the virtual world. As explained above, due to the difference in nature of the virtual goods and services, the finding of an identity or similarity between these goods or services cannot be obtained. On the other hand, for the reputed trademarks, an identity or similarity of the goods in question is not required. For this reason, in my opinion, it would be relatively more possible for the reputed marks to prevent infringing uses in virtual worlds. Moreover, for the reputed marks, a likelihood is not required either. This situation makes

¹³⁶⁸ Andy LUCAS, Robyn CHATWOOD, "Intellectual Property Rights in a Virtual World", available at <https://www.lexology.com/library/detail.aspx?g=30d7168d-4886-46e1-8ef6-ff7245948a91> (last accessed on 12.02.2019)

¹³⁶⁹ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.116

also more possible to prevent unauthorized uses of reputed marks in the virtual worlds. In this regard, it can be said that the principle of likelihood of confusion falls short for uses made in virtual worlds, but the criteria set forth for a finding of infringement of reputed marks are more applicable in these situations.

Moreover, for those which proves that it is a reputed mark, one of the three situation should be occurred, namely taking unfair advantage of the reputation of the mark or damaging the repute or the distinctiveness of the mark¹³⁷⁰. Just one of those types of injury suffices for that provision to apply¹³⁷¹.

Detriment to the distinctive character of the mark (dilution blurring) through the uses in virtual worlds occurs when the users begin to associate the real world reputed mark with commercial agents in these virtual worlds other than the brand owner, even if they are not misled about the source of the virtual product¹³⁷².

Detriment to the repute of the mark (tarnishment) may arise in particular from the fact that the third party's goods or services have a characteristic or a quality which may have a negative impact on the image of the mark¹³⁷³. For this to happen in virtual worlds, for example, a "X" shoe trademark should be used in relation to virtual goods or services with a characteristics or a quality which is liable to have a negative impact on the image of the mark.

Unfair advantage from a reputed mark through uses on virtual worlds may be taken by both the user and the game producer. Concerning the game producer, the use of X branded shoes and the reputation of this mark may enhance the experience of the game and thus enable it to attract higher advertising revenues¹³⁷⁴. On the other hand, virtual world users are likely buying the virtual reputed marked goods because of the mark's goodwill and what the mark communicated to other users. Therefore, by using this reputed brand in virtual world, the user would be getting more than a slight advantage

¹³⁷⁰ Yarg. 11. HD. 2014/19119 E. 2015/5654 K. 22.04.2015 T.

¹³⁷¹ C-252/07, Intel, 27.11.2008, par.28

¹³⁷² Candidus DOUGHERTY, Greg LASTOWKA, p.796

¹³⁷³ C-487/07, L'Oréal, 18.06.2009, par.40

¹³⁷⁴ Andy LUCAS, Robyn CHATWOOD, "Intellectual Property Rights in a Virtual World", available at <https://www.lexology.com/library/detail.aspx?g=30d7168d-4886-46e1-8ef6-ff7245948a91> (last accessed on 12.02.2019)

from its pre-existing association¹³⁷⁵.

In any way, as the social networking sites such as Facebook, Twitter, these virtual world operators have also their Terms and Conditions and trademark infringement notification systems in order to struggle with trademark infringements. For instance, according to the Terms of Service of Linden Lab¹³⁷⁶, owner of Second Life, while the account name chosen for the account may also serve as the name for the Avatar, the chosen account name should not “*violate any trademark right, copyright, or other proprietary right or mislead other users regarding the identity or affiliation; or any name that Linden Lab determines in its sole discretion to be vulgar, offensive, or otherwise inappropriate. Linden Lab reserves the right to delete or change any Account Name that violates these conditions*”. Moreover, Linden Lab has also a complaint process for complaints that User Content infringes another's Intellectual Property Right¹³⁷⁷.

¹³⁷⁵ Candidus DOUGHERTY, Greg LASTOWKA, p.797

¹³⁷⁶ <https://www.lindenlab.com/tos#tos4> (last accessed on 10.02.2019)

¹³⁷⁷ <https://www.lindenlab.com/legal/intellectual-property-infringement-notification-policy> (last accessed on 10.02.2019)

3. Infringing Uses in MOBILE APPS

Due to the wide spread of the internet, the easy access to it and the emergence of smart phones, it has become very simple to reach information or to communicate with others at anytime and anywhere in the worlds. Especially, the way we communicate has changed with the smart phones and tablets which can be carried in our pockets. Moreover, with the applications (« app ») included in the smartphones or tablets, the internet user does whatever he does on the internet through these apps, and not through the web browser. For example, to give an example of daily life, the person who wants to read the newspaper does not read it through www.sozcu.com.tr but on « Sözcü » app; the person who wants to transfer money, s/he does it rather through « Garanti Cep » app instead of through www.garanti.com.tr; the person who want some grocery shopping, s/he does so on « Migros online market » app instead of going through www.migros.com.tr; and finally when a person want to surf on a social networking site, s/he does so through the app « Facebook » on his mobile and not through www.facebook.com.

An « app » which is the abbreviation of the word « application », is a standardized software running on a computer platform. The difference between an app and a traditional software is that apps are served over an internet connection via centralized portals rather than through traditional retail channels¹³⁷⁸.

The central element in the app ecosystem is the « app store », which is an online marketplace where users can download purchased or free apps to their devices¹³⁷⁹. The app economy started in 2008 with launch of «App Store» by Apple and of « Google Play» by Google. Since then, with the increasingly availability of smartphones and the Internet, the app economy has become an important part of daily life in many parts of the world. Indeed, according to the EU Parliament research, in mature markets, users have between 90 to 100 apps installed on their devices and spend an average of two hours a day using them, which corresponds to as much as a month in the year. It is expected that the app economy globally to grow from US\$1.3 trillion in 2016 to US\$6.3 trillion in 2021.

¹³⁷⁸ OECD, “The App Economy”, OECD Digital Economy Papers, No.230, OECD Publishing, Paris, 16.12.2013, p.8 (available at <https://www.oecd-ilibrary.org/docserver/5k3ttftlv95k-en.pdf?expires=1561813646&id=id&accname=guest&checksum=89A6793D8BC3CFCD030BF3DEDA53CDD> (last accessed on 03.05.2019)

¹³⁷⁹ Ibid., p.19

Moreover, in terms of users, the number of global app user is expected to reach 6.3 billion people, who will spend more time in apps and who will spend more, such as US\$1008 per person¹³⁸⁰. Among the app developers, the United States¹³⁸¹ leads the app economy, with 1576 developers, as of 2018. Concerning the EU, the UK, Germany, France, Spain, Italy and Finland number among the top 20 countries with most developers¹³⁸².

The major distribution channel for mobile apps is an app store. An app store is a type of digital distribution platform for a smartphone, tablet and computer software¹³⁸³. There are mainly two app market, which are App Store of Apple and Google Play of Google. As of the first quarter of 2019, there are 2.1 million apps in Google Play, 1.8 million apps in Apple App Store. Moreover, there are other types of companies that have entered this market, such as Amazon and its Amazon Appstore where there are 475 thousand apps as of the first quarter of 2019¹³⁸⁴.

Regarding to constitute a trademark infringement through these apps, both the applications themselves and their pages on these platforms are likely to infringe intellectual property rights. Among the most frequent ones, we can cite various cases likely to constitute an infringement of trademark such as the use of the trademark in the title of the application, in the icon (logo) of the application, in the keywords present on the description of the application or in the application itself¹³⁸⁵. For instance, in a case before the Turkish Supreme Court, the plaintiff was the owner of some rummikub and backgammon games that can be played on Facebook and on mobile devices. One of these

¹³⁸⁰ Marcin SZCZEPANSKI, “European App Economy, State of play, challenges and EU Policy”, European Parliamentary Research Service, PE. 621.894 – May 2018, p.2, (available at [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621894/EPRS_BRI\(2018\)621894_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621894/EPRS_BRI(2018)621894_EN.pdf)) (last accessed on 04.03.2019)

¹³⁸¹ In 2018, the app economy represented 568,47 billion US\$; 317,683 companies were active in the mobile app market and the mobile app market created 5,744,481 jobs, including direct and indirect jobs in the USA. DELOITTE, “The App Economy in the United States, A Review of the Mobile App Market and its Contribution to the United States Economy”, 20.08.2018, p. 4

¹³⁸² Marcin SZCZEPANSKI, p.4

¹³⁸³ Artyom DOGTIEV, “App Download and Usage Statistics (2018)”, Business of Apps, available at <http://www.businessofapps.com/data/app-statistics/> (last accessed on 10.05.2019)

¹³⁸⁴ Number of apps available in leading app stores as of 1st quarter 2019, available at <https://www.statista.com/statistics/276623/number-of-apps-available-in-leading-app-stores/> (last accessed on 10.05.2019)

¹³⁸⁵ Nathalie DREYFUS, p.266



games was « 101 Plus » application and the icon of this app was registered before the Turkish Trademark and Patent Institute. The plaintiff brought a trademark infringement proceeding against the defendant on the ground that this latter had used an icon confusingly similar to his, in an online application which can be played equally on Facebook or on other devices. It was held by the court that while the sign “101” means the rummikub game, so that it can be used as a game name, the fact that the defendant used this sign in conjunction with the figurative elements of the plaintiff’s trademark, such use constituted a trademark infringement and unfair competition¹³⁸⁶.

¹³⁸⁶ Yarg. 11. HD. 2016/10778 E. 2018/3273 K. 07.05.2018 T. (www.kazanci.com)

III. DEFENSES THAT MAY BE ALLEGED FOR INTERNET USES

There are a number of defenses that the party alleged to have infringed the trademark right may allege against the infringement claims. These are exceptions to the infringement of the trademark.

Concerning uses on the internet, pursuant to the art.7/3-d of the IPL, for a finding of an infringement, it is required that the person using the sign does not have *a right or legitimate interest* with regard to the sign used. In other words, in cases where the person using the mark on the internet has a right or a legitimate interest on the use of that sign, such use cannot constitute an infringement of trademark rights. On the other hand, since there is no specific regulation concerning uses on the Internet within the European Trademark Law, there is no particular defense mechanism that may be alleged for uses on the internet. However, in the EU legislation, the exception of "legitimate right or interest" is regulated within the scope of the ".eu" top-level domain name Regulation¹³⁸⁷ and ".eu" Alternative Dispute Resolution (ADR) rules regarding domain names. A similar regulation is provided in the Internet Domain Names Regulation in Turkey. Both regulations originate essentially from ICANN's UDRP rules.

Besides the legitimate right or interest defense which is regulated in the IPL for all kinds of internet uses and in the ADR rules for only domain name uses, it is possible to allege within the scope of general principles of Trademark Law the defenses of fair use, freedom of expression or information, exhaustion of trademark rights, prior right ownership, limitations in consequence of acquiescence and lawful comparative advertisement.

In that regard, it will be first examined below the exception of "legitimate interest" that is introduced both in Turkey and in the EU within the scope of ADR rules regarding domain names (1); thereafter, under the general principles of trademark law, the use of the trademark in domain name, online keyword advertising, metatag, online

¹³⁸⁷ Regulation (EU) 2019/517 of the European Parliament and of the Council of 19 March 2019 on the implementation and functioning of the .eu top-level domain name and amending and repealing Regulation (EC) no733/2002 and repealing Commission Regulation (EC) No 874/2004, recital 17 (Official Journal of the European Union L 91, 29.03.2019)

market places and online social media, will be examined in the context of the exceptions of fair use (2), freedom of expression or information (3), exhaustion of trademark right (4), prior right ownership (5) limitations in consequence of acquiescence (6) and comparative advertisements (7).

1. LEGITIMATE RIGHT OR INTEREST (Specific to Domain Name Uses)

In order to establish a trademark infringement on the internet, pursuant to art.7/3-d of the IPL, the person who uses the sign must not have “a right or legitimate interest” with regard to the use of the sign. That requirement applies to all kinds of uses made on the Internet. Therefore, in case where the trademark is used in a domain name, metatag, keyword or in similar forms, an infringement cannot be found if the person who uses the sign has a right or legitimate interest on it.

On this matter, *ARKAN* is of the opinion that the absence of a right or legitimate interest with regard to the use of the sign, should be assessed on a case-by-case basis. According to the author, for example, the existence of an administrative-economic relation between the domain name owner and the trademark proprietor implies a legitimate interest¹³⁸⁸. On the other hand, *ESER*, makes a distinction between the “right” and “legitimate interest” concerning the use of the sign. The author considers that the “right” with regard to the use of the sign may be arisen from the ownership of trademark rights itself, but also from the agreements made with the rights owners such as license, agency, exclusive distributorship, franchising or know-how agreements. On the contrary, concerning to “legitimate interest” which is considered by the author as a different concept from the right ownership, it is assimilated to the situation regulated in art. 6/3 of the IPL (art.5/4-a of the Trademark Directive), so that prior rights obtained before the registration of the subsequent trademark. Accordingly, for instance, an undertaking that has been using a domain name for 10 years, which consists of a non-registered mark, will have a legitimate interest in respect of that domain name, or an undertaking that uses the essential element of a registered trade name as a domain name will also have a legitimate connection concerning the use of that domain name¹³⁸⁹. In my opinion, the concepts of

¹³⁸⁸ Sabih ARKAN, KHK'da Yapılan Değişiklikler, p.9

¹³⁸⁹ Eser RÜZGAR, p.69

"right or legitimate interest" with regard to the use of the sign on the internet refer to the principles of real ownership of rights arising from prior uses and lawful and fair use in a broad sense. Indeed, a lawful use of a trademark registered on behalf of another person on the internet depends on whether the person using the sign has a prior right on the sign than that of the trademark proprietor, or whether the sign is used within the scope of the principle of fair use. However, in any case, as *ARKAN* indicated, the assessment should be carried out on a case by case basis.

According to the general law's preamble of the Law No. 5833, in which the use of the mark by third parties on the Internet is regulated for the first time in Turkey, on the condition that the person who uses the sign, does not have any right or legitimate interest in respect of such use and therefore on the condition that this person is acting in bad faith, using of any sign identical with or similar to the sign on the internet with commercial effect as domain name, metatag, keyword and so on shall be prohibited. According to that law's preamble, since the rules of the dispute settlement centers such as the WIPO arbitration and mediation center which settle disputes between internet domain names and trademarks, are taken as basis, these rules should be taken into consideration in the interpretation of the expression of "*the right or legitimate interest*" with regard to use of the sign¹³⁹⁰.

Within the scope of the ADR rules applied to disputes related to the domain names, one of the conditions required by both ICANN's UDRP and EU and Turkish ADR rules for admitting the complainant's claim of trademark infringement is that the domain name owner should not have *a right or legitimate interest* on the domain name in question (UDRP art. 4/a-ii, EU Regulation art.4/a – eu ADR rules par.B(11)(d)(1)(ii), IDNR art..25/1-b).

Therefore, there would be no finding of infringement if the person using the domain name has a right or legitimate interest with regard to the sign constituting that domain name. The use of the domain name based on trademark right can be given as the main example of that situation. However, the use based on the trademark right must be

¹³⁹⁰ Kemal ŞENOCAK, p.136

limited to the goods or services in respect of which the mark is registered. However, on the other hand, if the trademark was registered by the trademark proprietor particularly to prevent the application of the UDRP rules on its detriment or the complainant's exercise of its rights, this trademark registered priorly would not constitute a right or legitimate interest on that domain name¹³⁹¹. Moreover, this use shall neither not be deemed to be based on a right in cases where a part of the trade name is used in the domain name in such a way that creates confusion, especially with reputed marks¹³⁹². For instance, if an undertaking, whose registered trade name is "Koç Mühendislik Hizmetleri A.Ş.", registers and uses the domain name "kocmuhendislik.com.tr " on the basis of its registered trade name, that use will be deemed to be based on a right, as long as it is in good faith. However, if the same undertaking registers and uses the domain name "koc.com" or "koc.web.tr", it will not be considered to be based on a right since this use will constitute confusion with the reputed mark "Koç"¹³⁹³. For example, in a case before the WIPO panels where the domain name "Koc.com" was registered by a person other than Koç Holding, it was ordered the transfer of the domain name to Koç Holding¹³⁹⁴.

Besides, the use of the domain owner may not stem from the trademark right, but may arise from a prior use of the domain name. In this situation, if a sign has acquired distinctive character through the use as a domain name, the person who registers subsequently the identical or similar sign as a trademark cannot object to that domain name use. Accordingly, if the necessary conditions are satisfied, prior use of the domain name may constitute a legitimate interest¹³⁹⁵. Use of the domain name may also be based on a prior trade name or company name. For instance, in a case before the Turkish Supreme Court, the Court held that the defendant's use of a trade name in its domain name since 2005 does not constitute an infringement of the trademark which is subsequently registered in 2008, as the defendant's use fall within the scope of legitimate interest which constitutes an exception to the trademark rights¹³⁹⁶.

¹³⁹¹ WIPO Jurisprudential Overview, 3.0., par.2.12

¹³⁹² Tamer SOYSAL Alan Adları Hukuku, p.811

¹³⁹³ Uğur ÇOLAK, Türk Marka Hukuku, 2012, p.581

¹³⁹⁴ Tamer SOYSAL, Alan Adları Hukuku, p.811, footnote.244

¹³⁹⁵ See "Infringing Cases of Identical Uses" at the subsection II/1-B-4-a-cc and "Infringing Cases of Similar Uses" at the subsection II/1-B-4-b-cc under the Second Section

¹³⁹⁶ Yarg. 11. HD. 2016/416 E. 2017/3406 K. 05.06.2017 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.657

Moreover, UDRP Panels have acknowledged further grounds to establish rights or legitimate interests in a domain name, such as holding domain names consisting of acronyms, dictionary words, or common phrases¹³⁹⁷. However, in order to obtain such a legitimate interest, a dictionary word or phrase should be used in its dictionary meaning, otherwise it can function as a distinctive trademark. For instance, “apple” is a dictionary word which indicates a kind of a fruit, on the other hand the well-known “apple” trademark is an arbitrary word for the technological devices. For these reasons, the mere registration of a domain name which consists of a dictionary word has not been considered by the Panels as granting automatically to the domain name owner rights or legitimate interest on the sign in question. For there being a legitimate right or interest, the domain name should be used in relation to the dictionary meaning¹³⁹⁸.

Besides all of the above mentioned, both the UDRP rules and .eu ADR rules identify three means through which a respondent may establish rights or legitimate interests in a domain name. In the Turkish legislation on domain names, such an exemplification has not been provided neither within the scope of the Internet Domain Names Regulation nor the Internet Domain Names Dispute Resolution Mechanism Communication. The examples of legitimate interest provided in UDRP rules and .eu ADR rules are as follows:

- ***Use of the domain name by the domain name owner, prior to the dispute, in connection with the offering of goods or service***

.eu ADR rules par.B(11)(e)(1): “Prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so”.

UDRP art.4/c-i: “Before any notice of the dispute to the domain name holder, the latter’s use of, or demonstrable preparations to use, the domain name or a name

¹³⁹⁷ WIPO Jurisprudential Overview, 3.0, par.2.1

¹³⁹⁸ Ibid., par.2.10

corresponding to the domain name in connection with a bona fide offering of goods or services”.

For example, in a WIPO case filed against the domain name “etrolounge.com” by the well-known textile mark “ETRO”, as the domain name in question has been used only to promote and advertise the domain name owner’s night club, and as any sign in connection with the complainant’s trademark has never been used on the website under this domain name, it had been held by the Panel that the domain name in question was used in connection with a “*bona fide*” offering of goods and/or services¹³⁹⁹.

However, if the use was meant to confuse Internet users as to source or affiliation, even though the domain name owner is long established in a business similar to the complainant’s when it registered the domain names, its use of the domain names cannot be considered to be in connection with a *bona fide* offering¹⁴⁰⁰.

Moreover, the provisions mentioned above refers to “demonstrable” preparations, which does not include bare assertions. This is due to the fact that allowing a claim of legitimate interest under the latter standard would invite no end of baseless pretextual assertions of *post hoc* motives¹⁴⁰¹.

Concerning the uses of domain names for pay-per-click advertising landing pages (parking pages)¹⁴⁰², such use is considered in connection with the *bona fide* offering of goods and services under certain circumstances. This is, for example, the case when the domain name comprises a dictionary word and is used to host pay-per-click advertisement links which are related to the dictionary meaning of the word in question¹⁴⁰³. However, on the other hand, in cases where such pay-per-click links are related or compete with the trademark owner’s goods or services, such use has not been considered as a *bona fide* offering of goods or services¹⁴⁰⁴. For instance, in the “CVS”

¹³⁹⁹ WIPO Case No. D2014-0264, Etro S.p.A v. Herman Villalobos

¹⁴⁰⁰ WIPO Case No. D2017-0481, Welcomemat Services, Inc. v. Michael Plummer Jr., MLP Enterprises Inc.

¹⁴⁰¹ WIPO Philip Morris USA Inc. v. Sarah Giustra / Seal Pup Designs Case No. D2017-0707

¹⁴⁰² For parking pages, see above “Use in the Course of Trade” at the subsection II/1-B-1 under the Second Section

¹⁴⁰³ WIPO Jurisprudential Overview, 3.0., par.2.9; WIPO Case No. D2007-1614, Philip Morris USA Inc. v. Prophet Partners Inc

¹⁴⁰⁴ WIPO Jurisprudential Overview, 3.0., par.2.9; WIPO Pierre Balmain S.A. v. bodson bodson Case No. D2017-0473

case before the WIPO Panel¹⁴⁰⁵, the complainant was the proprietor of the well-known chain of pharmacies “CVS”, and the defendant was the owner of the domain name www.mycvs.com. While the domain name owner alleged that it used the domain name to provide information about a computer system called “Concurrent Versions Systems”, for which the abbreviation is “CVS”, so that it has rights and legitimate interests in the disputed domain name, the domain name at issue was used to host a parking page on which advertisement links of the complainant’s competitors were featured. In that regard, it has been found by the Panel that the respondent failed to prove rights or legitimate interest in the disputed domain name. Therefore, even though the defendant's domain name was an acronym in an area unrelated to the complainant's trademark, and therefore the defendant may have had legitimate interest in the use of the domain name for goods or services concerned, the respondent had never used the domain name in this area, but used only as a parking site prior to the dispute for links to complainant’s competitors. For these reasons, such use has not conferred the domain name owner a legitimate interest on the domain name in question.

- ***The fact the the domain name owner has been commonly known by the domain name***

.eu ADR rules par.B(11)(e)(2): “*The holder of a domain name, being an undertaking, organization or natural person, has been commonly known by the domain name, even in the absence of a right recognized or established by national and/or Community law*”.

UDRP art.4/c-(ii): “*The domain name holder (as an individual, business, or other organization) have been commonly known by the domain name, even if the domain name holder has acquired no trademark or service mark rights*”.

In order that the domain name holder has a right or legitimate interest within the scope of this regulation, the domain name holder must be “commonly known”, and not incidentally being known under a personal name, nickname or corporate identifier¹⁴⁰⁶.

¹⁴⁰⁵ WIPO Case No. D2011-0379, CVS Pharmacy, Inc, v. Top Investments, LLLP

¹⁴⁰⁶ WIPO Jurisprudential Overview, 3.0., par.2.3

For example, the fact that the domain name is the domain name holder's family name is considered that that domain name holder is commonly known by that name¹⁴⁰⁷. However, on the other hand, the fact that the sign constituting the domain name is a company name does not confer the domain owner a legitimate right on this domain name. For example, in "Virginia" case, the Panel has found that the respondent's registration of a company name "Virgin Media Cloud" does not, by itself, provide much support for the respondent's rights in the disputed domain names. The respondent has provided no evidence that it is, in fact, "commonly known" by any of the disputed domain names. The formal registration of a company name does nothing to establish the fact of whether the respondent's company is in fact trading, or otherwise "commonly known" by the name it has registered¹⁴⁰⁸.

- *Use of the domain name by the domain name owner in a legitimate and non-commercial or fair way without misleading consumers or harming the reputation of the mark*

EU Regulation art. 21/2-c & .eu ADR rules par.B(11)(e)(3): "The holder of a domain name is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name on which a right is recognized or established by national and/or Community law".

UDRP art.4/c-(iii): "The domain name holder is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue".

This situation falls within the scope of "fair use", and will be examined in the following section. However, it should be noted that a respondent's use of a domain name will not be considered "fair" if it falsely suggests affiliation with the trademark owner¹⁴⁰⁹.

¹⁴⁰⁷ WIPO Case No. D2016-1340, CLK Holdings N.V. v. Paul Flammea

¹⁴⁰⁸ WIPO Case No. D2017-0505, Virgin Enterprises Limited v. Ervin Remus Radosavlevici, Virgin Media Cloud

¹⁴⁰⁹ WIPO Jurisprudential Overview, 3.0., par.2.5

2. FAIR USE

One of the exceptions to the trademark right is fair use, and that is regulated in art.7/5 of the IPL and art.14 of the European Trademark Directive. Accordingly, a trademark proprietor cannot prohibit a third party from using, in the course of trade, use of “*the name or address of the third party, where that third party is a natural person*”, “*signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services*”, and use of “*the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular, where the use of the trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts*”. However, this kind of uses should be in accordance with honest practices in industrial or commercial matters.

A. Use of The Name or the Address of the Natural Persons

Regarding the use of the name or address of the third party, while art.6/1-a of the Trademark Directive 2008/95 contained only “his own name or address”, and the CJEU interpreted this provision broadly by accepting that this provision is not limited to the use of names of natural persons¹⁴¹⁰, the new Trademark Directive 2015/2436 added to the “name or address of the third party”, the mention of “where that third party is a natural person”. In other words, where the third party using the mark is a natural person and uses the mark to indicate its name or address, the proprietor of the trademark is not entitled to prohibit this use, unless this use is made in accordance with honest practices in industrial or commercial matters. Therefore, that provisions covers now only natural persons’ name or addresses. In this respect, for example, someone whose last name is Philips may include this on his stationary, but this does not give him the right to start an electronic shop under the name Philips Electronics or to start producing TVs under the Philips mark¹⁴¹¹.

A parallel regulation is adopted also with the IPL. While in the abrogated

¹⁴¹⁰ C-245/02, Anheuser Busch, 16.11.2004

¹⁴¹¹ Tobias Cohen JEHORAM, et al., 9.1.1.

Decree-Law no. 556 it was regulated that the use of the mark in the statements in relation to third parties' name and address cannot be prevented by the trademark proprietor, under the IPL, by the addition of the "natural person" to the said provision, the use of trademark in the statements in relation to only "natural person's name and address" cannot be prevented as long as it is fair and in the ordinary course of business life.

Regarding the use of the trademark in a domain name which consists of third party natural person's name or address, a distinction should be made between commercial and non-commercial uses. Indeed, as explained in previous sections, a use which is not made "in the course of trade", but for personal purposes cannot be prevented by the trademark proprietor as such use does not constitute a use within the meaning of trademark law and therefore art. 7/5 of the IPL and art.14/1-a of the Trademark Directive cannot be applied. On the other hand, in cases where a sign identical with or similar to the trademark is used as a domain name in the course of trade, it should be determined whether the use in question is within the scope of fair use.

In this respect, according to an opinion in the Turkish doctrine, the use that is within the meaning of fair use may be in question, in essence, where the use emanates from a necessity. This is the case when the use of the name derives from a legal obligation, as in the creation of the trade name of a natural person trader. However, since there is no obligation to use the natural person's name in the domain name, the use of a name identical with the trademark in the domain name is contrary to the principle of fair use, and it therefore constitutes an infringement of the trademark right¹⁴¹². According to another opinion, if the domain name consists of its owner's name or surname, the trademark proprietor cannot request from that natural person to renounce the use of his/her name in the domain name¹⁴¹³.

In my opinion, the use of the natural person name that is identical with the registered trademark in respect of art. 7/5 of the IPL and art.14/1-a of the Trademark Directive should be restricted to the uses indicating natural person's name to third parties. In that regard, as in the example given by *ÇOLAK*, for instance, the use of the name

¹⁴¹² İsmail KIRCA, p.543-544

¹⁴¹³ Kemal ŞENOCAK, p.136

"Pınar" in the business card of a person named "Pınar", which is identical with "PINAR" mark reputed in dairy products, cannot be prevented by the trademark proprietor¹⁴¹⁴. However, the use of this person name in the domain name for the goods or services in respect of which the trademark is registered will create the impression that there is a commercial relationship between the domain name owner and the trademark owner. Therefore, such use will not be in the scope of fair use. On this matter, it is worth to cite the "Shell" decision given in Germany and the "Milka" decision given in France with regard to the dispute between the natural person name and trademark right.

In the "Shell" case before the German Federal court, a person with the same surname as the world-renowned Shell oil company has taken the Shell.de domain name and used it for its own translation services firm. However, this use was found unlawful in favor of the Shell company on the ground that this situation exceeded the scope of application of article 23 of German Trademark Law corresponding to art.7/5 of the IPL, that the internet users can expect to find the world-renowned Shell company under Shell.de, and that the natural person of the same name can use the domain name by adding distinctive elements¹⁴¹⁵. The starting point of the analysis was that every person is entitled to use his own name and in case of clash the prior right shall prevail. However, the BGH made an exception to this principle and reasoned that Shell was globally famous, and that the users who tried to reach its homepage but instead arrived at the homepage of Mr. Shell would be misled. However, this judgement was largely criticized as it reallocated the domain name in a socially more valuable way and created uncertainty especially for private persons investing in their presence on the internet¹⁴¹⁶.

On the other hand, the French Court in Milka case where a dressmaker registered the domain name "milka.fr" was sued by Kraft Food, proprietor of the "Milka" trademark, the Court concluded that due to the notoriety of the mark "Milka", the claimant could prohibit the reservation of the domain name milka.fr by another individual or entity. However, the particularity of this case was that the owner of the said domain name presented her website in the color mauve which is associated with the trademark "Milka".

¹⁴¹⁴ Uğur ÇOLAK, Türk Marka Hukuku, p.633

¹⁴¹⁵ Savaş BOZBEL, Alan Adı, Yönlendirici Kod, Anahtar Kelime, p. 255

¹⁴¹⁶ Pantov VENTSIKSLAW, p.49-50

Therefore, the Court found that the defendant undeniably attempted to take advantage of the strong distinctive power of the trademark Milka and ordered the transfer of the domain name to the plaintiff¹⁴¹⁷.

Even though this second Milka case differed from the Shell case as it concerned not the family name but the first name, and the the mauve color was a strong indicator of free-riding, in both cases the courts preferred to safeguard the interest of the well-known mark owner, through in milka.fr the court stressed the significant amount of investment and advertisement made in popularization of the brand, whereas in shell.de BGH emphasized the protection of internet users¹⁴¹⁸.

On the other hand, in the UDRP decisions, the use of surnames is considered to be within the scope of legitimate interest and therefore as fair use. For example, Nestlé could not obtain the transfer of the domain name "maggi.com" since Romeo Maggi was the surname of the defendant. The legitimate interest on this domain name was then accepted¹⁴¹⁹. Similarly, the domain name "armani.com" was not transferred to the owner of the "Armani" marks on the grounds that the defendant, Anand Ramnath Mani, had demonstrated an activity under the name of A.R.Mani¹⁴²⁰.

On the other hand, regarding whether the use of the trademark in domain name falls within the exception of the use of address of a natural person, it should be pointed out that the domain name uses cannot be considered within the meaning of the address notion in art.7/5 of the IPL and art.14/1-a of the Trademark Directive, as domain names fulfill the address function only technically and are rather commercial indicators¹⁴²¹.

Besides the uses in domain names, regarding the use of trademark in keywords or metatags, since neither the use of keyword nor metatag serves to indicate the name or address of the natural person, this defense cannot be relied upon in the use of keywords and metatags.

¹⁴¹⁷ Ibid., p.50

¹⁴¹⁸ Ibid., p.50-51

¹⁴¹⁹ WIPO Case No. D2001-0916, Société des produits Nestlé S.A. v. Pro Fiducia Treuhand.

¹⁴²⁰ WIPO Case No D2001-0537, G.A.Modefine S.A. v. A.R.Mani

¹⁴²¹ Tamer SOYSAL, Alan Adları Hukuku p.808; İsmail KIRCA, p.543; Sefer OĞUZ, Alan Adı, p.145

B. Descriptive Use

Pursuant to the article 14/1-b and art. 7/5-b of IPL, a trademark proprietor cannot prohibit a third party from using, in the course of trade, “*signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services*”, provided that it is in accordance with honest practices in industrial or commercial matters.

Accordingly, the trademark proprietor cannot prevent third parties from using descriptive elements of his trademark to indicate certain features of their products or services¹⁴²². For instance, the use of the expression "Lycra" in invoices in order to indicate the character and type of yarn produced is not considered as being an infringement of the registered "Lycra" trademark¹⁴²³. Similarly, the use of the expression "polivax"¹⁴²⁴, which is a type of wax used in the chemical sector and the use of the expression "Thermoset"¹⁴²⁵, on the products concerned in the kitchen utensils' production is considered to be within the scope of fair use even though these trademarks are registered on behalf of another person. By contrast, for example, using a sign identical to a trademark registered for cars, on scale models of these cars had not been considered as a use indicating a characteristic of those scale model cars, but rather indicating that these are faithful reproduction of the original cars¹⁴²⁶. Thus this kind of use had not been accepted as fair use.

In cases where the sign constituting the domain name consists of a descriptive terms and is identical with or similar to a registered trademark, according to an opinion, the protection scope of the descriptive signs must be interpreted strictly, and it is sufficient to exist little differences in the domain name in order to eliminate the likelihood of confusion in respect of trademarks consisting of the descriptive terms¹⁴²⁷.

¹⁴²² C-48/05, Opel, 25.01.2007, par.42

¹⁴²³ Yarg. 11. HD. 1997/9129 E. 1997/1965 K. 24.03.1997 T.; Hamdi YASAMAN/Tolga AYOĞLU, Marka Hukuku, p.533

¹⁴²⁴ Yarg. 11. HD. 2011/11979 E. 2011/14047 K. 17.10.2011 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.635

¹⁴²⁵ Yarg. 11. HD. 2016/3414 E. 2017/6430 K. 22.11.2017 T. (www.kazanci.com)

¹⁴²⁶ C-48/05, Opel, 25.01.2007, par.44-45

¹⁴²⁷ Kemal ŞENOCAK, p.120-122

However, the purpose of this provision is that the trademark proprietor cannot prevent third parties from using descriptive elements of his trademark to indicate certain features of their products or services¹⁴²⁸. Therefore, the matter that must be examined within the scope of this provision is whether the use of a descriptive term as a domain name that is identical with or similar to a trademark is a use that concerns the characteristics of the goods or services, such as kind and quality. Accordingly, the use that cannot be prohibited by the trademark proprietor within the meaning of this provision is non-trademark use. However, as indicated above, the use of the trademark in the domain name is considered as trademark use, as long as it is not purely technical. On the other hand, the domain name may also be used not as a trademark. This is mostly the case for critical uses and informative uses pursuant to a non-commercial purpose.

Similarly, for the uses of a trademark as a keyword for an internet referencing service, this type of use, in general, is not intended to provide an indication of one of the characteristics of the goods or services offered by the third party. In that regard, use of another person's trademark as a keyword does not come within art. 14/1-b of the Trademark Directive and art. 7/5-b and the advertiser cannot rely on these exceptions¹⁴²⁹. For instance, the first case, before the CJEU, dealing with fair descriptive use in keyword advertising was *Portakabin* case. In this case, the plaintiff was manufacturing and supplying mobile buildings and was the proprietor of "Portakabin" trademark. On the other hand, the defendant Primakabin was selling and leasing new and second-hand mobile buildings, including those manufactured by the plaintiff Portakabin. For the "AdWords" referencing service, the defendant had chosen the keywords identical with and similar to the plaintiff's trademark, such as "portakabin", "portacabin", "portokabin" and "portocabin".

Firstly, as the case was not concerned with the use in keywords of the name or address of the third party, art. 14/1-a had been found irrelevant to be examined and the Court went to assess art. 14/1-b of the Trademark Directive (art. 7/5-b of IPL). The Court considered that such use does not fall within the ambit of that provision since, in general,

¹⁴²⁸ C-48/05, Opel, 25.01.2007, par.42

¹⁴²⁹ C-558/08, Portakabin, 08.07.2010, par.60

the use of an identical or similar trademark as a keyword do not aim to indicate the characteristics of the goods or services offered by the advertisement¹⁴³⁰. Therefore, normally, use of another's trademark which is distinctive for the goods and services covered by the registration, in keyword advertising is not intended to provide a descriptive indication and does not fall within the ambit of art.14/1-b of the Trademark Directive and art.7/5-b of the IPL.

Nevertheless, only in special circumstances, there may be a descriptive use of trademark as keyword¹⁴³¹. This may be the case for example where the trademark used in keyword is a descriptive word. Indeed, German Federal Supreme Court in 2009, even before the case-law of the CJEU on the trademark use in keyword advertising, found in one of the cases before it a descriptive use of a trademark in keywords. In this case, while the claimant's registered trademark was "PCBPOOL", the defendant has used the sign "PCB" in keyword advertising. However, the sign "PCB" was commonly known as an abbreviation for 'printed circuit board' among IT experts. As a result of using "PCB" as keyword, the defendant's advertisements appeared in the sponsored links of the search engine when internet users searched for the designation "PCBPOOL" instead of merely "PCB". Nevertheless, the Court found it as descriptive use and held that use of a descriptive designation as an AdWords is admissible and not an act of trademark infringement¹⁴³².

Likewise, in the French *Pare Brise* case, the plaintiff's trademark was the "France Pare Brise + device" mark, and the word part of the mark is used by the defendant as a keyword in Google AdWords. Both parties were operating in the field of automobile glazing, and the word elements of the plaintiff's trademark "France" and "Pare Brise" mean, respectively, France and windshield. Accordingly, the Court concluded that the plaintiff could not claim a monopoly right on this signs in respect of these services,

¹⁴³⁰ Ibid., par.60

¹⁴³¹ Ibid., par.61

¹⁴³² Philippe KUTSCHKE, "Bananabay" in *IP Case Law 2009, Selected decisions of the European Court of Justice, The European Patent Office, The German Federal Supreme Court, The German Federal Patent Court*, 2010, Bardehle Pagenberg, p.129

considering that the expression “France Pare Brise” is descriptive regarding the service of repairing windshields in France¹⁴³³.

In parallel to this, in the event where the trademark consisting of a descriptive term is used as a metatag, that use does not constitute an infringement. For example, in a case before the French Court of First Instance¹⁴³⁴, the plaintiff was the owner of the trademark «Mektoube» and the domain name www.mektoube.fr, and was providing matchmaking services on the internet especially for the Arabic people. The defendant was operating in the same field through the domain name www.meetarabic.com and used the plaintiff's sign «Mektoube» as metatag. However, according to the Court, the use of a term in metatags, satellite pages and URL addresses cannot suffice to characterize infringement since this term is used repeatedly on the pages of the site in *its ordinary meaning* and is therefore allowed to be used in the referencing tools of that site.

Regarding the uses made on social media, in order for the use of the identical or similar trademark to be considered as descriptive in the usernames of the social media accounts, the trademark at issue has to have a descriptive meaning and that that social media account should be used in respect of this descriptive term. For instance, if a username with the name «apple» is used, that social media account should be related to «apples» and not in connection with the famous technology company «Apple».

C. The Intended Purpose of a Product or Service / Accessories and Spare Parts

Another fair use that the trademark proprietor cannot prohibit is “*the use of the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular, where the use of the trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts*” (IPL art.7/5-c; Dir. art.14/1-c). Here, it should be noted that the application of this provision is not limited to uses indicating that the product or service is an accessory or spare part of the trademarked product or service. This situation is only given by the legislature as an example¹⁴³⁵.

¹⁴³³ TGI Paris, 19.01.2015, SAS France Pare Brise v. SARL Rapid Pare-Brise

¹⁴³⁴ TGI Paris, 3eme ch, 4eme sect., 15.04.2010, LT Services, Amoteck v. Com'Online (www.legalis.net)

¹⁴³⁵ C-228/03, Gillette, 17.03.2005, par.32; C-558/08, Portakabin, 08.07.2010, par.63

By this provision, it is aimed to prevent trademark proprietor from prohibiting third parties to use the trademark in order to indicate the practical link between the goods or services of the trademark proprietor and their goods or services¹⁴³⁶. On this point, the distinction which should be made is between uses which convey the true message, for example, "my business provides a service which repairs X's (the brand) and/or uses genuine X (the brand) spare parts" (informative use) and those which convey the false message "my repairing service is commercially connected with X (the brand)" (misleading use)¹⁴³⁷.

In order to fall within the scope of this kind of permitted use, such use should be *necessary* in order to indicate such a purpose¹⁴³⁸. That is the cases where that information cannot be provided otherwise without using the trademark. In other words, that use should be the only way to communicate the information to the public¹⁴³⁹.

Regarding the uses made on the internet, the use of a domain name is not considered as "fair" if it falsely suggests "affiliation" with the trademark owner. This situation happens especially when the domain name is identical to the trademark as it carries a high risk of implied affiliation¹⁴⁴⁰. In fact, registering a domain name identical with a trademark is precisely equivalent to pretending to be the owner of the trademark¹⁴⁴¹.

Moreover, even if some additional elements are added to the trademark and used such as, such composition cannot be held fair if it effectively impersonates or suggests sponsorship or endorsement by the trademark owner¹⁴⁴². On this point, the UDRP Panels established an "*Oki Data Test*"¹⁴⁴³ in order to determine whether third parties using a domain name which contains another person's trademark have a legitimate interest in such domain name. This test requires that "(i) *the respondent must actually be offering*

¹⁴³⁶ C-228/03, Gillette, 17.03.2005, par.33-34

¹⁴³⁷ EWCA Civ 779, Technosport, 21.06.2017, par.18

¹⁴³⁸ C-228/03, Gillette, 17.03.2005, par.31

¹⁴³⁹ Ibid., par.35

¹⁴⁴⁰ WIPO Jurisprudential Overview, 3.0, par.2.5.1 – 2.8.2.

¹⁴⁴¹ Nathalie DREYFUS, p.141

¹⁴⁴² WIPO Jurisprudential Overview, 3.0, par.2.5.1 – 2.8.2.

¹⁴⁴³ WIPO Case No.D2001-0903, Oki Data Americas, Inc. v. ASD, Inc.

the goods or services at issue; (ii) the respondent must use the site to sell only the trademarked goods or services; (iii) the site must accurately and prominently disclose the registrant's relationship with the trademark holder; and (iv) the respondent must not try to 'corner the market' in domain names that reflect the trademark"¹⁴⁴⁴, meaning that domain name must not consist solely of the complainant's trade mark and the respondent must not have registered multiple domains that incorporate the complainant's trademark or other protected name¹⁴⁴⁵.

For instance, in a case before WIPO, where the reputed "Porche" mark proprietor opposed to the domain names "porsche-buy.com" and "porschebuy.com", under which used Porche branded cars were sold¹⁴⁴⁶, the Panel has found that the domain name owner has a legitimate interest in using the domain name as it meets all the requirements of a *bona fide* offering. Indeed, firstly, the domain name owner was offering Porsche used cars under the disputed domain names, so that the use of the domain name was in connection with the offering of goods and services. Secondly, on the website under the disputed domain names, only used Porche cars were offered for sale and no other trademarked products. Thirdly, domain name owner had disclosed on the websites by a disclaimer that he is neither affiliated to nor authorized by the trademark proprietor. Lastly, the domain name owner has only registered two domain names with the trademark "Porche" so that it was not established that the domain name owner registers domain names comprising well-known trademarks "to corner the market" or to prevent the trademark proprietor to use its own mark in the domain name.

Nevertheless, if the domain name in the example given above was "porche-cars.com", instead of "porche-buy.com", the Panel might conclude differently. Indeed, in this situation, the domain name consisting of the mark would be allocated on behalf of a person other than the trademark owner in respect of the trademarked goods, and therefore it would likely to create the impression that there is an affiliation between the domain name owner and trademark proprietor. Moreover, the right to use such a domain name must be reserved to the trademark owner. On this matter, for example, in a case before

¹⁴⁴⁴ WIPO Jurisprudential Overview, 3.0, par.2.8

¹⁴⁴⁵ EUIPO, "Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes", 2018, p. 41

¹⁴⁴⁶ WIPO Case No.D2004-0481, Dr. Ing. h.c.F.Porche AG v. Del Fabbro Laurent

the Turkish Supreme Court, the plaintiff was the proprietor of the "Fakir" trademark and was selling small home appliance under this trademark. On the other hand, the defendant was promoting and selling claimant's trademarked goods, on the website under the domain name www.fakirevaletleri.com. Therefore, even though there is no commercial relation between the defendant and the plaintiff, the defendant created a domain name by adding expressions indicating the type of branded products to the trademark owner's mark and used it. The defendant's use of such a domain name "www.fakirevaletleri.com", in such a way that includes the plaintiff's trademark and small home appliances that are within in the scope of the registration of the claimant's trademark, was not founded lawful. Indeed, the rights and authority of using the trademark in respect of small home appliances is reserved to the plaintiff trademark owner, taking into consideration the high rate of sales made through electronic commerce within the total sales as a result of the rapid improvement of electronic commerce in all over the world¹⁴⁴⁷.

In addition, when the Turkish Supreme Court's decisions regarding art.7/5-c of the IPL are examined, it is seen that in order to be able to use the trademark with some additional elements, the person using it must be the legal dealer or authorized service of the trademark proprietor. In other words, only the legal dealer or authorized service may have a legitimate interest in using the domain name consisting the trademark and some additions indicating the type of good or service provided under this trademark. For instance, in a decisions of the Turkish Supreme Court in 2013¹⁴⁴⁸, the Court held that the sign "Vestel" appearing in the domain names servis-vestel.com, maltepevestelservisi.net, kadikoyvestelservisi.net, uskudarvestelservisi.net constitutes trademark infringement, on the ground that these domain names are used in such a way that give the impression that the defendant is the authorized dealer of the plaintiff trademark owner. Therefore, the fact that the owner of these domain names was not an authorized dealer had been determinative in the finding of infringement.

Again in another case before the Turkish Supreme Court dated 2013, the

¹⁴⁴⁷ İstanbul 4. FSHHM 2011/190 E. 2013/170 K. 03.10.2013 T.; Approval Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T.

¹⁴⁴⁸ Yarg. 11. HD. 2011/7211 E. 2013/9928 K. 14.05.2013 T.; 2011/7206 E. 2013/10110 K. 16.05.2013 T.; Tamer SOYSAL, Alan Adları Hukuku, p.817

proprietor of trademark BMW brought an infringement action, claiming that the website under the domain name www.genclerservis.com, the defendant's workplace displays, signboard, business cards, bills create the impression that the defendant is the plaintiff's authorized dealer. For the uses in the website and in the domain name, the court stated that the expressions identical with "bmw-servisi" and "bmw-yetkili-servisi" appearing in sub-domain name <http://www.genclerservis/bmw-servisi/bmw-yetkili-servisi> constitutes infringement of trademark right and unfair competition. In that regard, it has been held to cease and prevent the expressions "bmw-servisi" and "bmw-yetkili-servisi" with the aforementioned sub-domain name on the website, which create the impression of being BMW's authorized service (The defendant's use in the working place signboard and advertising instrument was not considered as an infringement by the court of first instance; however, that decision has been reversed by the Supreme Court in this respect)¹⁴⁴⁹.

Moreover, according to the Turkish Supreme Court's case-laws, even when the person who uses the trademark in the domain name makes a statement on the website that there is no affiliation with the trademark proprietor, or advertising and promotion on behalf of the trademark owner on the website by the person who uses the trademark without the consent of the trademark proprietor, these facts do not prevent the finding of infringement¹⁴⁵⁰.

Likewise, in the event where trademark is used with additional elements in social media usernames, such use may give the impression of authorized service provider. For instance, in a case before the UK Courts, a company dealing in the repair and maintenance of BMW cars used the trademark "BMW", among other uses, in the username on its Twitter account in the form of @TechnosportBMW. The defendant's Twitter page had a panel which had Technosport@TechnosportBMW prominently displayed. Beneath this address it was explained that Technosport is an independent BMW and MINI specialist in North West London. According to the Judge, whilst phrases such as "BMW repair specialist" clearly alert the average consumer to the nature of the business, the use of

¹⁴⁴⁹ Yarg. 11. HD., 2012/9986 E. 2013/22141 K. 05.12.2013 T.

¹⁴⁵⁰ İstanbul 4. FSHM 2011/190 E. 2013/170 E. 03.10.2013 T.; Approval Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T.

BMW within a trading name gives the impression of authorization. Accordingly, the Judge found that use as an infringement, as it is not mere informative use and as there is a risk that the average consumer will take the use of this trading style to indicate a commercial connection between the motor repair services offered and BMW, which goes beyond the fact that BMW cars and spare parts are used in the business¹⁴⁵¹.

Besides the use of trademarks in domain names or in usernames of social media accounts/pages which gives the impression that there is a relationship with the trademark proprietor, the use of the logo, as well as the trademark, on the website, also creates the impression that there is an affiliation with the trademark owner and that the user is an organization authorized by the trademark owner. For instance, in the English BMW case mentioned above, the defendant had used, among others, the BMW's logos on its website. The judge concluded that the average consumer had come to believe that the BMW's logos would only be displayed in relation to businesses which were authorized by BMW, and that their use would therefore lead the average consumer to believe that the defendant was an authorized dealer. Accordingly, there had been found an infringement¹⁴⁵².

In addition to domain names, it is also necessary to examine whether the person using the trademark can rely on the exceptions within the scope of art.14/1-c of the Trademark Directive and art.7/5-c of the IPL with regard to uses of keywords and metatags. It should be noted in respect of the AdWords that the mere use of a trademark as a keyword in AdWords does not, per se, constitute a trademark infringement. In order for such a use to constitute an infringement, the internet user who sees the advertisement triggered by the keyword must not be able to understand clearly to whom the advertisement belongs. In general, if AdWords advertisement does not include the trademark selected as a keyword and there is no expression in the advertisement content that can be affiliated with the trademark proprietor, the internet user does not associate this advertisement with the trademark proprietor and the trademark infringement is not therefore established. However, in cases where the trademark is included in the content of the advertisement, it is most likely to create an impression of connection with the

¹⁴⁵¹ EWCA Civ 779, Technosport, 21.06.2017, par.27-33

¹⁴⁵² Ibid., par.5

trademark proprietor¹⁴⁵³. In these circumstances, the question of whether the advertiser can rely on the defense of fair use may be arisen. In this respect, for example, can a person who sells razors compatible with Gillette blades use the “Gillette” mark as a keyword or a metatag? Similarly, can an undertaking selling second-hand goods use the trademark of the second-hand goods as keyword or metatag? In my opinion, in cases where the advertisement triggered by the trademark “X” selected as keyword, if the expression “*X trademarked products are compatible with this product*” is included the commercial message of the advertisement, such use would constitute a use as a trademark but an informative use which enables the advertiser to identify its products. In this case, the Internet user will realize that the product subject to the advertisement is not the product of the trademark proprietor, and that it is a product possessed by another person and compatible with the mark X. Indeed, such use serves to inform the public of the practical link between the goods or services of the advertiser and those of the proprietor of the mark. In consequence, there will be no trademark infringement as the Internet users realize the advertisement at issue as not belonging to trademark proprietor, but to a third party. However, in any way, it is necessary to make an assessment in respect of each concrete case by taking into account its own characteristics.

D. Honest Use

These fair use cases mentioned above cannot be prohibited by the proprietor of the mark only if the use made by the third party “*is in accordance with honest practices in industrial or commercial matters*” (art.14/2 of the Trademark Directive). Likewise, according to the IPL, these cases cannot be prohibited by the trademark proprietor only in the event where the use made by third party is “*fair and in accordance with the ordinary course of commercial life*” (art.7/5).

That condition is the expression of the duty to act fairly in relation to the legitimate interests of the trademark proprietor. Use of the trade mark will not comply with honest practices in industrial or commercial matters where, for example, it gives the impression that there is a commercial relation between the reseller and the proprietor of

¹⁴⁵³ See “Use of Trademarks in Keyword Advertising” at the subsection II/2-1 under the Second Section

the trademark¹⁴⁵⁴, it takes unfair advantage of its distinctive character or repute of the mark¹⁴⁵⁵, it discredits or denigrates that mark¹⁴⁵⁶ or where the third party presents its product as an imitation or replica of the trademarked product¹⁴⁵⁷.

Regarding the use of the trademarks in domain names, such use does not fall within fair use such as the natural person's name use nor descriptive use. On the other hand, the uses to indicate the intended purpose of a product or service, only similar uses can be accepted as fair as long as they constitute an honest use by not creating an impression of connection with the trademark proprietor, or by not taking unfair advantage of the trademark's distinctive character etc.

Concerning use of trademarks as keywords in AdWords, if such use is liable to be prohibited by the proprietor, the advertiser cannot, in principle, claim to have acted in accordance with honest practices in industrial and commercial matters¹⁴⁵⁸. Indeed, the use of the trademark as a keyword amounts to an infringement when the ad is likely to create a connection between the advertiser and the trademark proprietor and/or when the ad does not enable or enables them only with difficulty the average internet users to understand whether the goods or services referred to by the ad originate from the trademark proprietor or from a third party. In that regard, if these happens, there would be no honest use.

However, it should be borne in mind that, the advertiser will often have to use the trademark not just as a keyword, but in the ad text as well in order to identify the product's characteristics. On the other hand, the purpose of the fair use provisions is to permit the use of the trademark. Consequently, the advertisement which comprise the trademark should be presented in such a manner to exclude any possibility of connection with the trademark owner¹⁴⁵⁹.

¹⁴⁵⁴ C-63/97, BMW, 23.01.1999, par.51

¹⁴⁵⁵ Ibid., par.52

¹⁴⁵⁶ C-228/03, Gillette, 17.03.2005, par.44

¹⁴⁵⁷ Ibid., par.45

¹⁴⁵⁸ C-558/08, Portakabin, 08.07.2010, par.71

¹⁴⁵⁹ Nichol Van Der LAAN, p.29

3. FREEDOM OF EXPRESSION and INFORMATION

The Internet has an important value in the use of fundamental rights and freedoms, namely freedom of expression, in modern democracies. Indeed, the Internet has become a public forum as one of the most effective instruments in order for people to use easily their freedom of expression in terms of expressing their knowledge and thoughts and of participating in discussions and actions related to public problems¹⁴⁶⁰. In that regard, there are cases where the trademark proprietor cannot prevent the use of third parties, apart from the cases of fair use provided in art.14 of the Trademark Directive and in art.7/5 of the IPL mentioned above. The freedom of expression, which is protected under the Constitutions is the primary of thereof.

In the 27th Recital of the Trademark Directive, it is stated that “*use of a trade mark by third parties for the purpose of artistic expression should be considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters. Furthermore, this Trademark Directive should be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression*”.

In contrast, there is no regulation concerning the freedom of expression in the IPL. However, although this issue is not regulated within the IPL, the right to freedom of expression, which is expressed in the European Convention on Human Rights and the Turkish Constitution, cannot be ignored in trademark law. In this regard, it is possible to use the trademark in an artistic activity or in such a way that does not affect adversely the essential functions of the trademark within the scope of freedom of expression, provided that it is not contrary to commercial rules and good faith¹⁴⁶¹.

Regarding domain names, the mere registration of a domain name containing some of the element of a registered trademark is not infringing if the website under this domain name serves to an informative use to express on the trademarked products¹⁴⁶². In this regard, non-commercial free speech constitutes, in principle, one of the fair uses of

¹⁴⁶⁰ AYM Youtube LLLC. Corporation Service Company, Application No.2014/4705, Decision Date 29.05.2014, par.52; AYM Naif Şaşma Application No. 2015/3782, Decision Date 09.01.2019; RG. 20/3/2019 – 30720

¹⁴⁶¹ Uğur ÇOLAK, Türk Marka Hukuku, p.694

¹⁴⁶² David FOREST, p.130

the domain name. However, in order to fall within the ambit of free speech, the website in question must contain criticism, rather than causing confusion. Moreover, the use has to be made only to the extent “necessary” to communicate the critical message¹⁴⁶³. Therefore, in order for a use of the trademark by third parties in the domain name to remain within the scope of freedom of expression, the use in question should not pursue a commercial purpose and contain a positive or negative idea, be necessary to express this idea and not create confusion in the mind of internet users.

It should also be noted that the use of a sign *identical* with, not similar to, a trademark in a domain name does not fall within the scope of fair use, even if that is within the scope of freedom of expression or freedom of information. Indeed, a general right to legitimate use in the context of freedom of expression or information does not necessarily extend to the registration or use of a domain name identical with a trademark even if when such a domain name is used in connection with genuine non-commercial freedom of expression, as it creates an unacceptable risk of confusion through impersonation¹⁴⁶⁴.

Freedom of expression was examined in the *jeboycottedanone.com* (I am boycotting Danone) case before the French courts. The Danone Group (proprietor of several DANONE word and figurative marks) made a massive dismissal measure at the beginning of 2001. This policy has been widely criticized by the syndicate, the political class, and especially the public. Faced with this practice of the Danone Group, a call for boycott was launched in an original way, by the Association Réseau Voltaire (composed of journalists, whose contact is Mr. Olivier M.), by registering the sentence "Je Boycotte Danone" (I am boycotting Danone) as a domain name in the “.com”, “.net”, and “.fr” zones, and by reproducing a characteristic polygon of the DANONE figurative mark on its website with the insertion of the words "Je Boycotte Danone.com".

The Court of First Instance of Paris¹⁴⁶⁵ distinguished between the reproduction

¹⁴⁶³ Ilanah SIMON FHIMA, “Trade Marks and Free Speech”, IIC International Review of Intellectual Property and Competition, Vol.44/3, 2013, p.308

¹⁴⁶⁴ WIPO Jurisprudential Overview, 3.0, par.2.6.2-2.7.2

¹⁴⁶⁵ TGI Paris, 4eme ch., 1ere sect., Compagnie Gervais Danone et Groupe Danone v. Olivier M., S.A.7 Ways, Société ELB Multimédia, association “Le Réseau Voltaire Pour la Liberté d’expression, S.A.R.L Gandhi et Valentin L., 04.07.2001

of the word mark Danone via the domain names "jeboycottedanone.net" and "jeboycottedanone.com", and secondly, the reproduction of the mark on the pages of the website. According to the Court, the sign "jeboycottedanone" is a sentence constructed according to the habitual rules of language, and its use is necessary to achieve the purpose of the disputed site, which is dedicated to the social policy of the Danone group of companies. In that regard, the infringement was rejected in respect of the domain names at issue. On the other hand, the Court held that the reproduction of the mark Danone on the pages of the website is infringing, judging that neither the right to information nor the right to freedom of expression can justify the illegal imitation incriminated as the imitation of the mark is not necessary for the expression of the opinion and serves only to illustrate screen pages that it is possible to illustrate otherwise. However, that distinction¹⁴⁶⁶ is reversed by the Court of Appeals¹⁴⁶⁷, which held that this use "strange to the business life", requires the necessity to the reference to the mark Danone in order to explain the political or polemic nature of the campaign led by the plaintiff association. In consequence, it was concluded that, by creating the sites at issue, the defendants inscribed their action within the scope of a strict exercise of their freedom of expression and in respect of the rights of the respondent companies whose products were not denigrated and that, on the other hand, no risk of confusion was likely to arise in the minds of users. In this respect, the Court completely rejected the existence of an infringement of the Danone word mark or semi-figurative mark.¹⁴⁶⁷

On the other hand, generally, in cases before the Turkish courts, such uses are not considered a trademark use, there has not found an infringement of the trademark. However, when that situation is evaluated under the provisions of unfair competition within the scope of Turkish Commercial Law, if the conditions are satisfied, courts tend to find unfair competition. In that regard, the defense of freedom of expression is valid to the extent that the use at issue does not create a likelihood of confusion and does not constitute an act of denigration. For instance, in the "*Tunçmatik*" case before the Turkish

¹⁴⁶⁶ CA Paris, 4eme ch., 1ere sect., M. Olivier et Association Réseau Voltaire pour la liberté d'expression v. Compagnie Gervais Danone et Groupe Danone, 30.04.2003

¹⁴⁶⁷ Yassin EL SHAZLY, "Tom Cruise limite la liberté d'expression", Droit & Technology, 15.03.2007, <https://www.droit-technologie.org/wp-content/uploads/2016/11/annexes/dossier/149-1.pdf> (last accessed on 08.08.2018)

Supreme Court, the defendant registered the domain name "www.tunçmatikalmayin.com" and used page titles on the website under this domain name such as "tunçmatikALMAYIN" (DON'T BUY Tunçmatik) "Tunçmatikalmayın alıp da pişman olmayın" (don't buy tunçmatik and don't regret). The Court did not consider such use as a trademark use. However, since the defendant act was found by the court as offensive, defamatory, and derogatory for the plaintiff, it was held that this use constitutes a tortious act and unfair competition. In the decision, it is stated that the claimant's sales would be inevitably decreased because of the negative image created with regard to the core elements of the plaintiff's trade name "tunçmatik" and "tunçmatik" trademarked products, which are, due to both the domain name of the website and the various page titles on the website¹⁴⁶⁸.

Similarly, in the www.yurticikargomagdurlari.com case, the website bearing that domain name was containing news, photographs, videos and considerations about the protests and manifestations of the employees who were dismissed by the company Yurtiçi Kargo. The Court considered, in respect of freedom of thought and expression, that protestations and manifestations made by persons dismissed by the plaintiff company were within the scope of freedom of expression and right to legal remedies, as long as they are not defamatory, degrading and disparaging. On the other hand, even though the website contains the plaintiff's trademarks, since that use is not related to the offering of any goods or services, does not take unfair advantage of the repute of any trademark and does not create an image transfer, does not pursue a commercial purpose, it was held that the uses at issue does not contain a commercial function, does not cause any commercial effect. Therefore, such use had not been not considered as a trademark use. In this respect, it was decided that the claimant's trademark right was not infringed due to the domain name or site content. However, on the other hand, even if it is considered that there is no trademark infringement, it is concluded that the defendant's use constituted unfair competition on the grounds that the expression "yurticimagdurlari" appearing in the domain names at issue has created a negative connotation in public in respect of the

¹⁴⁶⁸ İstanbul 4. FSHHM 2012/140 E. 2013/97 K. 30.05.2013 T.; Approval Yarg. 11. HD. 2013/12525 E. 2014/2599 K. 14.02.2014 T. (www.kazanci.com)

plaintiff, and therefore the use of that domain name has denigrated the plaintiff and impaired its reputation¹⁴⁶⁹.

Levent Yavuz, a member of 11. Civil Chamber of Supreme Court disagreed with this above-mentioned decision and, in my opinion, correctly stated that the domain name of the website where the plaintiff's activities were criticized could not be considered as unfair competition alone. Indeed, besides there is no evidence that the defendant used this domain name in a bad faith and in a purposeful way to harm the plaintiff, it has not been established whether the content on the website constituted unfair competition.

Regarding again this case, the defendant, who is the owner of the domain name www.yurticikargomagdurlari.com, has made an individual application before the Constitutional Court against this decision¹⁴⁷⁰. The subject matter of the application was about the violation of freedom of expression by the blocking access to the website under the disputed domain name. With regard to the decision of the court of first instance in which the access to the website registered on behalf of applicant is disabled and the applicant is convicted to indemnity, the Constitutional Court held that the interference with freedom of expression satisfies the criteria of limitation by law, has a legitimate purpose and is in conformity with the requirements of the democratic social order. However, again one of the members of the Constitutional Court, Ergin Yildirim disagreed with this decision. In my opinion, Mr. Ergin Yıldırım is right on his arguments indicated in the dissenting opinion. Indeed, in the event of a conflict between the right to freedom of expression and the right to property stemming from the reputation of the applicant company, a fair balance must be established between these two rights. For this, the criteria such as the trueness of the information contained in the website content, the way they are presented and by whom they are presented, whether the information in the content contributes to a discussion related to the public interest, who has been criticized and why it has been criticized should be having taken into account in this case. However, the basis of the reasoning of the court of the first instance is the fact that the expression “mağdurları (victims)” is used in the website domain name with the trademark and thus constitutes

¹⁴⁶⁹ İstanbul 4. FSHM 2012/137 E. 2013/117 K. 02.07.2013 T.; Approval Yarg. 11. HD. 2013/15738 E. 2014/5119 K. 17.03.2014 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.694-695

¹⁴⁷⁰ AYM Naif Şaşma Application no. 2015/3782, Decision Date 09.01.2019; RG. 20/3/2019 – 30720

unfair competition by impairing the commercial reputation of the company. Even though the expression “mağdurları/victims” may denigrate the claimant and impair its reputation, the issues contained on the website indicate to facts rather than a value judgment. These facts are not deceptive, wrong and fictive information concerning the activities of the plaintiff company. In this respect, the purpose here is not to denigrate the plaintiff, but to express, criticize and convey to the public the company's acts that are deemed to be unjust, within the scope of freedom of expression. Therefore, according to the dissenting member of the Constitutional Court, in that case where the domain name of the website is established by people who think that they have aggrieved and that they have suffered injustice, it is within the scope of freedom of thought and expression to include the expression “mağdurları (victims)” in the domain name of a website, besides the name of the legal entity that is considered to cause this victimization, and disabling of access to the website at issue does not constitute a required precaution for the protection of property rights in a democratic society. According to Yıldırım, criticizing a company through the internet is no different than criticizing the company with various banners by organizing a protestation meeting and manifestation march in front of the headquarters of the same company. Accordingly, just as these acts are under constitutional protection, use such as in the concrete case should be under the constitutional guarantee in respect of the freedom of expression.

As a matter of fact, in a recent decision on December 2018, the Supreme Court reversed the first instance court decision which considered unfair competition the publications made on the web site “www.y...kargomagdurlari.com” (victims of Y. Kargo) by an action group composed of branch managers of the company Y. Kargo. According to the Supreme Court, considering that the plaintiff’s unfair practices have been established by a court decision, the reactions against these unfair practices by the defendant should be assessed from the freedom of expression and opinion¹⁴⁷¹.

Equally, in a case before WIPO¹⁴⁷², concerning the domain name “akbankmagdurlari” that comprises again the expression “mağdurları” (victims) as in the

¹⁴⁷¹ Yarg. 11. HD. 2017/2370 E. 2018/8090 K. 19.12.2018 T. (BATIDER, Vol..XXXV, No.1, 2019, p. 248-250)

¹⁴⁷² WIPO Case No.D2011-1411, Akbank Türk A.Ş. v. Nurullah Akın

above-mentioned “yurtiçikargomagdurlari” case, the panel, after having defined the word “mağdurlari” (victims) as "a person harmed, injured", held that it is understood from the word “mağdur” included in the domain names “akbankmagdurlari.com” and “akbankmagdurlari.net” that the website is intended to be used as a platform where consumers, who are not satisfied with the services of complaining bank or allege to be a victim, can complaint and criticize. The panel thereby concluded that the respondent has a legitimate right and interest in respect of the registration of these two domain names since it pursues the purpose to criticize that may be considered within the scope of fair use.

Equally where the domain name comprises the mark and a derogatory term such as “trademarksucks.tld”, UDRP Panels usually consider the domain name owner as having a legitimate interest in such use provided that it is noncommercial, fair and not misleading¹⁴⁷³. For instance, in *wal-martsucks.com* case, the Panel had found that while the domain name owner could potentially have a legitimate interest in using *wal-martsucks.com* domain name for a website where it criticizes the Wal-Mart company and its products or services, however as the domain name owner used the site only with the intent of selling it, such use had not been found as having a purpose of legitimate protest, but rather amounting a trademark infringement¹⁴⁷⁴. Equally, in a case where “.airfrancesucks.eu” is registered by a third party, the Panel had found that the objective of the domain name owner was to disrupt the business of the air company Air France and not to criticize it¹⁴⁷⁵.

The same principles apply also to the trademark uses in the domain name of the fan pages. In that regard, for example, use of a trademark in domain names may, in certain circumstances, constitute a legitimate right, especially for “fan sites”. However, this kind of use is only tolerated if it is used for non-commercial purposes. The fact that the owner of the domain name had generated pay-per-click advertising revenue from links and advertisement on his webpage, this constitutes a commercial use and not a legitimate non-

¹⁴⁷³ WIPO Jurisprudential Overview, 3.0, par.2.6

¹⁴⁷⁴ WIPO Case No. D2000-0662, Wal-Mart Stores, Inc. v. Richard Macleod d/b/a For Sale

¹⁴⁷⁵ ADR.eu, Case No.04141, Société Ait France v. Lexicon Media Ltd.

commercial or fair use¹⁴⁷⁶. Moreover, the domain name of a fan page should not be identical to the trademark as such situation is likely to create a link between the trademark proprietor and the fan page. In this regard, even a domain name identical to a trademark is used as a fan page with non-commercial purposes, operating a fan page does not confer a right to register or use a sign identical to the trademark in the domain name, since this domain name may be perceived by the internet user as affiliated with the trademark owner¹⁴⁷⁷. For instance, in a case before the higher regional court of Stuttgart¹⁴⁷⁸ which involved the registration by the defendant of the domain name “steiff.com” which is identical to the well-known trademark “Steiff”, for a fan club of the stuffed animals, the Court found that the domain name, even used for non-commercial purposes, infringed the well-known “Steiff” trademark¹⁴⁷⁹. On the other hand, where the domain name is not identical to the trademark, but comprises additional terms such as “trademarkfan.tld”, such use is considered by the UDRP Panels as the domain name owner having a legitimate interest in using it for a fan site as long as it is fair in all of the circumstances of the case¹⁴⁸⁰.

Fan usage is also possible through pages/accounts created on social networking sites. The creation of sites like Facebook, Twitter and MySpace has created another venue for fans to express their fascination with product by creating fan site dedicate to their particular interest¹⁴⁸¹. For instance, in a case before the First Instance Court of Paris, the defendant created a Facebook page under the name "PBLV Marseille", of which the mark "PBLV" owned by the plaintiff, the producer of a television series "Plus Belle La Vie" taking place in Marseille. The Court rejected the plaintiff's trademark infringement claims as the plaintiff could not demonstrate that the defendant made use of the marks in the course of trade or derived any direct or indirect benefit from them. According to the Court, the use of the logo and the name of the series is insufficient to demonstrate any commercial character. In addition, the fact that the page had more than 600 000 fans does

¹⁴⁷⁶ WIPO Case No.D2009-0057, *The Jennifer Lopez Foundation v. Jeremiah Tieman, Jennifer Lopez Net, Jennifer Lopez, Vaca Systems LLC*

¹⁴⁷⁷ WIPO Jurisprudential Overview, 3.0, par.2.7.2

¹⁴⁷⁸ *Namensrechtsverletzung durch Domain-Namen* (1998) 2 W 77/97 (Oberlandesgerichts Stuttgart)

¹⁴⁷⁹ Stefan KUIPERS, p.39-40

¹⁴⁸⁰ WIPO Jurisprudential Overview, 3.0, par.2.7.2 – 2.7.3

¹⁴⁸¹ Nabil A. ADAWI, p.2

not demonstrate the existence of exploitation in the course of trade¹⁴⁸². However, the defenses under the freedom of expression are groundless if the mark is being used to impersonate the trademark holder and cause likelihood of confusion about the source of the third party's expression on the site¹⁴⁸³.

In addition to the fans uses in social media, the use with the purpose of criticism is also very common. In that regard, for instance, in a case before the First Instance Court of Paris, a manager was convicted for making derogatory comments about his supplier on his Twitter account. The suppression of all comments and the publication of the judgment on Twitter were ordered on the basis of an abuse of the right of criticism¹⁴⁸⁴. Likewise, in a case where the trademark owner brought an action for unfair competition because of the posts on Facebook such as "*This is the end of those who bought shoes from Deichmann. We invite everyone to buy shoes produced in Turkey.*" accompanied with the photographs of shoes called toxically published in the visual press and media, it was held by the court that the defendant made wrong and deceptive news about the plaintiff's businesses and products, in such a way that enables consumers and Internet users to create a wrong idea and image regarding the products produced by the defendant, by using the visual effect of several diseased foot photographs of the damages allegedly caused by shoes that were put on the Internet and called toxic shoes and without assessing the accuracy of the content of the news. Therefore, the unfair competition had been established as the production and products of the plaintiff have been denigrated, and its personal rights were unlawfully violated in this way¹⁴⁸⁵.

Moreover, trademarks may be used in the content of a website and in the source codes of that website as metatag, and such use may fall within the scope of freedom of expression. For example, in *Greenpeace* case before the French courts, the Greenpeace France association who aims to protect the environment and fight against all forms of pollution and nuisance, made an online campaign against the environmental policy of ESSO, the oil company, and it had been accused of trademark infringement because of

¹⁴⁸² TGI Paris, 3eme ch, 4eme sect., Laurence C. v. Telfrance Serie, Facebook France, 28.11.2013 (www.legalis.net)

¹⁴⁸³ Lisa P. RAMSEY, p. 872

¹⁴⁸⁴ TGI Paris, 8e ch., Référence.com v. Zlio, 26.07.2011; Nathalie DREYFUS, p.389

¹⁴⁸⁵ Yarg. 11. HD. 2016/5129 E. 2017/7334 K. 18.12.2017 T. (www.kazanci.com)

the use of the term “Esso” in the source codes of the site www.greenpeace.fr and, secondly, of the use on this website the terms “Esso”, “stop Esso”, “stop E\$\$O” and “E££O”. The Appeal Court, having recalled the principle of freedom of expression, considered that the plaintiff could not invoke the provisions of the Code of Intellectual Property, since the references made to the reputed two marks do not clearly aim to promote the marketing of products or services, competing with those of the plaintiff company, for the benefit of the Greenpeace France association, but it purely constitutes a use polemical to the use in the course of trade and in the competition between commercial enterprises. Accordingly, the infringement action brought against Greenpeace by the company Esso is rejected, considering that the Association Greenpeace France has operated within the limits of freedom of expression¹⁴⁸⁶. The Supreme Court also found that since the alleged signs were used within the scope of a campaign intended to inform citizens about the instruments used in order to defeat the implementation of the Kyoto Protocol on climate change, and to denounce the effects to the environment and the risks to human health caused by certain industrial activities, the use of elements of the reputed trademarks distinguishing Esso's products and services, in a modified form summarizing these criticisms in a polemic context, constitutes an instrument proportionate to the expression of such criticisms¹⁴⁸⁷.

On the other hand, can the use of the trademark as a keyword be considered within the scope of freedom of expression or information? On this point, it can be said that the growth and success of the internet depends on what is freely inserted into it by its different user and keywords are one of the instruments through which this information is organized and made accessible to internet users¹⁴⁸⁸. In this respect, the ads that appear on the screen by selecting and using a trademark as a keyword within the scope of search engine advertising and the information in the websites directed by these ad links are of importance for Internet users in terms of accessing the information concerning the products or services that they are looking for. However, the delicate matter is to not create

¹⁴⁸⁶ CA Paris, 4eme ch, section A, Esso v. Greenpeace France, 16.10.2005 (www.legalis.net)

¹⁴⁸⁷ C.Cass., chambre commerciale, no de pourvoi:06-10961, 08.04.2008 (www.legifrance.gouv.fr)

¹⁴⁸⁸ Joined Cases C-236/08 to C-238/08, Google France, Opinion of AG Poiares Maduro, 22.09.2009, par.110

a likelihood of confusion or not take unfair advantage of the repute of the trademark through this use.

For instance, in a case before the French Court of Appeal¹⁴⁸⁹, where the court of first instance held that the defendant's use of the claimant's trademarks as keywords in AdWords advertisements and also as metatag in the codes of its website constituted trademark infringement and unfair competition, the Court of Appeal reversed the decision of the court of first instance, concluding that the use at issue does not constitute trademark infringement or unfair competition taking into account the characteristics of the concrete case within the scope of freedom of expression which serves to inform the public. In this case, the plaintiff Voxaly who carries out an advisory and organizational activity in the field of data collection or any type of election, notably via the Internet and voice services under her own electronic voting solution called 'voxaly', bought in 2012 the assets of the company Research Development and Innovation (RDI) which was active in the same sector, creating for this purpose a wholly owned subsidiary, the company RDI Election. The company RDI was the subject of a liquidation judgment dated October 18, 2012. The plaintiff was the owner of the marks "RDI Election", "RDI Univote" and "Univote", which were previously used by the company RDI. On the other hand, the defendant, the company Générale de Distribution et de Communication (Gedicom), was also specialized in remote-sensing, teleconsultation, e-resilience and electronic voting services and developed a solution called 'webnote' to vote from a computer terminal connected to the internet. The plaintiff, before the French first instance tribunal, alleged, inter alia, trademark infringement and unfair competition as the marks "RDI Election", "RDI Univote" and "Univote" on Google triggered the display of advertisements representing these signs associated with the telephone number and domain name of the defendant company and that the "RDI Election", "RDI Univote" and "Univote" were used and reproduced by the latter as metatags in the tags of the defendant site www.gedicom.fr. The first instance court admitted the alleged claims and hold that the defendant infringed the claimant's marks. However, this ruling had been annulled by the Appeal Court of Paris.

¹⁴⁸⁹ CA Paris, Pole 5, Ch. 2, Gedicom v. Voxaly SARL – RDI Election SARL, 27.01.2017

The particularity of this case was that the defendant and the company RDI which had been bought by the claimant have had a commercial relationship for 10 years to provide an electronic voting solution. Relations between them ceased when RDI moved closer to the claimant company and a legal arrangement led to the creation of RDI Election. In that regard, the defendant claimed that his communication was intended to restore reality by making known that he no longer has any connection with the company RDI in liquidation and that he markets directly her solution of electronic voting so that this use is not likely to affect the essential functions of the mark. Indeed, for instance, when it was clicked on the words “RDI Elections”, it was directed to the defendant’s site where a page with a “news” section was opened and when clicking on the first article it was written “Erwan Leaute and Fabien Gilbert (formerly RDI Univote) joins Gedicom” and another article said “Gedicom breaks its collaboration with its distributor RDI Univote and markets its solutions live”. Moreover, when clicked successively on the words “RDI Election”, “RDI Univote” and “Univote”, each time a telephone number and domain name of the defendant company were displayed.

The Court of Appeal, after recalling the principle according to which the mere booking of keywords and the commercial links triggered from them do not affect the identity function of the trademark, considered that the triggered commercial links provides access to the defendant company's homepage, which displays an article informing internet users of any lack of relation between it and the RDI company anymore. In that regard, the Court held that as the defendant had previously developed its e-voting solutions with RDI customers, following the acquisition of the goodwill and the deposit as a trademark by the claimant signs previously used by the company RDI, the defendant company was entitled to disseminate information to clarify its situation to avoid a confusion between his performance and that of the buyer which could be prejudicial to him. Therefore, by announcing the takeover of two employees of the RDI company and the direct marketing of its technological voting process, the defendant only disseminated information whose reality is not disputed. In doing so, it did not infringe the marks at issue.

4. EXHAUSTION

Another limitation on the absolute right of the trademark proprietor arising from the registered trademark is the principle of exhaustion of the trademark right. The loss of the right to take action against the further marketing of goods bearing the trademark is referred to by the term “exhaustion”¹⁴⁹⁰. The purpose of the principle of exhaustion is to find a balance between the protection of free trade and the protection of intellectual property. This principle also embodies the resolution of a conflict between the safeguarding of the public interest and the exploitation of private property¹⁴⁹¹.

What is exhausted here is the “first sale right” of the trademarked goods. Otherwise, all the other rights of the proprietor of the trademark right such as the right to prohibit unauthorized production or sales of others by using the trademark, the right to grant licenses, the right to transfer continue to exist¹⁴⁹². Accordingly, the proprietor of the trademark right has only the absolute right to put the product to the market for the first time and this right is exhausted when the product subject to the trademark right is put to the market by the trademark right owner or a third party acting with his/her permission. Thereafter, the proprietor of the trademark right cannot object to re-sale of this product by the purchasers of the product, to make advertising and distribution by using the trademark on the basis of trademark rights¹⁴⁹³. At this point, it should be noted that “*the rights conferred by the trade mark are exhausted only in respect of the individual items of the product which have first been put on the market*” by the proprietor or with his consent. On the other hand, the proprietor may still prohibit the use of the mark in respect of other items of that product which have not first been put on the market with his consent. Therefore the principle of exhaustion concerns only specific goods which have first been put on the market by the trademark proprietor or with its consent¹⁴⁹⁴. Moreover, The principle of exhaustion is only possible for products and goods and since the circulation of services is not possible, exhaustion is not possible, by nature, with regard to

¹⁴⁹⁰ Tobias Cohen JEHOAM, et al., 9.3

¹⁴⁹¹ Gül OKUTAN, “Exhaustion of Intellectual Property Rights: A Non-Tariff Barrier to International Trade”, *Annales de la Faculté de Droit d’Istanbul*, Vol.30, No.46, 2011, p.111

¹⁴⁹² Tolga AYOĞLU, “Marka Hakkının Tükenmesi”, Unpublished Master Thesis, GSÜ, 2001, p.11

¹⁴⁹³ Sabih ARKAN, “Marka Hakkının Tüketilmesi”, Ali Bozer’e Armağan, 1998, p.197; See C-337/95, *Parfums Christian Dior v. Evora*, 04.11.1997, par.38 and C-63/97, *BMW*, 23.01.1999, par.54

¹⁴⁹⁴ C-173/98, *Sebago and Maison Dubois*, 01.07.1999, par.19 - 20

services¹⁴⁹⁵. In this regard, since the service marks cannot be embodied by retaining their value on a commodity allowing the transfer of the service that they distinguish, they cannot be subject to the exhaustion of right¹⁴⁹⁶.

The principle of exhaustion of the trademark right is regulated in art. 15 of the Trademark Directive and in art. 152 of the IPL. Pursuant to art. 15 of the Directive, “*A trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with the proprietor's consent*”. However, this “*shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market*”. Likewise, pursuant to art. 152 of the IPL entitled “Exhaustion of the Right”, after the products subject to the protection of industrial property rights are put on the market by the right holder or third parties with its consent, the acts related to these products are excluded from the scope of the right. However, the trademark proprietor has the right to prevent the commercial use of the products being changed or denigrated by third parties within the scope of the first paragraph.

The difference between two legislations is that the exhaustion regime in the EU is a regional exhaustion involving all the EU member states, while in Turkey it is an international exhaustion. Therefore, in the EU, for example, after the introduction of trademarked goods to the market by or with the consent of the trademark proprietor in France, the right on the trademark is considered to be exhausted in all the member states. On the contrary, the introduction of products in a country outside the European Union does not exhaust the trademark rights in question and after the introduction of products outside the European Union, the trademark proprietor has the right to prevent the importation of these products to the European Union without its consent. In Turkey, while pursuant to the the Decree-Law no. 556, which was in effect before the IPL, national exhaustion was valid, the international exhaustion regime has been introduced with the IPL. According to this, within the scope of Turkish Trademark Law, in order to exhaust

¹⁴⁹⁵ Hamdi YASAMAN/Tolga AYOĞLU, Marka Hukuku, p.557

¹⁴⁹⁶ Sefer OĞUZ, Alan Adı, p.195

the trademark right of the trademark proprietor, it is sufficient for the trademarked goods to be put on the market by or with the consent of the trademark proprietor anywhere in the world. Therefore, after the introduction of the goods to the market anywhere in the world with the consent of the trademark proprietor, this trademark proprietor cannot object to the importation of the goods (provided they are original) to Turkey.

Both the EU and Turkish provisions require firstly, for there to be exhaustion, the trademarked goods should have been put on the market. Such market is EU-wide market for EU exhaustion regime, worldwide market for Turkish exhaustion regime. In a case where the trademark proprietor sells goods bearing his trade mark to a third party (in the EU for EU trademark exhaustion, in the world for Turkish exhaustion), it is obvious that the proprietor puts those goods on the market within the meaning of the exhaustion provisions¹⁴⁹⁷. However, the mere offering for sale with a view to selling goods but without actually selling them does not mean that the proprietor has put them on the market within the meaning of exhaustion provisions. This is due to the fact that there should be a transfer of the right to dispose of the goods and the realization of their economic value¹⁴⁹⁸.

Secondly, this “putting on the market” has to be done either by the proprietor of the trademark or by a third party which has the consent of this proprietor. Regarding the latter situation, *“the rights conferred by the trade mark are exhausted only if It may be concluded that the proprietor of the mark expressly or impliedly consented to a putting on the market of the goods in respect of which that exhaustion is claimed to exist”*¹⁴⁹⁹. Therefore, the consent of the trademark proprietor may be explicit¹⁵⁰⁰ or implicit¹⁵⁰¹.

Due to the principle of exhaustion, the trademark proprietor cannot prevent the further commercialization of the trademarked goods by third parties. However, this situation is not absolute and it has some exceptions. This is stated in the EU legislation

¹⁴⁹⁷ C-16/03, Peak Holding v. Axolin-Elinor (“Peak Holding”), 30.11.2004, par. 39

¹⁴⁹⁸ Ibid., par. 41- 42

¹⁴⁹⁹ C-127/09, Coty Prestige Lancaster Group v. Simex Trading (“Coty Prestige”), 03.06.2010, par.47

¹⁵⁰⁰ Explicit consent may arise, for example, from a license agreement.

¹⁵⁰¹ Implicit or implied consent of the trademark proprietor cannot be deduced from the mere silence of this proprietor. The criteria for determining the implied consent have been set forth by the CJEU. See C-324/08, Macro v. Diesel SpA, 15.10.2009, par.25-35; C-127/09, Coty Prestige, 03.06.2010, par.37; Joined Cases C-414/99 to C-416/99, Zino Davidoff v. A&G Imports – Levi Strauss v. Tesco Stores – Levi Strauss v. Costco Wholesale, 20.11.2001, par.46-60

as the situation of trademark proprietor having the *legitimate reasons*. In the Turkish law, the trademark proprietor has the right to prevent third further commercialization of the trademarked goods by third parties when the conditions of the goods used for commercial purposes are *modified* or *impaired*¹⁵⁰² by third parties. The criteria established in the Turkish legislation are only a few ones considered as legitimate reasons under the CJEU case-law and given as examples in the Trademark Directive¹⁵⁰³. Therefore, while the EU regulations generally entitle the trademark proprietor to prevent the further commercialization of the trademarked goods when it has legitimate reasons in general terms, Turkish regulations restricts this possibility of the trademark proprietor to uses where the the conditions of the goods are modified or impaired. On this point, it should be noted that the modification or impairment does not have to involve the good itself, change or impairment of the good's packaging may also constitute a legitimate reason for objection¹⁵⁰⁴. In this regard, it is accepted that repackaging¹⁵⁰⁵, changing the package and replacing not the package but the trademark of the product (de-branding)¹⁵⁰⁶ deteriorates the essence of the trademark¹⁵⁰⁷. However, the only circumstances enabling the trademark proprietor to prevent further commercialization are not the cases of changing or impairing the condition of the goods. For example, the use of the trademark in a reseller's advertising in such a manner to create an impression that there is a commercial relationship between the trademark proprietor and the reseller constitutes a legitimate reason according to the CJEU's case-law¹⁵⁰⁸. Moreover, the way the good is further marketed may also constitute a legitimate reason, especially in the case of luxury and prestigious products¹⁵⁰⁹. For instance, the fact that well-known genuine perfumes are sold without the original boxes and were mixed up on the display stands, was found as

¹⁵⁰² Modification of the conditions of the goods implies the intervention of others to the original features of the good, and impairment is the deterioration of the original features of the good and making it more useless, flimsy, of poor quality. See Tolga AYOĞLU, *Tükenme*, p.107

¹⁵⁰³ C-59/08, *Copad v. Christian Dior*, 23.04.2009, par.54

¹⁵⁰⁴ Tobias Cohen JEHORAM, et al., 9.3.8.2.

¹⁵⁰⁵ In some cases, especially repackaging of pharmaceutical products is allowed. See see C-102/77, *Hoffman-La Roche v. Centrafarm*; Joined Cases C-427/93 C-429/93 and 436/93, *Bristol-Myers Squibb*; C-3/78, *Centrafarm v. AmericanHome Products*; C-349/95 – *Loendersloot/Ballantine*; C-348/04, *Boehringer Ingelheim*; C- 379/97, *Pharmacia & Upjohn SA/Paranova*; Uğur ÇOLAK, *Türk Marka Hukuku*, p.620 et. al.

¹⁵⁰⁶ See C-558/08, *Portakabin*, 08.07.2010, par.86

¹⁵⁰⁷ Uğur ÇOLAK, *Türk Marka Hukuku*, p.620

¹⁵⁰⁸ C-558/08, *Portakabin*, 08.07.2010, par.80

¹⁵⁰⁹ C- 337/95, *Dior v. Evora*, 04.11.1997, par.47; C-59/08, *Copad v. Christian Dior*, 23.04.2009, par.55-59; Tobias Cohen JEHORAM, et al., 9.3.8.7

detrimental to the prestige of the marks concerned and the opposition of the trademark holder was upheld by the Spanish Court of Appeal¹⁵¹⁰.

Regarding uses made on the internet, the following question arises with regard to the exhaustion of trademark rights in terms of domain name uses: Is it possible for a sign on which trademark rights are exhausted to be used by someone other than the trademark proprietor in the domain name? Does such use of a trademark constitute an infringement of the trademark right? In my opinion, even if the right on the sign is exhausted, the right to use the sign corresponding to the trademark in the domain name belongs to the proprietor of that trademark. Because, what is the subject to the exhaustion is the first sale right of trademarked goods¹⁵¹¹. Therefore, the exhaustion relates to the trademarked good. This can be inferred from the expressions "...to prohibit its use *in relation to goods*" in art. 15 of Trademark Directive and "after the *products*, subject to protection of industrial property right, are put on the market by the proprietor of the right or the third parties with its consent, *the acts related to these goods* are excluded from the scope of this right" in art. 152 of the IPL. Therefore, acts related to trademarked goods/products may be prevented by the trademark proprietor, but not the use of the trademark itself. In this regard, even if the genuine products are sold on the website under the identical or similar domain name to the registered trademark, there would be an infringement if the trademark is used in the domain name¹⁵¹². In other words, although the sale of the genuine goods, on which the trademark rights are exhausted, on a website cannot be prevented by the trademark proprietor, the use of the trademark itself in the domain name of this website by the third party may be prevented as this use is not subject to the exhaustion.

On the other hand, the use of the trademark in reseller's advertising falls within the scope of exhaustion. The use of domain name is considered as advertising by the

¹⁵¹⁰ Court of Appeal of Alicante, Community Trademark Appeal Tribunal, L'Oréal, the Polo Ralph Lauren, Lancome Parfums and Yves Saint Laurent v. Ms. Graciela, Case No.64/2013, 02.05.2013; Trademark Reporter, "Annual Review of EU Trademark Law, 2013 in Review", March-April 2014, Vol.104, No.2, p.648-649

¹⁵¹¹ Tolga AYOĞLU, Tükenme, p.11

¹⁵¹² Yarg. 11. HD. 16.10.2012 T. 2011/9671 E. 2012/16264 K. (formula7trs.com); 09.05.2013 T. 2012/9670 E. 2013/9502 K. (endersaracformula7.com ve formula7satis.com)

CJEU¹⁵¹³. Therefore, is it possible to use the trademark in the domain name, which is considered as advertising? In my opinion, it is not possible. Because, even the use of domain name is considered as advertising, in such use, it will be assumed that the person using the trademark in the domain name is the proprietor of the trademark or an entity associated with the trademark proprietor, which constitutes the legitimate reasons for trademark proprietor to prevent such use. Indeed, the use of the trademark in a reseller's advertising in such a manner to create an impression that there is a commercial or special relationship between the trademark proprietor and the reseller constitutes a legitimate reason according to the CJEU's case-law¹⁵¹⁴.

Besides, it is possible for the second-hand sellers to use the trademark in the domain name by adding additional expressions to the trademark. However, in such cases, there should be no exceptional circumstances which constitute a legitimate interest for the trademark proprietor to prevent such use even if its rights are exhausted.

On the other hand, exhaustion of the trademark right constitutes also a defense which can be alleged against infringement claims in keyword cases. As indicated before, when trademark rights of a product are exhausted, the reseller of this product, besides being free to resell those products, can also use the trademark of these products in advertisings¹⁵¹⁵, thus in keyword advertisements. However, such defense is possible when the good on which the trademark right is exhausted is offered for sale through the advertisement triggered by the trademark used as a keyword. This is usually the case when it is marketed through keyword advertisement second-hand trademarked goods, which had been originally put on the market by the trademark proprietor or by a person authorized by him. In this context, it is accepted that the trademark proprietor cannot prevent the advertiser from using a keyword identical with or similar to the trademark in an internet referencing service for the resale of second-hand goods on which trademark rights are exhausted¹⁵¹⁶.

¹⁵¹³ C-657/11, *Belgian Electronic Sorting Technology*, 11.07.2013

¹⁵¹⁴ C-558/08, *Portakabin*, 08.07.2010, par.80; C-63/97, *BMW*, 23.01.1999, par.51

¹⁵¹⁵ C-337/95, *Dior v. Evora*, par. 38; C-63/97, *BMW*, 23.01.1999, par. 48

¹⁵¹⁶ C-558/08, *Portakabin*, 08.07.2010, par. 76- 78; *Nichol Van Der LAAN*, p.30

However, in cases where such use damages seriously the origin function or the reputation of the trademark which is used by the advertiser as a keyword, the trademark owner can prevent it on the ground of legitimate reasons. For example, in *Portakabin* case before the CJEU, the defendant Primakabin who was selling, inter alia, used goods manufactured by the plaintiff Portakabin, had chosen signs identical with and similar to the plaintiff's trademark "Portakabin" as a keyword in Google AdWords. However, the problem was that when the internet users clicked on the ad triggered by the plaintiff's trademark used as a keyword, they were shown products from which the original trademark (Portakabin) were removed ('de-branding') and replaced by another trademark. In such a situation, the trademark proprietor would have the legitimate reason to prevent the use of its trademark to advertise that resale, as it damage the origin function of the trademark¹⁵¹⁷. Moreover, even if the advertiser does not remove the original trademark from the goods marketed through the keyword advertisement, in the event where the advertisement itself gives the impression of a commercial relationship between the trademark proprietor and the advertiser/reseller, or does not enable or enable only with difficulty the internet users to understand from whom the goods referred to by the keyword advertisement originate, the trademark proprietor is entitled to prohibit such use¹⁵¹⁸. Indeed, this situation corresponds with the circumstances under which the use of a trademark as a keyword is prohibited under art. 10/2 of the Trademark Directive (art.7/2 of the IPL)¹⁵¹⁹. At this point, it should be pointed out that using another person's trademark in the ad in combination with words, for example, "used" or "second hand" does not constitute a "legitimate reason" for the trademark proprietor to oppose such use, because it neither creates the impression of an economic link between the trademark proprietor and the advertiser/reseller, nor is it seriously detrimental to the reputation of the trademark used in keyword advertisement¹⁵²⁰.

What will happen if, along with the trademarked products, there are also other trademarked goods which belong to other producers in the website directed by an AdWords triggered by the use of a trademark on which trademark rights are exhausted?

¹⁵¹⁷ C-558/08, *Portakabin*, 08.07.2010, par. 86

¹⁵¹⁸ *Ibid.*, par. 79-81

¹⁵¹⁹ Nichol Van Der LAAN, p.30

¹⁵²⁰ C-558/08, *Portakabin*, 08.07.2010, par.84

For instance, again in *Portakabin* case, the defendant Primakabin’s advertising which is displayed in the paid search results due to the use of the plaintiff’s trademark “Portakabin” as a keyword, led to web pages on which not only products bearing the plaintiff’s trademark which is used as a keyword, but also other trademarked goods manufactured by third parties were offered for sale. So, the website of the defendant did not only offer used products of the plaintiff’s mark “Portakabin”, but also products under other marks. Before referring the case to the Court of Justice, the Court of Appeal in Amsterdam had ruled that the use of the trademark as keyword was only justified to the extent that it was used for second hand “Portakabin” goods, thus solely where the ad would directly link to the subpage on which those goods were offered¹⁵²¹. However, the CJEU is less strict on that point and considers that keyword advertisements leading to web pages on which different brands are sold only constitutes a legitimate reason for the trademark proprietor if the sale of the other goods threatens to seriously damage the image of the trademark “*in the light of their volume, presentation or poor quality*”¹⁵²². This could be the case, for example, when the advertiser does not have a large stock of second hand goods and therefore uses the mark only to boost the sale of other products¹⁵²³. This kind of use is called “call mark” practice. For instance, French courts, in the case of genuine products, verify whether there is a “call mark” (marque d’appel) practice in question. Therefore, a reseller can use another person’s trademark only if he sells products under that trademark in sufficient quantities. Thus, if the website actually sells the products under a trademark, it can promote it in its advertisement and use it as a keyword provided that it sells in sufficient quantities¹⁵²⁴.

The same applies for the use of trademark in metatags. Normally, a distributor is free to use a trademark as a metatag when it offers for sale the genuine trademarked products regularly acquired. However, in the case where the distributor offers for sale on its website genuine products bearing the trademark without having in stock, the use of the

¹⁵²¹ Ibid., par.20; Nichol Van Der LAAN, p.31

¹⁵²² Ibid., par.91; Ibid., p..31

¹⁵²³ Charles GIELEN, Keyword Advertising, p.9

¹⁵²⁴ CA Paris, Robert Bosch v. Oscaro.com, 18.06.2014, RG no 13/00459; Marion LECARDONNEL, “Utilisation d’une Marque comme Mot-Clé pour un Référencement sur Internet: Quel Régime?”, Marceau Avocats, 03.02.2017, http://www.marceau-avocats.com/images/actualites/2017/20170203_ADWORDS.pdf (last accessed on 09.06.2018)

mark as a metatag is considered an infringing use¹⁵²⁵. For example, the fact that the defendant company has offered for sale on its websites products bearing the plaintiff's trademark for the sole purpose of attracting customers, and then offering them products of another trademark is qualified by the Court as being the use of the trademark as a "call mark". The Court, after having stated that a distributor can use a mark as a metatag as long as it offers for sale genuine trademarked products regularly acquired, considered that the offer for sale on its websites of genuine products bearing the trademark without, however, in stock, constitutes acts of infringement and prohibited the use of the trademark in question as a metatag¹⁵²⁶.

On the other hand, another media that the exhaustion should be examined is about the products sold in the online market places. Such that, it is possible that the trademark rights of the products that are sold or offered for sale in online market places may not be exhausted in the territory/country where they are sold or offered for sale. However, the issue here is, in case of a sale or offering for sale through an online market place can be made from anywhere in the world, the goods bearing that trademark may be located in a third country. On this point, the CJEU made a distinction between an actual sale and an offer or advertisement for sale. Although it is possible to prohibit the *sale* of the product on which trademark rights are not exhausted in a territory/country where the trademark is under the protection due to the fact that the trademark rights are not exhausted, the problem arises in cases of *offer or advertisement for sale*, because of the fact that the product which is offered for sale is not yet actually sold in the territory/country where the trademark is under protection. In such case, when there is only *an offer or advertisement for sale*, in order to be prevented by the trademark proprietor, such offer for sale or advertisement should target consumers located in that territory¹⁵²⁷.

In other words, in a case where these goods are sold by an economic operator through an online market place to a consumer located in the territory covered by the trademark, it is obvious that there is a use with a commercial effect on that territory, so

¹⁵²⁵ C. Cass. com, 24.10.2009, Scté L&S v. Sté Direct Distribution International, no08-15002; Loic ANDRE, p.117

¹⁵²⁶ CA Paris, 4eme ch, sect.A, 19.03.2008, , Scté L&S v. Sté Direct Distribution International (www.legalis.net)

¹⁵²⁷ C-324/09, eBay, 12.07.2011, par.67

that the proprietor may prevent such use. However, when the goods in question are located in a third country and only offered for sale or advertised on such a marketplace and thus not forwarded to the country where the mark is under protection, even though there can be no actual use of a trademark in the relevant territory as the goods in question are not put on the market therein, the trademark owner can prohibit such use as long as this offer for sale is targeted at consumers located in that territory¹⁵²⁸.



¹⁵²⁸ For targeting and commercial effect issues, see “Use with Commercial Effect” at the subsection I/1-D under the First Section

5. PRIOR RIGHT OWNERSHIP

In trademark law, the principle of “uniqueness” applies. According to this, a trademark can only have one proprietor. The principle of uniqueness is related to the public order. Indeed, by this way, it is intended to protect the consumer by preventing the existence of a duplicated trademark for identical or similar goods and services in the market and thereby by preventing confusion between the goods or services in the mind of consumers¹⁵²⁹.

Pursuant to art. 7/1 of the IPL, in Turkish law, the protection of trademark can be acquired by registration. However, even though the IPL admits the registration system, it is closer to the “system of use” due to the exceptions it brings¹⁵³⁰. While the right on the trademark is acquired by the selection and the use of the trademark in a manner specific to the trademark law in the registration system, the person who uses the mark before the registration and gives it a distinctive character has the right on the trademark in the system of use¹⁵³¹. According to the Turkish Supreme Court case-law, the right of priority over the trademark belongs to the person who created and used the sign and made it known in the market. This is called the real right/prior right ownership. In other words, the right on the trademark has born before the registration. On the other hand, the mere registration of a trademark without using it beforehand and making it known may only grant the right holder a provisional right as such ownership may exist until the actual right holder sues and registers this trademark on his behalf¹⁵³². As a matter of fact, pursuant to art.155 of the IPL, a trademark owner cannot allege its trademark rights as a defense in an infringement proceeding that has been brought by the rights owners who have an earlier priority or application date than his own right. Consequently, in infringement cases, even if the alleged infringing sign is a registered trademark, it can no longer be asserted the use of a registered trademark as a lawful use defense.

¹⁵²⁹ Yarg. 11. HD 02.03.2006 T. 2005/1359 E. 2006/3136 K.

¹⁵³⁰ For example, pursuant to the Article 6/3 of the IPL regulating the relative grounds for in trademark registration: “If the right of an unregistered trademark or any other sign used in the commerce has been obtained before the application date or the priority date, the trademark application shall be rejected upon the objection of the owner of that sign”

¹⁵³¹ Hamdi YASAMAN, Marka Hukuku, p.181

¹⁵³² ÇOLAK, Türk Marka Hukuku, p. 417 et. al.

Equally in the EU, the EU trade mark registration system is based on the ‘first-to-file’ principle. In accordance with that principle, a sign may be registered as an EU trade mark only in so far as this is not precluded by an earlier mark¹⁵³³. On the other hand, *“a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark, and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark”* (art.5/4-a of Trademark Directive).

In order to have the prior right ownership through use, this use must be a use within the meaning of trademark law. The use as a trademark is a use which indicates the distinguishing source of origin of the goods or services. In other words, the use of sign as a trademark is to use it on products, catalogs, promotional materials or documents other than commercial ones in order to distinguish the goods and services. In addition to this, the sign must also have acquired distinctive character. Therefore, in order to claim a prior right on a sign, this sign must be used by the third party and be known to a certain extent on the market, before the registration application of the subsequent mark or the date of the priority claimed for the registration application of the subsequent mark. However, the condition of being “known” is not a recognition by everyone and it is sufficient for the trademark to be recognized in its own market and environment¹⁵³⁴. Moreover, claims based on prior right ownership can only be alleged for the identical or similar goods/services. In this regard, even if the person who is the prior right owner, did not object to the subsequent registration of the identical sign as a trademark and not filed an invalidity lawsuit against this registration, it is not possible for the proprietor of the registered trademark right owner to prohibit the use of this sign by the person who has

¹⁵³³ means “trademarks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks: EU trademarks; trademarks registered in the Member State concerned or, in the case of Belgium, Luxembourg or the Netherland, at the Benelux Office for Intellectual Property; trade marks registered under international arrangements which have effect in the Member State concerned” (art.5/2-a of the Trademark Directive)

¹⁵³⁴ Reha POROY/Ünal TEKİNALP, “Marka Hakkına İlişkin Bazı Sorunlar”, H. Tandoğan Anısına Armağan, 1990, p.335

already used it as a mark and identification sign in goods or services for which priority has obtained¹⁵³⁵.

In addition to this, the defense of prior right ownership is not limited to trademark uses and in the event where the prior use of trade name or domain name can be established, use of these would not constitute an infringement of the trademark which is subsequently registered¹⁵³⁶. In this regard, with regard to the uses of the trademark on the internet, the use of a sign in the domain name, as a keyword or as a metatag by the person who proves the prior right ownership on the sign, constitutes a lawful use and will not infringe the right of third parties.

¹⁵³⁵ Yarg. 11. HD. 21.11.2006 T. 2005/8931 E. 2006/12058 K.; Sami KARAHAN, Tescilsiz Markanın Korunmasında Marufiyet Şartı, Ankara Barosu FMR Dergisi, Year 4, Vol. 4, No. 2, p 12

¹⁵³⁶ Uğur ÇOLAK, Türk Marka Hukuku, 2018, p.657

6. LIMITATIONS IN CONSEQUENCE OF ACQUIESCENCE

Earlier right holder is not entitled to file an invalidity action against the person who later registered the trademark honestly or to prohibit the use of a subsequent trademark if it has remained silent to such registration or such use for a certain period of time even though it is aware of this registration or use. This situation is called as “the loss of right in consequence of acquiescence”. According to this, filing a lawsuit after a long time by a person who creates a reasonable confidence on the other party by remaining silent for a long term constitutes a contradictory act to the confidence created by its own behavior, and therefore this act is not protected. Otherwise, the people who rely on such an appearance and spend their time and effort and bear the costs to promote their trademark would be abused¹⁵³⁷.

The loss of right due to acquiescence is regulated in the scope of “invalidity” in both the EU and Turkish legislation. Accordingly, pursuant to the art.9/1¹⁵³⁸, “*Where, in a Member State, the proprietor of an earlier trade mark¹⁵³⁹ has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member State while being aware of such use, that proprietor shall no longer be entitled on the basis of the earlier trade mark to apply for a declaration that the later trade mark is invalid in respect of the goods or services for which the later trade mark has been used, unless registration of the later trade mark was applied for in bad faith*”.

A similar regulation can be found in the art. 25/6 of the IPL and if the proprietor of a trademark has acquiesced for five consecutive years in the use of a subsequent trademark, even though he/she was or should have being aware of this, he cannot allege his trademark as a ground for invalidity unless registration of the subsequent trade mark was in bad faith. Therefore, in order have been acquiesced, the proprietor of the earlier trademark must first be aware of the fact that the trademark has been registered or used by someone else. Besides, the trademark proprietor should not take an action against the use of his trademark, should not sue and should remain silent. This acquiescence should

¹⁵³⁷ Hakan KARAN/Mehmet KILIÇ, Markaların Korunması – 556 Sayılı KHK Şerhi ve İlgili Mevzuat, Ankara 2004, p. 380.

¹⁵³⁸ The same is regulated for the CTM in art.61 of Regulation 2017/1001

¹⁵³⁹ As referred to in art.5/2 or 5/3-a of directive

last for 5 consecutive years. And the last condition is that the person who registers or uses the trademark subsequently should be in good faith¹⁵⁴⁰.

As mentioned, these regulations are specific only to invalidity claims and there is no regulation in the EU Trademark Directive and in the IPL on the loss of rights due to acquiescence with regard to infringement claims. However, in 29th recital of the Trademark Directive, it is stated that the proprietor of an earlier trademark which “*knowingly tolerated the use for a substantial length of time*”, may no longer request a declaration of invalidity or oppose the use of a trademark subsequent to his own trademark. Therefore, if remained silent, not only the invalidation of registration but also the opposition to the use is not possible. Indeed, the Turkish Supreme Court, applies this principle in cases of trademark infringement based on the art. 2 of the Turkish Civil Law¹⁵⁴¹.

When the right to prevent the use of the trademark by third parties cannot be exercised due to the acquiescence of the earlier trademark proprietor, the same trademark will be held by two different proprietors. Indeed, in cases where the earlier trademark proprietor remains silent to subsequent registration for a long time or to the use of the unregistered identical or similar trademark, two trademarks, one registered and the other one unregistered, will be used concurrently in the market¹⁵⁴².

The fact that a same trademark is used by two different people and that no dispute had arisen for a long time between them, constitutes evidence that there is no likelihood of confusion between them on the one hand and it results in the loss of right due acquiescence on the other hand. As indicated in the Turkish Supreme Court case law, if the two trademarks that are subject to the likelihood of confusion, are used by two different firms in the market for many years and there is no legal conflict between them, the use of these trademarks in the market together is therefore possible and it is accepted

¹⁵⁴⁰ For detailed information, see Hamdi YASAMAN, Fulurya YUSUFOĞLU, Marka Hukuku, p. 856-867

¹⁵⁴¹ Uğur ÇOLAK, Türk Marka Hukuku, p.869 et. al

¹⁵⁴² Ibid., p.427

that consumers do not confuse those trademarks with each other and recognize them that they belong to different entities¹⁵⁴³.

Regarding the honest concurrent use, there is no provision for such a defense in the Trademark Directive and Regulation. However, this issue had been addressed by the CJEU in *Budweiser* case concerning an invalidity application¹⁵⁴⁴ whereby the Court recognized that the concurrent use can constitute a defense to infringement. Indeed, it ruled that “*the owner of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trademarks where that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services*”¹⁵⁴⁵. When the case returned back to the referring court, the Court of Appeal held that there is any impairment of the guarantee of origin of either side’s mark¹⁵⁴⁶.

Yet in other cases, the UK courts accepted there is no adverse effect on the origin function of the mark, thus no confusion if the parties had continuously used the disputed sign, therefore if such use had coexisted¹⁵⁴⁷. However, the fact that a position of co-existence had been reached in a given territory/country, it does not confer a right to co-existence in another country. For instance, even though there had been co-existence for a number of years and no evidence of confusion in the USA existed, this had not been accepted by UK Judges as a valid right in the UK as it does not confer a right to co-existence in the UK¹⁵⁴⁸. Equally, peaceful coexistence in a part of the EU does not mean that such peaceful coexistence exists also in another part of the EU. For instance, the peaceful coexistence in Ireland and the United Kingdom due to the fact that the earlier mark holder did not oppose the use of the defendant in these countries, did not allow the conclusion that such coexistence in Spain. Therefore, while it as admitted that there is no

¹⁵⁴³ Yarg. 11 HD 02.03.2011 T. 2009/8708 E. 2011/2089 K.; Uğur ÇOLAK, Türk Marka Hukuku, p.305

¹⁵⁴⁴ determination of a conflict between marks is the same whether the issue is infringement or registration. C-482/09, *Budejovicky Budvar v. Anheuser-Busch Inc* (“*Budejovicky Budvar*”), 22.09.2011, par.69-70

¹⁵⁴⁵ *Ibid.*, par.85

¹⁵⁴⁶ EWCA Civ 880, *Budejovicky Budvar NP v. Anheuser-Busch Inc.*, 2012

¹⁵⁴⁷ EWHC 256 (ch), *Supreme Petfoods*, 12.02.2015, par.183

¹⁵⁴⁸ EWHC 2631 (ch), *Thomas Pink*, 31.07.2014, par.200

likelihood of confusion in Ireland and the UK, the same conclusion is not true for another country such as Spain where peaceful coexistence is absent¹⁵⁴⁹.

Moreover, honest concurrent use arises in cases where a mark has become a guarantee of origin of two unrelated entities, so that it cannot be said to be an exclusive guarantee of origin of either. In that regard, a defense of honest concurrent use can entitle a defendant to continue to use its own name or mark. However, on the contrary, in cases where the marks used by the claimant and defendant are different, it cannot entitle the defendant to use the claimant's mark¹⁵⁵⁰.

Equally, with regard to the uses of trademarks on the internet, the domain name owner can allege against the infringement claims that the trademark proprietor cannot prevent its use due to the acquiescence. For instance, in a case which is confirmed by the Supreme Court, the plaintiff's trade name was Amazon Dış Ticaret ve Turizm Ltd. Şti., and the defendant's was Amazon Tasarım ve Reklam Ltd. Şti. The plaintiff firm was established in 1990 and the defendant firm in 2007. The plaintiff had the trademark "Amazon Reklam Promosyon Film ve Tanıtım Hizmetleri" registered before TPTI. The plaintiff's claimed that the use of www.amazonreklam.com.tr domain name by the defendant constitutes an infringement to its registered trademark. However, the Court rejected the claims as the plaintiff remained silent the the defendant's alleged use for 6 years even though it operates in the same sector as the defendant¹⁵⁵¹.

Likewise, in another case, the plaintiff Elektromak Büro Makineleri San. ve Tic. A.Ş. who is the proprietor of the registered trademark had the trademark "Elektromak+figure" claimed that the defendant Elektromaks Elektronik ve Güvenlik Sistemleri San. Tic. Ltd. Şti. infringed its trademark by creating likelihood of confusion through the domain name www.elektromaks.com.tr. However, the defendant had been using this domain name for 13 years before the date of lawsuit. In this regard, it was held by the Court that filing an infringement and unfair competition lawsuit to the defendant for its domain name use after being silent for 13 years constitutes an abuse of rights, so

¹⁵⁴⁹ C-93/16, Ornu Co-operative Ltd. v. Tindale & Stanton Ltd. Espana SL, 20.07.2017, par.34-38

¹⁵⁵⁰ EWHC 2911 (ch), Victoria Plum, 18.11.2016, par.82, 85

¹⁵⁵¹ İstanbul Anadolu 1. FSHHM 2013/45 E. 2014/242 K. 04.11.2014 T.; Approval Yarg. 11 HD. 2015/1881 E. 2015/11056 K. 26.10.2015 T.

that the the plaintiff has lost its rights to sue the defendant due to the acquiescence in the defendant's use of sign in the domain name as a trademark for 13 years¹⁵⁵².

Again in Eurosport case, the plaintiff was renowned Eurosport Ltd company and the defendant was Euro Sport Konfeksiyon Ürünleri Ltd. Şti. After having found that the trademark registered on behalf of the defendant is invalid, the First Instance Court ordered the cancellation of the trademark and trade name of the defendant company from the register and the domain name eurosport.com.tr used by the defendant. However, the Supreme Court considered that as the defendant's trademark is registered in 1993, the domain name in 1998, the date of the lawsuit is 2008, a period of 15 years has passed between the date of the lawsuit and the registration application of the registered trademark. For this reason, the Supreme Court reversed the decision of the first instance court on the grounds that the defendant added economic value to the disputed trademark, trade name and domain name by investing money and effort on them, that the claimant remained silent to such use from the date when the trademark had been registered and used by the defendant until the motion date even though the plaintiff has activities in Turkey, so that filing the proceeding at hand constitutes an abuse of right.

Notwithstanding that, even if the history of the commercial relations between the parties dates back, the date which should be taken into account is the date on which the distributor started to use the domain name in question on the basis of the distributorship agreement. For instance, even there is a distributorship relation between the parties for more than 15 years, in the case where the claimant claims the prevention of the alleged infringing use through a lawsuit filed in 2010 whereas the defendant registered this domain name in 2008 on its behalf, it shall be concluded that the 2-year period does not lead to the loss of right due to acquiescence by taking into account not a 15-year-old relationship between the parties, but the time period between the year 2008 when the defendant had registered the domain name on its behalf and the year 2010 when the lawsuit was filed¹⁵⁵³.

¹⁵⁵² İstanbul 4. FSHHM 2012/109 E. 2013/135 K. 18.07.2013 T.; Approval Yarg. 11. HD 2013/17968 E. 2014/6993 K. 09.04.2014 T.

¹⁵⁵³ İstanbul 4. FSHHM 2011/190 E. 2013/170 E. 03.10.2013 T.; Approval Yarg. 11. HD. 2014/19146 E. 2015/4360 K. 30.03.2015 T.

In cases where the domain name is registered but not used for a period of time, and is started to be used in a later stage, in my opinion, the loss of right due acquiescence should be calculated from the actual use. The date of sole registration should not be taken into account, because it is not expected from the proprietor of the trademark right to know the registration process of a domain name which is not actually used.

Regarding the cases in UDRP rules, although laches is not a defense in itself under the Policy¹⁵⁵⁴, it is considered by some Panels that the lack of complaint over a long period of time in which the domain name in question is actively used can imply that such use does not pose a serious problem¹⁵⁵⁵.

On the other hand, regarding the trademarks that have co-existed in the market for many years without any conflict, it is possible for the trademarks in question to be used as a keyword by parties. Indeed, as indicated by the English Court, “*where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated. This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant’s trade mark is not impaired by the defendant’s use, because the trade mark does not denote the claimant alone. However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant’s goodwill*”¹⁵⁵⁶.

For instance, in a case where the parties had traded for many years in a great number of directly competing goods, the plaintiff traded under the name “Victoria Plumb”, the defendant under the name “Victorian Plumbing”. Moreover, the plaintiff was the proprietor of some “Victoria Plumb” registered marks. This latter objected to the defendant’s use of the plaintiff’s mark as online search engine terms or “keywords”. The plaintiff did not seek the defendant’s use of the name “Victorian Plumbing”. In fact, the defendant by selecting the terms “Victoria plumb” and its variation, made displayed

¹⁵⁵⁴ WIPO Case No.D2003-0447, The E.W. Scripps Company v. Sinologic Industries

¹⁵⁵⁵ WIPO Case No.D2003-0645, Meat and Livestock Commission v. David Pearce aka OTC/The Recipe for BSE

¹⁵⁵⁶ EWHC 2911 (ch), Victoria Plum, 18.11.2016, par.74

advertisement on search of those terms. In defense, the defendant, admitting that the signs “Victorian Plumbing” and “Victorian Plum” are confusingly similar, it relied upon a defense of honest concurrent use.

According to the Judge, even though the honest concurrent use defense can also be applied to closely similar marks beside the identical marks, the situation is different in case of use of the other party’s mark which is not exactly identical by bidding on them as keywords. In other words, where the parties who has closely similar marks, had survived without any confusion during many years, one cannot use other party’s mark, albeit almost identical, in keyword advertising for its own promotion. This is due to the fact that a defense of honest concurrent use can entitle a defendant to continue to use its own name or mark. By contrast, in cases where the marks used by the claimant and defendant are different, it cannot entitle the defendant to use the claimant’s mark. Moreover, honest concurrent use arises in cases where a mark has become a guarantee of origin of two unrelated entities, so that it cannot be said to be an exclusive guarantee of origin of either. Indeed, in this case, the defendant did not claim any rights over the plaintiff’s trademarks. He recognized that those trademarks indicated, exclusively, the plaintiff and not the defendant. In this regard, the judge did not accepted the honest concurrent use defense of the defendant which is relied for its use on keyword advertisings¹⁵⁵⁷.

¹⁵⁵⁷ Ibid., par.82, 85, 87

7. COMPARATIVE ADVERTISING

Pursuant to art. 7/3-f of the IPL, “the use of the sign unlawfully in a comparative advertisement” can be prohibited by the trademark proprietor and therefore, the use of another’s trademark lawfully in comparative advertisement may constitute a defense against the claims of infringement. Likewise, the same regulation is present in the art. 10/3-f of the Trademark Directive. Accordingly, using the sign in comparative advertising in a manner that is contrary to the Directive 2006/114 concerning misleading and comparative advertising¹⁵⁵⁸ may be prohibited by the trademark proprietor. Otherwise, if a comparative advertising is in conformity with the criteria set out in the Directive 2006/114, the trademark holder cannot prevent such use.

Pursuant to the art. 2/a of the Directive 2006/114, ‘advertising’ means “*the making of a representation in any form in connection with a trade, business, craft or profession in order to promote the supply of goods or services, including immovable property, rights and obligations*”. On the other hand, “comparative advertising” means “*any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor*” (art.2/c). According to the CJEU’s settled case-law, in order to determine whether an advertisement is a comparative advertisement, it should be determined whether such advertisement identifies explicitly or by implication a competitor or its products or services. A statement even by implication with regard to a competitor or to its goods or services is sufficient for there being a comparative advertising¹⁵⁵⁹.

In Turkey, comparative advertisement is regulated in scope of Regulation on Commercial Advertising and Unfair Commercial Practices¹⁵⁶⁰. In scope of this Regulation, the definition of comparative advertisement has been changed with the amendment made in 28.12.2018¹⁵⁶¹. Such that, while before the amendment, the comparative advertisement was defined, in parallel to the EU regulations, as “advertisements that directly or indirectly use the elements of competing goods or

¹⁵⁵⁸ Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (OJ L 376, 27.12.2006)

¹⁵⁵⁹ C-533/06, O2, 12.06.2008, par. 42-44

¹⁵⁶⁰ O.J. 29232, 10.01.2015

¹⁵⁶¹ Regulation Amending the Regulation on Commercial Advertising and Unfair Commercial Practices, art.1 (O.J. 30639, 28.12.2018)

services during the promotion of a good or service”, in scope of new regulation it is defined as “advertisements that compare the aspects related to the goods or services that are promoted with aspects related to competing goods or services that are intended to meet the same purposes or the same needs” (art. 4/1-ğ). In other words, the elements of the goods compared such as their trademarks cannot be used anymore, even by implication, in comparative advertisements in Turkey. The only think that the advertisers can do is to compare the aspects of their goods with those of competitors without using any distinguishing elements of the goods neither explicitly or by implication as in the EU system.

On the other hand, it should be examined whether the comparative advertisement which is regulated within the Trademark Directive and the IPL is “lawful”. This matter is assessed in art. 4 of the EU Directive 2006/114 concerning misleading and comparative advertising. Accordingly, comparative advertising shall, as far as the comparison is concerned, be permitted when “(a) it is not misleading; (b) it compares goods or services meeting the same needs or intended for the same purpose; (c) it objectively compares one or more material, relevant, verifiable and representative features of those goods and services, which may include price; (d) it does not discredit or denigrate the trademarks, trade names, other distinguishing marks, goods, services, activities or circumstances of a competitor; (e) for products with designation of origin, it relates in each case to products with the same designation; (f) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products; (g) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name; (h) it does not create confusion among traders, between the advertiser and a competitor or between the advertiser’s trademarks, trade names, other distinguishing marks, goods or services and those of a competitor”.

Whether a comparative advertisement is lawful is regulated in Turkey within the scope of article 8, which is titled “comparative advertisements”, of the Regulation on Commercial Advertising and Unfair Commercial Practices. Accordingly, comparative advertisements may only be made as long as it is not contrary to the following conditions:

a) product name, trademark, logo, trade name, company name, or other distinctive elements belonging to the competitors should not be included¹⁵⁶², b) should not be misleading or deceptive; c) should not lead to unfair competition; ç) Compared goods or services should meet the same needs or aim for the same purpose; d) an issue that will benefit the consumer should be compared; e) one or more substantial, essential, verifiable and typical characteristics, including the price, of the goods or services should be compared objectively; f) allegations should be based on objective, measurable, numerical data; proven by scientific tests, reports or documents; g) should not denigrate or discredit the goods, services or activities of competitors¹⁵⁶³; ğ) In the comparison of goods or services whose origins are indicated, the goods or services should come from identical geographical location; h) should not cause a likelihood of confusion between the advertiser and the competitor's trademark, trade name, company name or another distinctive sign or goods or services; ı) should not be contrary to the principles determined by the Advertising Board (art. 8/1).

Regarding the use of the competitor's trademark or distinctive signs in comparative advertisement, article 8/2 of the Turkish Regulation on Commercial Advertising and Unfair Commercial Practices which was permitting the use of competitors' trademark or distinctive elements in comparative advertisements, but whose effective date is postponed several times, has been abolished before entering in force, by the Regulation on the Amendment to the Regulation on Commercial Advertising and Unfair Trade Practices published in Official Gazette No. 30639 dated 28.12.2018. Pursuant to the provision in question, in comparative advertising, competitors' names, trademarks, logos or other distinctive figures or expressions, trade names or company names, provided that they are appropriate to the provisions of the first paragraph of this article, could be included. However, with the amendment, even it is possible to make comparative advertising in accordance with the provision of the Consumer Protection

¹⁵⁶² This condition is brought with the Regulation on Amendments on the Regulation of Commercial Advertisement and Unfair Commercial Practices which is published in the Official Gazette No.30639, date 28.12.2018.

¹⁵⁶³ With the Regulation on the Amendment of the Regulation on Commercial Advertisement and Unfair Commercial Practices published in the Official Gazette dated 28.12.2018 and numbered 30639, the expressions "intellectual and industrial property rights, trade name, entity name, other distinctive signs" have been removed from the said provision.

Law and the provisions of Regulation, the prohibition to use competitor's trademark or distinctive signs in these advertisements will continue.

On the other hand, in the European system, the use of the competitor's trademark in the comparative advertisement is not prohibited, even if it is used explicitly. Therefore, the use of the trademark in a comparative advertisement cannot be prevented by the trademark proprietor as long as it satisfies all the conditions set forth in art.4 of the Directive 2006/114. Indeed, within the European system, it is accepted that comparative advertising can stimulate competition and may be a legitimate means of informing consumers of their advantage, so that the rights conferred by the mark can be limited to a certain extent¹⁵⁶⁴. Therefore, lawful comparative advertising constitutes a permitted trademark use. However, on the other hand, where the conditions required to prohibit the use of a sign identical with or similar to a registered mark are met, it is excluded that the comparative advertisement in which that sign is used satisfies the condition of lawful comparative advertising¹⁵⁶⁵. Therefore, for example, where there is likelihood of confusion, the use of the mark in the comparative advertisement does not fall within the concept of lawful comparative advertisement and therefore can be prohibited by the trademark owner. Equally, a comparative advertisement which present goods or services as imitation or replicas of goods or services bearing the mark will not be accepted as lawful comparative advertisement, and thus may be prevented by the trademark proprietor. On this latter subject, for instance, a comparison list mentioning well-known trademarks in order to compare the smell characteristics of the imitation perfumes marketed by a trader had been found as unlawful¹⁵⁶⁶.

As mentioned in previous chapters, the use of domain name and metatag is considered as "advertising" by the CJEU¹⁵⁶⁷. Besides, giving Google AdWords by using another person's trademark as a keyword is a type of advertising through search engine¹⁵⁶⁸ as it aims at promoting sales of alternative goods or services through the

¹⁵⁶⁴ C-533/06, O2, 12.06.2008, par. 33-51

¹⁵⁶⁵ Ibid., par. 46

¹⁵⁶⁶ C-487/07, L'Oréal, 18.06.2009, par.76-80; for critics of the British Judge on this CJEU ruling, see EWCA Civ. 535, L'Oréal v. Bellure, 21.05.2010, par. 5-44

¹⁵⁶⁷ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013

¹⁵⁶⁸ Savaş BOZBEL, Adwords Reklamlar, p. 106

advertising link triggered by the keyword¹⁵⁶⁹. In this regard, the use of domain name, keywords and metatag, which are the types of use on the internet that can be prohibited by the trademark proprietor within the scope of art. 7/3-d of the IPL, is a kind of advertising and it is useful to determine whether such uses fall within the scope of “comparative advertising” and thus constitutes the possibility of lawfulness for the person who is using them. Indeed, pursuant to both article 10/3-f of the Trademark Directive and article 7/3-f of the IPL, “*the unlawful use of the sign in the comparative advertising*” is one type of uses which can be prohibited by the trademark proprietor and therefore, the lawful use of an another person’s trademark in comparative advertising is a way of defense against the infringement allegations.

In order to talk about a comparative advertising, first of all it is necessary to be compared some elements and characteristics that affect the consumer's decision to purchase a good or service. On the internet, it is possible to speak of a comparative advertising when the entity’s call for comparison with competing products (or trademarks) on its web site is made through linking. Indeed, as in AdWords, when a trademark or a sign is given to the search engine by the internet user, a link that directs the user to the goods or services of a competing entity when clicked is displayed on the screen of the internet user, above or on the right of the search results, which can be clearly understood that it’s an ad, there is a comparative advertising. Thus, when there is a clear reference to the competitor’s products in the text/content of AdWords, even if the ad does not contain the competitor’s products, the presence of a comparative advertising should be admitted. Although there is no direct comparison with the competitor's products in this case, if the competitor or trademark proprietor’s website displays different products at different prices, the internet users can easily access the information about the products through this link in AdWords¹⁵⁷⁰. Likewise, according to the Advocate General Jaaskinen, “*if that ad mentions or displays the trade mark, the acceptability of the use depends on whether we are faced with legitimate comparative advertising or, on the contrary, with riding on the coat-tails of the trade mark proprietor*”¹⁵⁷¹.

¹⁵⁶⁹ Roland KNAAK, p.773

¹⁵⁷⁰ Savaş BOZBEL, Adwords Reklamlar, p.110-111

¹⁵⁷¹ C-323/09, Interflora, Opinion of AG Jaaskinen, 24.03.2011, par.103

Indeed, some of the EU Member States Courts, such as Court of First Instance in the Hague, considers that keyword advertising is to be qualified as comparative advertising within the meaning of art. 2/c of the Directive on Misleading and Comparative Advertising. For instance, in Tempur case, where the competitors of Tempur, Energy+ and Medicomfort both used the “tempur” trademark as a keyword and a metatag, the Court found such use as a comparative advertising. It was held that the use of trademark as keywords is necessary for an effective comparative advertising on the internet, as it allows the competitor to address the public interested in competitors’ products¹⁵⁷². Moreover, the mere use of a trademark keyword to trigger a competitor’s ad does not amount to an unfair advantage in terms of art.4/f of the Advertising Directive, nor in terms of art.10/2-c of the Trademark Directive. It is not decisive that the display of the ad as a consequence of the keyword involves an advantage. The advantage is not to be regarded as unfair if the use of the trademark is necessary in light of the objective of the provisions on comparative advertising, namely to inform the consumer and to stimulate competition¹⁵⁷³.

In this regard, in infringement allegations for the use of the trademark in keyword advertising, it is possible to assert that the said use is a comparative advertising. However, in order for this defense to be accepted, the comparative advertisement in question should be lawful and meet the conditions stipulated in relevant legislations.

When taken into considerations the expressions of “not causing unfair competition” and “not causing confusion” of the Turkish legislation, and “it does not take unfair advantage of the reputation of a trade mark”, “it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name” and “it does not create confusion” of the EU legislation, since these conditions are also the circumstances in which the trademark proprietor can prohibit the use in question within the scope of trademark law, it is not possible for the use of a keyword which infringe the trademark right to constitute a lawful comparative advertising. In this respect,

¹⁵⁷² Charles GIELEN, Micheline DON, Philippe PETERS “Dutch Courts Apply ECJ Google Ruling on Keywords”, Lexology, 22.03.2011, <https://www.lexology.com/library/detail.aspx?g=da70ed7f-09ae-49db-b8a3-0d6d911744ca> (last accessed on 16.08.2018)

¹⁵⁷³ Nichol Van Der LAAN, p.43-44

for instance in Tempur case mentioned above, while the Court decided that the use of Energy+ does not meet the requirement for lawful comparative advertising and therefore infringes the trademark right, on the other hand it accepted other defendant, Medicomfort's use of AdWords as a lawful comparative advertising. This was due to the fact that the first defendant's ad did not clearly contrast the claimant's products with those of the defendant, whereas the products of the second defendant were clearly contrasted with other brands¹⁵⁷⁴.

Besides, the advertisement has to be also in conformity with the other criteria set out in art.4 of the EU Directive and art.8 of the Turkish law that do not relate to the protection of a competitor's trademark, but to the protection of consumers. For example, pursuant to art.4/b of EU Directive and art.8/1-ç of the Turkish law, "*the advertising has to compare goods or services meeting the same needs or intended for the same purpose*". Moreover, according to the art.4/1-c of the EU Directive and art.8/1-e of the Turkish Law, "*the advertising must make an objective comparison of one or more material, relevant, verifiable and representative features of the relevant goods and services*". Regarding this latter condition, keyword advertisements do not in general compare explicitly products. However, for instance, advertisements for substitutable products which generally relate to alternative offers, may constitute a comparison of "material, relevant, verifiable and representative" features of the products concerned as long as they are understood by internet users as advertisements intended to offer an alternative or as implicit statements of equivalence in terms of to certain characteristics of the product. However, such advertisement should not create a likelihood of confusion or take unfair advantage of the reputation of the trade mark for being qualified as a lawful comparative advertising¹⁵⁷⁵.

Notwithstanding that, as explained above, in Turkey, it is prohibited to mention in the comparative advertisements product name, trademark, logo, trade name, entity name or other distinctive elements of competitors. Therefore, in such an advertisement, the explicit referral to the trademarks or signs of the competitors will be contrary to the existing regulations in Turkey and thus the use of the mark in unlawful comparative

¹⁵⁷⁴ Ibid., p.44-45

¹⁵⁷⁵ Roland KNAAK, p.774

advertisements may be prevented by the trademark proprietor pursuant to art. 7/3-f of the IPL. Moreover, since the use of another person's trademark as a keyword is considered by Turkish courts as constituting a likelihood of confusion, thus an infringement of the trademark right¹⁵⁷⁶, it has been decided that the use of the competitor's trademark as a keyword does not constitute honest use, and that the AdWords advertising format is contrary to the principle that the comparative advertising must be conducted within the framework of fair competition principles¹⁵⁷⁷.

On the other hand, as stated above, the CJEU held in 2013 that the use of metatags, even if they are invisible to the internet users, is covered by the term « advertising » within the meaning of comparative advertising Directive 2006/114, as *“the concept of advertising expressly encompasses any form of representation, and therefore including indirect forms of representation, particularly where they are capable of influencing the economic behavior of consumers and, therefore, of affecting the competitor whose name or goods are referred to by the metatags”*¹⁵⁷⁸.

In the aforementioned CJEU case, even it is stated that metatags fall within the scope of “advertisement”, the CJEU did not rule on whether the use of metatags constitutes comparative advertising. According to Article 2/c of the Directive 2006/114, comparative advertising means any advertising *“which explicitly or by implication identifies a competitor or goods or services offered by a competitor”*. Accordingly, the use of a metatag identical to another's trade mark constitutes comparative advertising under Article 2/c of the Directive 2006/114 *“if the user thus refers directly or indirectly to, or explicitly or by implication identifies a competitor or the competitor's products”*. When a competitor's trademark is used as a metatag, such a reference to or identification of that competitor can be deemed to be given. However, for advertising triggered by the metatag and leading to internet websites which do not relate to the trademarked goods or services, thus do not relate to substitutable goods or services, there would be no

¹⁵⁷⁶ See “Use of Trademarks in Keyword Advertising” at the subsection II/2-A under the Second Section

¹⁵⁷⁷ Yarg. 11. HD. 2015/12152 E. 2016/9489 K. 12.12.2016 T. (www.kazanci.com)

¹⁵⁷⁸ C-657/11, Belgian Electronic Sorting Technology, 11.07.2013, par.57-58

comparative advertisement due to the lack of substitutability between the goods or service of the person using the metatag and those to which the reference is made¹⁵⁷⁹.

In addition to this, in the case where the use of metatags in question is accepted as a comparative advertisement, in order to constitute legitimate use, it should meet some criteria. The leading criterion among these is the likelihood of confusion which have a great important in respect to trademark law. The determination of the likelihood of confusion in metatag use cases is made case-by-case basis¹⁵⁸⁰. In this regard, an infringement may not occur when all of the elements of the comparative advertisement are met in uses of trademark in metatags.

Regarding the domain names, since the use of the sign corresponding to the trademark in the domain name by a third party causes confusion with the trademark¹⁵⁸¹, the use of the domain name cannot constitute a lawful comparative advertisement.

¹⁵⁷⁹ Roland KNAAK, p.772

¹⁵⁸⁰ See "Use of Trademarks in Metatags" at the subsection II/2-B under the Second Section

¹⁵⁸¹ See "Infringement of Trademarks in Domain Names" at the subsection II/1-B under the Second Section

Third Section

LIABILITIES

In terms of liability, it is obvious that the person who uses a sign which infringes a trademark will be liable of this infringement. However, there may be other actors involved in the infringing use, such as persons whose means are used by the third party infringers, thus intermediaries. In such a case, the liability of these intermediaries will be at issue.

Persons who can be held liable for the infringement of trademark rights on the Internet do not differ much from those who can be held liable for trademark infringements that occur in the physical environment. Indeed, in each cases, there are two kinds of actors whose liability may be held, the one is the person who uses itself the trademark in an infringing manner and the other one is the person who mediates such infringing use.

For instance, suppose a physical market place such as flea markets or shopping malls where counterfeited goods are sold by various market-traders, in such a case the tenant of that marketplace, as being an intermediary whose services are used, would be liable for such use of counterfeited goods? On this subject, it was held by the CJEU that *“an operator which provides to third parties a service relating to the letting or subletting of pitches in a marketplace, thanks to which they have access to that marketplace and offer for sale in that marketplace counterfeit branded products, must be classified as an ‘intermediary whose services are being used by a third party to infringe an intellectual property right’”*¹⁵⁸².

On the other hand, suppose a market place, not physical but online market place such as eBay or Amazon, where counterfeited goods are sold by third party sellers. Again, in such a case, the online market place operator is an intermediary whose services are used by the infringer sellers. This intermediary status is very common in the online environment as the users can operate on the internet only trough internet intermediary service providers. For example, when a person who wants to set up a website and thereby

¹⁵⁸² C-494/15, Tommy Hilfiger Licensing LLC. et al. v. Delta Center, 07.07.2016, par.28, 30

operate on the internet, it should refer to the online intermediary service providers such as access provider in order to transmit its content to the internet users, hosting service provider in order to make available its content on the internet. Again, a person who wants to offer for sale or promote its goods or services on an online market place, or on a social media, it should refer to the operators of these platforms which are online intermediary service providers.

In this regard, in case of infringement of trademark rights on the internet, the liability of persons other than the person who uses itself the trademark may subject to the infringement claims. This is particularly due to the fact that the access to the internet and to the operations therein is provided by the intermediary service providers. Indeed, it is not possible to use the internet without the operators providing access to it and enabling the users to access the information on it. Moreover, especially with the emergence of new technologies, the qualifications and role of these technical operators have also changed over time.

For this reason, the liability on the Internet is particularly complex because of the diversity of online platforms concerned and also the diversity of use modalities involved. Indeed, on auction sites, while trademarks may be used to indicate the (re-)sale of genuine goods, they can also be exploited unlawfully to attract buyers to counterfeit goods. In the framework of search engine services, trademarks may be used to trigger search results assisting users in the identification of web pages dealing with trademarked products or of alternative offers in the marketplace. However, this type of use may also in certain circumstances cause consumer confusion. Regarding the use on social media, inaccurate information may damage brand reputation. Moreover, virtual world content may infringe trademark rights of real life brands¹⁵⁸³.

In this regard, below will be determined, in the first place, the internet actors whose responsibility may be at issue as they operate on the internet (I) and then the liability of these entities according they activities (II). Lastly, it will be examined liabilities of specific entities in specific cases such as entities using the trademark in

¹⁵⁸³ Martin SENFTLEBEN, Notice and Takedown, 2012

domain names, online advertising such as AdWords, online market places and social media (III).

I. INTERNET ACTORS

When a trademark has been infringed on the internet, the proprietor of the alleged infringed trademark may resort to the responsibility of two kinds of actor. These are namely, in the first place, the person who itself infringed the trademark and the other one is the internet service provider whose services are used to infringe the trademark.

In Turkey, the most comprehensive regulation about the responsibility of the internet actors is enacted in 2007 under the Law numbered 5651, entitled Regulation of Publications on the Internet and Combatting Crimes Committed by Means of Such Publications (The Internet Law)¹⁵⁸⁴. With this law, we have been given for the first time the definition of the *content, access, hosting and collective use providers* and the scope of their responsibilities. At this point, it should be pointed out that, within the framework of the Law numbered on 6563 on the Regulation of the Electronic Commerce¹⁵⁸⁵ which entered into force in 2014, it is referred to the “*intermediary service providers*” without making any distinction among the service providers as in the Law no.5651. Accordingly, “intermediary service providers” are natural or legal persons who provide an electronic commerce environment for the economic or commercial activities of third parties (art.2/1-d). On the other hand, the “service providers” are defined as natural or legal persons engaged in electronic commerce activities (art.2/1-ç).

Within the European Union, the internet actors and their liabilities are regulated between the articles 12 and 15 of the E-Commerce Directive 2000/31. The objective of this Directive had been defined as “*to create a legal framework to ensure the free movement of information society services*”¹⁵⁸⁶. Therefore, the said Directive applies only to the providers of “information society services”¹⁵⁸⁷. The services of these latter cover

¹⁵⁸⁴ O.J. 26530, 23.05.2007

¹⁵⁸⁵ O.J. 29166, 05.11.2014

¹⁵⁸⁶ Directive 2000/31, recital 8

¹⁵⁸⁷ For instance, E-Commerce Directive does not apply to UBER since the intermediation service provided by UBER through electronic platforms had not been accepted as an “information society service”, but a “transport service” by the CJEU. See C-434/15, Uber Spain, 20.12.2017, par.33-43; C-320/16, Uber France, 10.04.2018, par.21-22; See also C-390/18 for the qualification of the services provided by AIRBNB. According to the Advocate General Szpunar,

“any service normally provided for remuneration, at a distance, by means of electronic equipment for the processing (including digital compression) and storage of data, and at the individual request of a recipient of a service”¹⁵⁸⁸. In this context, three actors have been identified as intermediary service providers within the scope of the Directive, namely *the mere conduit operators, caching providers and hosting services providers*.

Common feature of the internet intermediaries within the scope of E-Commerce Directive is that these are solely technical intermediaries. For this reason, content providers which are not technically service providers are not regulated in the E-Commerce Directive as in the Turkish Internet Law¹⁵⁸⁹. Indeed, the content providers are not the ones that provide the technical means to the internet users, but only the content that is made available to the internet users. When we match the internet actors in the E-Commerce Directive with those regulated in the Turkish Internet Law, the mere conduit and caching providers can be considered as “erişim sağlayıcı/access provider”, the hosting services provides as “hosting providers/yer sağlayıcı” within the meaning of the Turkish Internet Law. Below will be examined respectively the technical service providers such as access providers/mere conduit operators (1), caching providers (2) and hosting service providers (3) and the non-technical content providers (4).

1. Access Providers/Mere Conduit Operators

Access providing is the most basic internet service offered by internet service providers. Indeed, users can access to information and communication facilities on the internet only by using this service¹⁵⁹⁰. In general terms, any organization that provides internet services can be called an Internet Service Provider (ISP). In principle, any kind

Airbnb’s services constitute an “information society service” within the meaning of E-Commerce Directive. Opinion delivered on 30.04.2019.

¹⁵⁸⁸ Directive 2000/31, recital 17; definition of information society services is given in art.1/2 of the Directive 98/34 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules in information society services (OJ 1998 L 204 p.37) as amended by the Directive 98/48 EC, which is also amended by the Directive 2015/1535 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society Services

¹⁵⁸⁹ It is seen that the distinction in terms of content, access and hosting service provider made in Law No. 5651 is made in parallel with the German Tele Services Law of 1997. Indeed, access and hosting service providers as well as content providers are regulated in this German law. However, while the said German Law was later harmonized with the EU E-Commerce Directive, the Turkish regulation was preserved. For the liability of online provider under the 1997 German Internet Law, see Lothar DETERMANN, “Case Update: German CompuServe Director Acquitted on Appeal”, *Hsating International and Comparative Law Review*, Vol.23, No.1, 1999, p. 114-118

¹⁵⁹⁰ Harun DEMİRTAŞ, *Hizmet Sağlayıcıları ve Aracı Hizmet Sağlayıcılarının Yükümlülükleri*, 2015 Ankara, p.85

of organism providing internet services in terms of infrastructure or organization can be referred to as an internet service provider. However, in parallel to the complexity of cyber-space services and to the increase in the number of users, the process of specialization has begun and internet services have been divided into certain parts. The first of these is the establishment of an infrastructure system that enables data communication. In this context, any internet service provider that makes all kinds of physical infrastructure works to enable communication on the internet and provides this to internet service providers and users is called internet access provider¹⁵⁹¹.

An internet access provider is an internet service provider that connects the computers of the users to each other and to other internet service providers through the lines that it owns or it rents from the local network¹⁵⁹². While access providers are often considered in the same sense as internet service providers, they perform only the mere conduit services. As a matter of fact, in the Turkish Internet Law, the access has been defined as having the opportunity to use by connecting to an internet environment, and the access providers as any natural or legal person who enables users to access to the internet environment (art.2/1-d-e)¹⁵⁹³.

In order to provide such service in Turkey, natural or legal persons are required to obtain certification from the ICTA¹⁵⁹⁴. TTnet, Turkcell, Vodafone, Avea, Türksat, Superonline are examples of companies providing this service¹⁵⁹⁵.

In the E-Commerce Directive, the liability of the mere conduit operator is regulated under the art. 12. Accordingly, a mere conduit operator performs two functions. The first one consists of “*the transmission of information provided by a recipient of the service in a communication network*”. The ISP is playing a passive role in such activities by acting as a mere “carrier” of data provided by third parties through its network. The

¹⁵⁹¹ Tamer SOYSAL, “İnternet Servis Sağlayıcılarının Hukuki Sorumlulukları” (“İnternet Servis Sağlayıcıları”), TBB Dergisi, Kasım-Aralık 2005, p.308; Eser RÜZGAR, p.121-122

¹⁵⁹² Tamer SOYSAL, İnternet Servis Sağlayıcıları, p.308

¹⁵⁹³ Tamer SOYSAL, Alan Adları Hukuku, p.58

¹⁵⁹⁴ Implementing Regulation on the Procedures and Principles Regarding Giving Activity Certificate to Access Providers and Location Providers by the Telecommunications Authority (“*Telekomünikasyon Kurumu Tarafından Erişim Sağlayıcılara ve Yer Sağlayıcılara Faaliyet Belgesi Verilmesine İlişkin Usul ve Esaslar Hakkında Yönetmelik*”), O.J. 26680, 24.10.2007

¹⁵⁹⁵ Ahmet KILIÇ, “5651 sayılı Yasanın Uygulaması ve Karşılaşılan Sorunlar”, T.C. Bilgi Teknolojileri ve İletişim Kurumu Telekomünikasyon İletişim Başkanlığı, İnternet Daire Başkanlığı, Kasım 2015, p. 5

second function is “*the provision of access to a communication network*”, which is commonly known as “providing Internet access”¹⁵⁹⁶. This latter function is the same as the provision of access in the Turkish regulation¹⁵⁹⁷. Therefore, unlike the Turkish legislation, the EU regulation for the mere conduit operators covers in addition to access provision, the transmission of information in the accessed network. However, as information cannot be transmitted without emission and reception, the limitation of liability applies equally to the one that provides access to networks such as the one that transmit this information on the networks, these two being the same¹⁵⁹⁸.

Pursuant to the art.12/2 of the E-Commerce Directive, the acts of transmission and of provision of access include “*the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission*”. Therefore, the mere conduit, which is the simplest form of access, the storage of the information by the ISP, besides being temporary, should not exceed the reasonable time required for transmission and must be made for the sole purpose of transmitting the information to the network¹⁵⁹⁹.

At this point, following questions come to mind: should the provision of access be for a fee? Or can persons who offer this service free of charge be qualified as internet access providers? An example of providing access free of charge is providers of service who make available to the general public an open wireless communication network free of charge. This can be a hotel or a store where free internet access can be provided over the free wireless connection. The question of whether these providers can be considered as access providers and thus benefit from the safe harbor regime, which will be explained below, had been answered positively by the CJEU. According to the Court, even though by application of the information society service’s definition given in the Directive 98/34, the information society services referred to in art. 12/1 of the E-Commerce Directive

¹⁵⁹⁶ Pablo BAISTROCCHI, “Liability of Intermediary Service Providers in the EU Directive on Electronic Commerce”, Santa Clara High Technology Law journal, Vol.19, Issue 1, 2002, p.119

¹⁵⁹⁷ Harun DEMİRTAŞ, p.88

¹⁵⁹⁸ Cédric MANARA, p.63

¹⁵⁹⁹ Nüket Evrim SEVİ, “İnternet Servis Sağlayıcılarının Hukuki Sorumluluğu”, BATİDER, C.22, S.3, 2004, p.195

(mere conduit operators) are *only* those services normally provided for remuneration¹⁶⁰⁰, nonetheless, it does not mean that a service provided free of charge may never constitute an “information society service” within the meaning of art. 12/1 of the E-Commerce Directive. This is due to the fact that the remuneration of a service provided by a service provider does not necessitate that the service should be paid by the persons for whom it is provided¹⁶⁰¹. That is particularly the case when a service which is free of charge is provided by a service provider with the aim to advertise its goods or services, the cost of this activity then being included in the selling price of these goods or services¹⁶⁰². Moreover, as to whether that remuneration must necessarily be paid by the recipient of the service itself, it must be pointed out that such a condition is expressly excluded by recital 18 of the E-Commerce Directive, which states that information society services “*in so far as they represent an economic activity, extend to services which are not remunerated by those who receive them, such as those offering on-line information or commercial communications*”¹⁶⁰³. Therefore, a service which is provided by the operator of a communication network and which makes that network available to the general public free of charge constitutes an “information society service” within the meaning of Article 12/1 of the E-Commerce Directive when it is made by the provider concerned for advertising purposes of its goods or services¹⁶⁰⁴. In these circumstances, an owner of a shop within which it runs a wireless local area network (WLAN) free of charge and open to anyone as intentionally not protected by a password in order to draw the attention of potential customers, is considered as falling within the scope of art.12 which is related to mere conduit operators and therefore the liability exemptions are applied to these operators. Even in some countries, such as Germany, the liability for access providers are extended by the law to the providers which offers Wi-Fi connection¹⁶⁰⁵.

Moreover, in order for the service which consists in providing access to a communication network, to be considered to have been provided within the meaning of

¹⁶⁰⁰ C-484/14, Tobias Mc Fadden v. Sony Music Entertainment Germany GmbH (“Mc Fadden”), 15.09.2016, par.39

¹⁶⁰¹ C-291/13, Sotiris Papasavvas v. Fileleftheros Dimosia Etairia Ltd. (“Papasavvas”), 11.09.2014, par.28-29

¹⁶⁰² C-484/14, Mc Fadden, 15.09.2016, par 42-43

¹⁶⁰³ C-291/13, Papasavvas., 11.09.2014, par.28

¹⁶⁰⁴ C-484/14, Mc Fadden, 15.09.2016, par.43

¹⁶⁰⁵ Federica GIOVANELLA, Mélanie DULONG DE ROSNAY, “Community Wireless Networks, Intermediary Liability and the McFadden CJEU Case”, Communication Law, Bloomsbury, Wiley, 2017, 22(1), p.16

art.12 of the E-Commerce Directive, there isn't any further condition which should be satisfied than that access must not go beyond the scope of a "technical, automatic and passive" process for performing the transmission of the information required¹⁶⁰⁶.

2. Caching Providers

The function of the internet service providers providing access services in order to enable the users to access or upload new information on the internet is to act as a bridge for this connection. However, it is also possible to the access provider to host a variety of services such as caching, mail server or managing news or chat forums¹⁶⁰⁷. Of these, caching services consist of copying and storing the websites which are most frequented by users and thereby where the access is dense. In this way, many users can be provided with effective access services simultaneously¹⁶⁰⁸.

Even though the caching service is generally provided by the access providers¹⁶⁰⁹, this is regulated separately in the E-Commerce Directive. Accordingly, the caching operations regulated by art.13/1 of the Directive is the transmission in a communication network of information provided by a recipient of the service. The provider of a caching service realizes an "*automatic, intermediate and temporary*" storage of the information "*for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request*" (art.13/1).

Therefore, the caching service can be defined as an automatic, intermediate and temporary storage of the information at the request of the recipient in order to make the information transmission more efficient¹⁶¹⁰. Frequent are situations in which users want to see the same information at the same time. This is the case, for example, with content from popular sites or when there is direct online broadcasting of an event¹⁶¹¹. In fact, caching increases the web performance by storing on the cache memory the accessed web

¹⁶⁰⁶ C-484/14, Mc Fadden, 15.09.2016, par.54

¹⁶⁰⁷ Harun DEMİRTAŞ, p.85

¹⁶⁰⁸ Ibid., p.86

¹⁶⁰⁹ Mine KAYA, "Almanya'da İnternet Servis Sağlayıcılarının Hukuki Sorumluluğu", Ankara Üniversitesi Hukuk Fakültesi Dergisi, C.64, S.3, Eylül 2015, p.757

¹⁶¹⁰ Nüket Evrim SEVİ, p.197

¹⁶¹¹ Cédric MANARA, p.67

objects. Cache memory is a memory that functions between the main memory and the central processing unit and is much faster than the main memory. Therefore, it increases the speed of the computer by retrieving information from the temporarily held information in the cache instead of continuously transferring information from the main memory. It can be said that caching, which is a temporary process, is similar to the mere conduit in this respect¹⁶¹².

The difference of this storage from simple transmission (mere conduit) is the time it takes to store information¹⁶¹³. As a matter of fact, the E-Commerce Directive stipulates that the storage of information stored within the scope of mere conduit operators' services shall not exceed the reasonable necessary time for the transmission (art.12/2) whereas there is no such requirement for caching operators (art.13).

The storage referred to in Article 13 of the Directive must be automatic, intermediate and temporary. Automaticity refers to the practices of programming a tool so that it identifies any modification of data emitted by third parties that has occurred since their last cache storage. In this way, the intermediary can make available to its users the data in their latest state, faithful to what their issuer has transmitted. On the other hand, by identifying any changes in the existing data, the data stored in cache will be changed to reflect their modification. Such a refresh of the status of the data thus makes the storage "temporary". In the case of "intermediate" storage, the provider is not prohibited from contractually using a third party to store the data in question¹⁶¹⁴.

3. Hosting Providers

In order for any content on the internet to be accessible, it is needed for systems to host this content and publish it 7 days 24 hours. Natural or legal persons which host the content on the internet due to its technical infrastructure are called hosting service providers¹⁶¹⁵. In other words, hosting services refers to the service of storing and

¹⁶¹² Savaş BOZBEL, *Fikri Mülkiyet*, p.315

¹⁶¹³ Tamer SOYSAL, *İnternet Servis Sağlayıcıları*, p. 314

¹⁶¹⁴ Cédric MANARA, p.67-68

¹⁶¹⁵ Ahmet KILIÇ, p. 4

recording the content of information uploaded to the internet and thereby provided to users¹⁶¹⁶.

This service is more than just the mere conduit or caching activities as unlike the access provider whose role is limited to ensuring the transfer of data in instantaneity and without the possibility of controlling the content of what passes through its service, the hosting provider performs a permanent storage service of information that the domiciliation on its server makes available and accessible to people wishing to consult it¹⁶¹⁷. Moreover, hosting provision service is not an automatic but a voluntary service, meaning that data is stored at the individual request of a service recipient¹⁶¹⁸.

Even though the definition of the hosting service is not given in the E-Commerce Directive, it is understood from the provision regulating the liabilities of the hosting service providers that it is a “service consisting of the storage of information provided by a recipient of the service”. Similarly, the hosting provider is defined in the Turkish Internet Law as natural or legal persons who provide or operate systems that hosts services and contents. From this definition, it is understood that the hosting provider does not create any content, but it stores contents of other persons. In fact, the hosting provider hosts and makes available the content of a third party for this third party¹⁶¹⁹. For example, a person who sets up a website, after having registered its domain name which will be used for this website, need to store the content of this website to allow internet users to visit at any time. This storage or hosting process is carried out by the hosting service providers. In fact, the function of a hosting provider is, in principle, to connect the user to the data available on the internet by using its computer for this purpose. Hosting service providers may provide services to the internet users, but also to the other hosting service providers. For example, the hosting service provider that stores payment information of consumers who enter into an e-commerce site may differ from the hosting service provider that stores information about the purchased good¹⁶²⁰.

¹⁶¹⁶ Harun DEMİRTAŞ, p.95

¹⁶¹⁷ Christiane FERAL-SCHUHL, p.1313

¹⁶¹⁸ Ümit GEZDER, İçerik Sağlayıcısının ve Yer Sağlayıcısının Hukuki Sorumluluğu ve Sorumluluk Muafiyeti, İstanbul 2017, p.117

¹⁶¹⁹ Ibid., p.114

¹⁶²⁰ Eser RÜZGAR, p.122

Secondly, as it is indicated in the text of the Turkish Internet Law, it is possible for the hosting service provider to “provide” or “operate” systems that hosts services or content. In other words, it is not important whether or not the service provider uses the storage systems belonging to him or to the third party. In this regard, the hosting activity does not require that the service provider operates the server itself for access to the content of the third party¹⁶²¹.

In general, hosting service provision means the storage of *third party content* on the internet. Although this issue is not explicitly stated in the Turkish Internet Law, it is understood from its verba legis. Indeed, as it was stated clearly in the E-Commerce Directive, hosting service is a service consisting of “*the storage of information provided by a recipient of the service*”.

At this point, it should be pointed out that, nowadays the web hosting has evolved considerably and while the existing providers were mostly “hosting websites” which makes essentially their servers available to the recipient of the service to develop their own websites, it appeared new online operators which can be qualified user generated content (UGC) websites such as Facebook, Twitter, Google, etc.¹⁶²². In this context, the welcoming definition of the hosting provider allowed the judge to apply this qualification to new internet operators, as many internet activities involve storing and making available data¹⁶²³. These new actors of web 2.0. have sought to benefit from the favorable regime of liability of the hosts set by the E-Commerce Directive. Since the Community legislature did not initially target those operators, the Court of Justice had to specify the conditions for its application in the *Google France* judgments of 23 March 2010¹⁶²⁴.

Pursuant to the art.14 of the E-Commerce Directive, the activities of hosting service providers consist of “*the storage of information provided by a recipient of the*

¹⁶²¹ Ümit GEZDER, p.119

¹⁶²² Béatrice MARTINET FARANO, “Internet Intermediaries’ Liability for Copyright and Trademark Infringement: Reconciling the EU and US Approaches”, Stanford-Vienna Transatlantic Technology Law Forum, TTLF Working Papers, No.14, 2012, p.67-68

¹⁶²³ Céline CASTETS-RENARD, Droit de l’Internet, p.304

¹⁶²⁴ Céline CASTETS-RENARD, “Le Renouveau de la Responsabilité Délictuelle des Intermédiaires de l’Internet”, Recueil Dalloz 2012, p.827. For Google France case, see “Use of Trademarks in Keyword Advertising” at the subsection II/2-A under the Second Section

service”. However, in determining whether a service provider is a hosting service provider, which is an important issue for the liability regime, the CJEU, in Google France case, by assessing the art.14 in conjunction with recital 42 of the Directive¹⁶²⁵, introduced a new requirement. In this context, for being qualified as a hosting service provider, this provider should not play “*an active role*” with regard to the content that it provides hosting services. According to the CJEU, “*it follows from recital 42 in the preamble to Directive 200/31 that the exemptions from liability established in that directive cover only cases in which the activity of the information society service provider is ‘of a mere technical, automatic and passive nature’, which implies that that service provider ‘has neither knowledge of nor control over the information which is transmitted or stored’.* Accordingly, in order to establish whether the liability of a referencing service provider may be limited under Article 14 of Directive 2000/31, it is necessary to examine whether the role played by that service provider is neutral, in the sense that its conduct is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which it stores”¹⁶²⁶. According to the Court, the onerous nature of the service and any general information given by the service provider to its customers are irrelevant for the analysis of the active role of the service provider¹⁶²⁷.

With this decision, the reference to the recital 42 added a condition to the hosting qualification. Therefore, national judges are therefore invited to check on a case-by-case basis whether these conditions of neutrality and passivity are respected. Indeed, in addition to the technical nature of the hosting service, consisting of storing data and making it accessible on the Internet, the service provider must have a passive role¹⁶²⁸. New terms: "neutrality", "passivity", "control of information" appear in this decision. Although the Court of Justice has, on the one hand, extended the qualification of hosting providers to the new activities of web 2.0, it increases, on the other hand, the level of requirement¹⁶²⁹. For example, a newspaper publisher publishing on its website the

¹⁶²⁵ On this point, see the critics of the AG Jaaskinen, C-324/09, eBay, Opinion delivered on 09.12.2010, par.138-146. He argues that recital 42 refers to “mere conduit” and “caching”, thus “*the limitation of liability of a hosting provider should not be conditioned and limited by attaching it to recital 42*”. Rather, recital 46 concerns hosting providers.

¹⁶²⁶ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.113-114

¹⁶²⁷ Ibid., par.116

¹⁶²⁸ Céline CASTETS-RENARD, Droit de l’Internet, p.306-307

¹⁶²⁹ Céline CASTETS-RENARD, La Responsabilité des Intermédiaires de l’Internet, p.827

electronic version of a newspaper, is not considered, by the CJEU, as an “intermediary service provider” within the meaning of Articles 12 to 14 of the E-Commerce Directive. This is due to the fact that it has, in principle, knowledge of the information it publishes and exercises control over it¹⁶³⁰. On the other hand, the discussion forums have been assimilated to the hosting service provider, insofar as they do not make a prior editorial control¹⁶³¹. Equally, the Turkish Supreme Court has considered that the web site “sikayetvar.com” where consumers indicate their complaints as a hosting provider¹⁶³².

Moreover, *collaborative websites* and *RSS (Really Simple Syndication) aggregator sites* have also been considered as hosting service providers by French judges¹⁶³³. *Collaborative or participatory sites* offer a space for internet users to disseminate data that can take all kinds of forms such as videos, music, images, texts, etc. The common point of these sites is that Internet users bring the content themselves. For example, video sharing sites provide a space to allow Internet users to post videos made accessible on the Internet to all internet users. The most famous sites are *You Tube*, *Dailymotion*. Sites like *MySpace*, *Facebook* meet the same characteristics and are also intended to create a real network as they offer a space for expression and exchange with other internet users. In addition, some sites allow to share encyclopedic type of knowledge, such as the *Wikipedia*, which implements an online multilingual encyclopedia, whose content is freely modified by internet users¹⁶³⁴. With regard to the legal qualification of these sites by the legal authority, for example, the sites *Wikipedia*¹⁶³⁵, *MySpace*¹⁶³⁶, *Facebook*¹⁶³⁷, *Dailymotion*¹⁶³⁸, *Google Video*¹⁶³⁹ have been recognized by the French judges as the hosting service providers and not as the content providers.

¹⁶³⁰ C-291/13, Papasavvas, 11.09.2014, par.45-46

¹⁶³¹ Céline CASTETS-RENARD, Droit de l’Internet, p.310

¹⁶³² Yarg. 11. HD. 2016/14151 E. 2018/5088 K. 10.09.2018 T.

¹⁶³³ Céline CASTETS-RENARD, Droit de l’Internet, p.304

¹⁶³⁴ Ibid., p.304

¹⁶³⁵ TGI Paris, ord. Réf. 29.10.2007, Marianne B. Et autres v. Wikimedia Foundation

¹⁶³⁶ TGI Paris, ord. Réf. 22.06.2007, Jean-Yves L. dit. Lafesse v. MySpace

¹⁶³⁷ TGI Paris, ord. Réf. 13.04.2010, Facebook v. Hervé G.

¹⁶³⁸ TC Paris, 16e ch., 27.04.2008, Davis Film v. Dailymotion

¹⁶³⁹ TGI Paris, 19.10.2007, Zadig Production et autres v. Google Inc

On the other hand, *RSS aggregator sites* need to be examined. These sites take back information published by other sites. There are two types of aggregation: aggregation of information by syndication feeds or RSS (syndication feed) and by a polling system called "digg-like"¹⁶⁴⁰.

In principle, the implementation of a feed of syndication makes it possible to diffuse information entirely contained on the site containing it. The information aggregator site is a simple empty shell that hosts the feeds, which make the link with the site disseminating information¹⁶⁴¹. Regarding their legal nature, they can be qualified as a host because these sites simply group on a single page different RSS feeds from the sites to which it is subscribed and only these have the control of the content of their feed. On the other hand, these aggregation sites do not perform any intervention on the texts posted on line. As a result, the French court considers that these site cannot be considered as a content provider, but their responsibility can only be covered by the only regime applicable to web hosting service providers, as the automaticity of the receipt of feeds RSS makes it almost impossible to filter illegal content¹⁶⁴².

On the other hand, the digg-like system is an online social tool that allows users to share and promote web pages with other users of the service. Thus, it is the internet users themselves who offer content and who try to make it appear in a good position, through a voting system of the entire community. There is therefore a choice and prioritization of the content by the internet users themselves and not by the site manager who merely offers a space for internet users to aggregate and prioritize information. In France, for example, even if the first instance court judges initially considered that the aggregator of information is publisher of online communication services, the Court of Appeal opted for the qualification of hosting service provider. The first instance court judges, initially, considered that the aggregator site makes an editorial choice, notably by arranging various headings and by titling the title of the information broadcast in large print. Moreover, according to these judges, since he alone decides on the organization and presentation of the site, the act of publication must therefore be held as regards the

¹⁶⁴⁰ Céline CASTETS-RENARD, *Droit de l'Internet*, p.308

¹⁶⁴¹ *Ibid.*, p.308

¹⁶⁴² *Ibid.*, p.309; TGI Nanterre, 1^{er} ch., 25.06.2009, *Olivier D. v. Wikio*

aggregator sites, not as a mere material act, but as the desire to put the public in touch with messages of their choice¹⁶⁴³. But on the other hand, according to the Court of Appeal, the fact of structuring and classifying the information made available to the public according to a classification chosen by it to facilitate the use of its service is the activity of the storage service provider and does not give it the quality of content provider since it is not the author of the titles and the hypertext links and it does not determine the contents of the site which is the source of the information which the link hypertext targets. Moreover, it has no way to verify the content of the sites to which the links which are put online by the internet users point¹⁶⁴⁴.

4. Content Providers

In the online environment, the content that internet users have access to are created by content providers. In general terms, content provider are any natural or legal person who, professionally or otherwise, edits and puts online information for internet users by publishing it on its website¹⁶⁴⁵.

Content providers are defined, in the Turkish Internet Law, as natural or legal persons that produce, modify or provide all kinds of information or data offered to users on the internet environment (art.2/1-f).

First of all, the notion of “internet environment” should be analyzed as the content provided in environment not covered by internet will not fall within the scope of this provision. “Internet environment” is defined in art.2/1-g of the Turkish Internet Law as the environment created on the internet which is open to the public and which falls outside the personal or corporate computer systems. In this respect, only the environments created on the publicly open internet are included within the scope of the Law and the local networks closed to the public with personal or institutional characteristics are not considered as the internet environment within the meaning of the Turkish Internet Law. Accordingly, if an information or data is put, for example, on a local network that is

¹⁶⁴³ Céline CASTETS-RENARD, *Droit de l’Internet*, p.309, footnote.97; TGI Paris, réf, 26.03.2008, Olivier M. v. Bloobox Net

¹⁶⁴⁴ *Ibid.*, p.309-310; CA Paris, 14^e ch, sect. B, 21.11.2008, Bloobox Net v. Olivier M. (approved by C. Cass., 17.02.2011, Olivier M. v. Bloobox-net)

¹⁶⁴⁵ Christiane FERAL-SCHUHL, p.1351

accessible to only to the students of a school, this information or data provision is not covered by the Internet Law. On the other hand, in order to be in presence of an internet environment, it is not important that access to the website in question is subject to any registration or condition. In other words, for example, the fact that a website requires membership or a fee for the access to this site, does not prevent that website to be a public internet environment¹⁶⁴⁶.

The content provider is responsible for all kinds of content it provides on the internet environment. On the other hand, s/he is not responsible for the third party's content to which s/he provides a link. However, if it is understood from the presentation format that s/he adopts the content to which s/he provides a link or aims that the user accesses to such content, s/he will be responsible under the general provisions (art.4/1-2). Accordingly, when these provisions are considered together, content provider is any natural or legal person who produces, modifies or provides all kinds of information or data on the internet and who is totally or partly responsible for them¹⁶⁴⁷.

In this regard, people who have the will to determine what information or/and data should be on the internet and who can be held responsible for this content are content providers. In fact, even if the content is not prepared or produced by itself but by a third party, the person who provides a link, through linking or framing, to that third party's content is considered as a content provider¹⁶⁴⁸.

Content providers and their responsibilities are not regulated under the E-Commerce Directive as this directive relates only internet actors that perform technical functions. On the contrary, the French Law for Confidence in the Digital Economy ("*La Loi pour la Confiance dans l'Economie Numérique*" - *LCEN*) which transposes the E-Commerce Directive refers in its art.6/III to the editor/publisher as the person whose activity is to edit/publish an online communication service. In addition, the French case-

¹⁶⁴⁶ Mustafa ATEŞ, "Sosyal Medya Aktörlerinin Hukuki Sorumluluğu ve Bilhassa Telif Haklarının İhlalinden Doğan Sorumlulukları", *Fikri Mülkiyet Hukuku Yıllığı* 2013, p. 66

¹⁶⁴⁷ Ümit GEZDER, p.29

¹⁶⁴⁸ Harun DEMİRTAŞ, p.117

law considers that an editor/publisher is the one who selects the content made available to the public on the service s/he has created and for which s/he is responsible¹⁶⁴⁹.

Internet content providers are institutions, organizations and individuals who contribute, through information transfer, to the formation of the content of any website that is accessible on the internet¹⁶⁵⁰. In this regard, it is possible that the content of a website may be published by the person who produces the content itself, but also the content produced by others may also be published by others. In this latter case, the person who puts the content on the internet can be considered as an editor/publisher. The role of an editor/publisher is characterized by the editorial choice of the content and their presentation, which implies an intellectual intervention¹⁶⁵¹.

¹⁶⁴⁹ Nathalie DREYFUS, p.380

¹⁶⁵⁰ Savaş BOZBEL, Fikri Mülkiyet, p.319; Tamer SOYSAL, Alan Adları Hukuku, p.61

¹⁶⁵¹ Céline CASTETS-RENARD, Droit de l'Internet, p.342

II. LIABILITY ON THE INTERNET

There are two approaches to deal with the liability of Internet Service Providers, which are vertical and horizontal ones. *In vertical approach*, different liability regimes apply to different areas of the law. This is the one adopted by the United States¹⁶⁵². On the other hand, *in horizontal approach*, there is one liability regime applicable to any infringement regardless of the field of law. Thus the same regime applies to any type of infringement, be it copyright, trademark, defamation or privacy rights¹⁶⁵³. This approach is the one used by the EU E-Commerce Directive as it is seen from *travaux préparatoires* of this legislative act, the limitation in question covers, horizontally, any forms of liability for unlawful activities of any kind¹⁶⁵⁴. However, on this point, it should be noted that apart from the general horizontal liability regime of the E-Commerce Directive, the new EU Copyright Directive¹⁶⁵⁵ has brought a specific liability regime for especially for online content-sharing service providers. In that regard, the horizontal application of the E-Commerce Directive in the EU has been slightly amended recently.

The Turkish regulation has also adopted a horizontal approach. The Turkish Internet Law aims rather to regulate the public law dimension of the publications published on the internet and to determine who are responsible to what extent for the criminal acts under the criminal law¹⁶⁵⁶. However, as this Law is the only one in Turkey with regard to the violations that occur on the internet, it has a “special law” characteristics. In this respect, this Law applies to all kind of liabilities arising from all types of violations committed on the internet¹⁶⁵⁷. Therefore, this Law can be applied to disputes related to attacks on personal rights as well as to disputes related to intellectual or industrial property rights. In fact, for example, in the art. 4 which regulates the liability of the content provider, it is stipulated that the content provider is responsible for “all kinds” of content that s/he provides on the internet, so that the concept of “all kinds of content” is not limited to the unlawful acts mentioned in this Law. For this reason, the

¹⁶⁵² US Federal law makes a distinction between liability for IP infringements and other civil actions.

¹⁶⁵³ Pablo BAISTROCCHI, p.117

¹⁶⁵⁴ C-484/14, Mc Fadden, Opinion of AG Szpunar, 16.03.2016, par.64

¹⁶⁵⁵ Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directive 96/9/EC and 2001/29/EC (O.J. L130/92, 17.05.2019)

¹⁶⁵⁶ Mustafa ATEŞ, p.99

¹⁶⁵⁷ Ibid., p.107

concept of “any kinds of content” has been interpreted as including content violating the intellectual and industrial property rights such as trademark, copyrights, designs, patents¹⁶⁵⁸. Therefore, it is clear that the approach adopted by the Turkish regulation is a horizontal one.

Both the EU and Turkish provisions do not provide for a general liability regime of ISPs. Instead, it provides for a specific system of exemption from liability¹⁶⁵⁹, knowns as “*safe harbor*”. This means that in cases where an internet service provider provides a specific service and complies with a set of requirements, it will not be held liable for the services provided. On the contrary, in the event where an ISP does not benefit from “safe harbor” exemption, its liability will be determined by the relevant laws¹⁶⁶⁰.

Therefore, essentially, the provisions with regard to the internet service providers in both the European E-Commerce Directive and the Turkish Internet Law actually limit the liability of internet service providers and impose exemptions on their liabilities. In this regard, in cases involving internet service providers’ liabilities, it is necessary to determine in the first place whether there is any reason for their irresponsibility by applying these provisions as a filter. These provisions for the internet service providers’ liability are not intended to resolve the merits of the dispute or of a claim, but constitute equivalent conditions for the existence of that claim. On the other hand, these liability exemptions do not apply to claims such as the termination or prevention of an infringement which are not based on a fault. Rather, these provisions are applied in compensation claims¹⁶⁶¹. In other words, these limitations only apply for damage claims and not for the injunctions. In fact, infringement of trademark rights constitutes essentially a tort, so the award of compensation for a tort is conditional on the infringer’s faulty conduct. On the contrary, the existence of a fault is not required to stop, prevent or eliminate the consequences of the infringement¹⁶⁶². Indeed, recital 45 of the E-Commerce Directive states that “*the limitations of the liability of intermediary service*

¹⁶⁵⁸ Ibid., p.97

¹⁶⁵⁹ According to AG Jaaskinen, provisions concerning liability should be construed as exemption to liability and thus be interpreted narrowly. C-324/09, eBay, Opinion of AG Jaaskinen, 09.12.2010, par.136

¹⁶⁶⁰ Pablo BAISTROCCHI, p.117-118

¹⁶⁶¹ Mine KAYA, İnternet Servis Sağlayıcıları, p.742 -748

¹⁶⁶² Yarg. HGK 2013/11-1138 E. 2014/16 K. 15.01.2014 T.

providers established in this Directive do not affect the possibility of injunctions of different kinds; such injunctions can in particular consist of orders by courts or administrative authorities requiring the termination or prevention of any infringement, including the removal of illegal information or the disabling of access to it". Accordingly, where the conditions limiting the liability laid down in the Directive are satisfied, an internet service provider may not be held liable and therefore a right owner whose right is infringed cannot claim damages from that service provider on the ground that the service was used by third parties to infringe its rights¹⁶⁶³. Nevertheless, the member states have the possibility, through their national court or administrative authority, of requiring a service provider the termination or prevention of an infringement¹⁶⁶⁴.

The E-Commerce Directive deals separately with the different functions performed by the ISPs that may give rise to specific limitations of liability. In this regard, it sets forth, on the one hand, a general condition (being an intermediary service provider) and, on the other hand, a number of specific conditions relating to each exemption¹⁶⁶⁵.

Specific conditions pertaining to each exemption is examined in the below section. Regarding the general condition which is being an intermediary service provider, a "service provider" is defined as "any natural or legal person providing an Information Society Service" which provides services "*normally provided for remuneration*", "*at a distance*", "*by means of electronic equipment*" and "*at the individual request of a recipient of a service*". Moreover, the E-Commerce Directive provides that a service provider may be exempted from liability only if it provides one of three activities specifically defined by the Directive, namely mere conduit, caching and hosting services. Therefore, under the E-Commerce, the special regime of liability laid down to the benefit of internet intermediaries is subject to a number of requirements, such as being qualified a service provider, performing an activity covered by the exemption, conforming with the specific conditions of each safe harbor. On the other hand, in case of non-compliance by

¹⁶⁶³ C-484/14, Mc Fadden, 15.09.2016, par.74

¹⁶⁶⁴ *Ibid.*, par.76-77

¹⁶⁶⁵ Béatrice MARTINET FARANO, p.19

an intermediary with this to special liability regime, its liability will be assessed in light of the laws governing regular liability for trademark infringement¹⁶⁶⁶.

In Turkey, as mentioned above, the responsibility of internet actors has been regulated under the Law no.5651, called the Internet Law. For the liability regime adopted under this Law, it had been inspired from the provisions of the German Tele-Services Act of 1997¹⁶⁶⁷¹⁶⁶⁸. In the Turkish Internet Law, definition of internet service providers has been given without any technical description as in the E-Commerce Directive and the general liability/liability exemption conditions have been stipulated accordingly. At this point, it should be noted that while the corresponding law of the EU E-Commerce Directive in Turkey is the Law no.6563 on the Regulation of Electronic Commerce, however, there is no regulation in the Turkish Electronic Commerce Law as in the E-Commerce Directive¹⁶⁶⁹. In fact, even though it is stated in art.1/2 that this Law relates also to the responsibilities of intermediary service providers, in art.9 titled “Obligations of Intermediary Service Providers”, it is only stipulated without any distinction among the service providers that intermediary service providers do not have an obligation to control the content of third parties using the electronic environment they provide and to investigate whether there is an unlawful activity or situation with regard to that content or goods or services subject to that content. Moreover, this article 9 has been repeated in art.6/4 of the Regulation on the Service Providers and Intermediary Service Providers in the Electronic Commerce¹⁶⁷⁰, which has been enacted pursuant to the paragraph 2 of the same article of the Law no. 6563.

Regarding the liability of internet service providers/intermediaries, a distinction should be made between the operators whose liability is covered under the “safe harbor” regime in one hand and the ones whose liability will be assessed under the traditional

¹⁶⁶⁶ Ibid., p.20-21, 31

¹⁶⁶⁷ The German Tele-Services Act 1997 was revised in 2001 in line with the Directive after the adoption of the EU E-Commerce Directive and changed its name to Telemediengesetz in 2007. Mine KAYA, *İnternet Servis Sağlayıcıları*, p.746-747

¹⁶⁶⁸ Adalet Komisyonu Raporu, 12.04.2007, <https://www.tbmm.gov.tr/sirasayi/donem22/yil01/ss1397m.htm>

¹⁶⁶⁹ In the text of Law No. 6563 prepared by the Council of Ministers, there was a draft regulation in line with the EU E-Commerce directive including caching services providers. However, it was not included in Law no. 6563 since it would be more appropriate to regulate the said regulation in Law no. 5651. For more information see Harun DEMİRTAŞ, p.81-83

¹⁶⁷⁰ O.J. 29457, 26.08.2015

liability regime on the other hand. In this context, the liability of technical intermediaries who are covered by the safe harbor regime will be analyzed in the first place (1). In the following section, the entities whose liability is not covered by the safe harbor regime, because either they are not functioning as technical intermediaries such as content providers or even they function technically but they do not fall within the safe harbor regime, will be analyzed (2).

1. Liability of Internet Service Providers under the “Safe Harbor” Regime

The proprietor of the alleged infringed trademark may resort to the responsibility of two kinds of actor. These are namely, in the first place, the person who itself infringed the trademark, namely the content provider and the other one is the internet service provider whose services are used to infringe the trademark. In general, the anonymity of the content providers makes it difficult for the trademark owner to reach the content providers. Moreover, even if they can be identified, it is also difficult to bring a lawsuit against these persons as they may be located in different countries. For these reasons, it is more practical and effective way for the trademark owners to resort to the internet service providers. However, in such a situation, these internet service providers are confronted with the infringement allegation even though they are not those who make the infringement, but mere intermediaries. To this respect, the liability conditions of these intermediaries have been regulated clearly in various countries including the Europe and Turkey.

Internet actors whose liability is regulated in the E-Commerce Directive are only intermediaries who provide technical services for its users, namely mere conduit, caching and hosting service providers. Therefore, only these operators are subject to the “safe harbor” regime. Equally, within the Turkish Internet Law, the operators who are subject to the conditional liability regime, thus to the “safe harbor” regime are access and hosting service providers. On the other hand, content providers who are also covered under this Internet Law do not benefit from this liability regime.

Under both the E-Commerce Directive and the Turkish Internet Law, the access and hosting service providers have no general obligation to monitor the content which they transmit or store. The same principle applies for the caching service providers for

the European regulation. Moreover, these intermediary service providers do not have general obligation to seek actively facts or circumstances indicating illegal activity. According to the art. 15 of the said Directive, Member States shall not impose such a general obligation on these providers.

As mentioned above, these internet service providers are exempted from liability under the “safe harbor” regime. However, this irresponsibility is not limitless and subject to certain conditions, which are indicated individually within the E-Commerce Directive. Whether a service provider is liable is determined on the basis of the nature of the service they provide. In this regard, the liability of an ISP who provides only a mere conduit service and the liability of an ISP who provides a mere conduit service but also content provision service would not be the same¹⁶⁷¹. As will be discussed in detail below, a hosting service provider who operates under different hats may be exempted from liability only for its hosting services but not for other services it provides. In such a case, even if this provider operates under the name of hosting service provider, it will not be able to benefit from the liability regime of the hosting service providers with regard to its activities that exceed the hosting service providers’ activities. Indeed, as pointed out by the Advocate General Jaaskinen in his opinion in *eBay* case¹⁶⁷², the provisions related to liability intend to create exceptions to certain *types of activity* exercised by a service provider and not to a *service provider type* as such.

Within this context, it will be examined below the internet service providers whose liabilities are regulated under the “safe harbor” regime, namely, the access providers/mere conduit operators (A), the caching service providers (B) and the hosting service providers (C).

A. Liability of Access Providers/Mere Conduit Operators

The owner of an unlawful content on the internet is the content provider and the person who hosts this content is called the hosting provider. On the other hand, the ones who provide the infrastructure for the internet access to third parties are the access providers. Therefore, the access provider is neither the one who produces or provides the

¹⁶⁷¹ Tamer SOYSAL, *İnternet Servis Sağlayıcıları*, p. 310

¹⁶⁷² C-324/09, *eBay*, Opinion of AG Jaaskinen, 09.12.2010, par.147

allegedly unlawful content nor the one who hosts it. Therefore, it is not a party to the unlawful act. In this respect, both the European and the Turkish legislation have introduced regulations based on the irresponsibility of access providers¹⁶⁷³.

Under the Turkish Internet Law, the access provider is not under an obligation to control whether the content of the information accessed through it are unlawful or give rise to its responsibility (art.6/2). However, it has an obligation to block access if it has been notified of the unlawful content published by any of its users (art.6/1-a)¹⁶⁷⁴. In the Turkish legislation, unlike the European one, the fact that the access providers have not a monitoring obligation of the contents, thus its liability exemption is stipulated without any exception¹⁶⁷⁵. On the contrary, pursuant to the art.12 of the E-Commerce Directive, the liability of the access provider made dependent on certain (technical) conditions. Indeed, the access provider “*is not liable for the information transmitted on the condition that the provider: (a) does not initiate the transmission; (b) does not select the receiver of the transmission; and (c) does not select or modify the information contained in the transmission*”. Therefore, the service provider ensuring the transmission is not in principle liable of an illicit content provided that it stays within its technical role.

In fact, the Directive provides for three hypotheses capable of calling into question the liability of the operator. The operator will first be held responsible if he himself is the originator of the request for communication. In this case, it transfers the content but is also at the initiative. Thus, he knows the content and knowingly organizes its diffusion. He will logically be held responsible for the illegal or harmful content he has himself transferred. Secondly, the operator can be responsible for selecting the recipient. Such behavior takes him out of his purely technical role. Finally, the operator is responsible if he intervenes directly on the content. The liability or irresponsibility

¹⁶⁷³ Tekin MEMİŞ, “Erişimin Engellenmesi, Hukuki Sorunlar ve Çözüm Önerileri”, EÜHFD, C.XIII, S.3-4, 2009, p.161

¹⁶⁷⁴ With the Article 88 of the Law No. 6518 dated 06.02.2014, the condition of “as far as technical means exist” has been removed from the text of this article. However, this clause removed from the Law has not yet been removed from the Regulation.

¹⁶⁷⁵ Harun DEMİRTAŞ, p.89

regime of the transmission operator is therefore subject to compliance with the technical intermediation framework¹⁶⁷⁶.

On this point, it should be pointed out, regarding the second condition, that there may be situations in which the access provider may be required to select the recipient of a transmission or to prevent a category of users from accessing content. Indeed, art.12/3 of the E-Commerce Directive provides the possibility for a Member States' court or administrative authority, "*of requiring the service provider to terminate or prevent an infringement*". In such a case, is the access provider thus required to actively intervene in the information destination circulating in its infrastructures, so as to prevent them being able to be consulted by a limited public, to "select the recipient"? and thus to lose the benefit of the regime exempting it from responsibility? The answer is negative as it is by application of the law or judicial injunction and not a choice of the intermediary¹⁶⁷⁷.

Moreover, regarding the third condition, although the providers must not modify the information that is the object of the transmission, in the normal exercise of their activities, they may proceed such modifications in the interest of their users, in particular by blocking the massive sending of spam to these. The question is whether this interference could make them lose the benefit of the liability regime provided for them? This question is in fact theoretical in that it is difficult to see the people affected by this blocking action take legal action against the operator because it is these people who have an illegal activity. On the other hand, the recipients of this illegal content are presumed not to want to receive them and therefore no more likely to initiate proceedings on this account. Even if these providers were deprived of the benefit of the art.12, it would be only in a limited way and in relation to the data on which they acted, and that could not have the effect of making them responsible for all contents that flow through them¹⁶⁷⁸.

Similarly, regarding the condition of not selecting the information being transmitted, access providers may discriminate the transport of information packets because of their nature, for example by favoring data that circulates text rather than data

¹⁶⁷⁶ Céline CASTETS-RENARD, Droit de l'Internet, p.279

¹⁶⁷⁷ Cédric MANARA, p.64

¹⁶⁷⁸ Ibid., p.64-65

that circulate video in a manner not to saturate their infrastructure. Also in this situation, the question is whether this choice could lead to the failure of the principle of non-liability? As stated in recital 43 of the Directive, the requirement of not being involved with the information transmitted, “*does not cover manipulations of a technical nature which take place in the course of the transmission as they do not alter the integrity of the information contained in the transmission*”. In other words, in the light of this text, the carrier may choose to circulate more or less quickly data identified as conveying text or images without worrying about the possible effect on the liability it might have for the contents of these data, which he did not intervene¹⁶⁷⁹.

Moreover, in order to be qualified as an access provider and thus benefit from the liability exemption under the art.12 of the E-Commerce Directive, the service provider, in its acts of transmission and of provision of access, should not store the information “*for any period longer than is reasonably necessary for the transmission*” (art.12/2).

Although the Turkish legislation does not lay down a condition requiring that the access provider’s activities should be technical in nature as in the E-Commerce Directive, it is clear that an access provider cannot benefit from the “safe harbor” liability exemption regime as an access provider within the scope of the Turkish Internet Law if it acts beyond its technical functions. Therefore, while in principle, access providers cannot be held liable for their main activity which consists of transmitting the content of third parties and/or providing users with access to such content, they may be held liable if, for example, they act together with third parties in the preparation and uploading of the unlawful content¹⁶⁸⁰.

A regulation similar to that of art.12 of the E-Commerce Directive which determine the conditions of the access provider’s liability, can be find in Turkey within the scope of the unfair competition provisions in the Turkish Commercial Law. Indeed, pursuant to the art.58/4 of the Turkish Commercial Law related to the responsibility of the press, broadcasting, communication and informatics institutions, unfair competition

¹⁶⁷⁹ Ibid., p.65-66

¹⁶⁸⁰ Harun DEMİRTAŞ, p.92-93

cases cannot be brought against the service provider if it has not initiated the transmission of the act constituting unfair competition, not selected the receiver of the transmission or the content constituting unfair competition, or not modified the content in a manner to constitute an unfair competition. Although generally referred to herein as a “service provider”, such service provider is considered as access provider¹⁶⁸¹. Indeed, the actions stated in the above mentioned provision such as “not initiating the transmission of the act, not selecting the receiver of the transmission and not determining or modifying the content”, carry some meaning with regard to the functions performed by the access providers only among the internet service providers. In this regard, as long as the access providers acts in accordance with the conditions laid down in this article, it would benefit from the liability exemption and would not be held liable even if the content it provides access constitutes unfair competition¹⁶⁸². Moreover, in accordance with the last sentence of the above mentioned article, in cases where the negative consequences of the unfair competition act are extensive and its damages are substantial, the court may hear the relevant service provider and may order an injunction against this service provider for the termination or prevention of unfair competition act or take other measures, including the temporary removal of the content. However, this said provision is applicable only for unfair competition act and not for trademark infringement cases¹⁶⁸³.

The access provider is not liable as it does not have any contribution in the preparation or publication of the unlawful content. In return for this, it has an obligation to *prevent/block access*¹⁶⁸⁴ to unlawful contents¹⁶⁸⁵. Pursuant to art. 6/1-a of the Turkish Internet Law, while access providers are not obliged to control the lawfulness of the contents that transmitted through their service, they have an obligation to prevent access to the unlawful contents when they are notified of such content. Regarding the notification of the access providers, it should be pointed out that it is different than the “notification”

¹⁶⁸¹ Savaş BOZBEL, Fikir ve Sanat Eserleri Hukuku, İstanbul 2012, p.511

¹⁶⁸² Harun DEMİRTAŞ, p.94

¹⁶⁸³ Uğur ÇOLAK, Türk Marka Hukuku, p.538, footnote.1556

¹⁶⁸⁴ Access can be disabled from the domain name, IP adress and the URL. For more information, see. Doğan KILINC, “Türk Hukukunda ve Mukayeseli Hukukta İnternet Sitelerine Erişimin Engellenmesi ve İfade Hürriyeti”, Gazi Üniversitesi Hukuk Fakültesi Dergisi, C.XIV, 2010, p.2; Kaan Mert GÜLPINAR, “İnternet Sitelerine Erişimin Engellenmesi – Türk hukuku ve Mukayeseli Hukuk Açısından Bir Değerlendirme, Legal Fikri ve Sınai Haklar Dergisi, Vol.9, Issue 36, 2013, p.30-34

¹⁶⁸⁵ Tekin MEMİŞ, Erişimin Engellenmesi, p.162

made by the right holders in the case of the hosting service providers in order to *take down* the unlawful content, which will be explained below; but rather it is a notification through a blocking access decision taken by the judge, court or public prosecutor¹⁶⁸⁶. In fact, from the definition of the “notification method” given in the art.2/1-r of the Turkish Internet Law, it is understood that such notification is to be addressed to the content provider or/and hosting service provider and not to access provider. On the other hand, it is stipulated that the blocking access decision with regard to the catalog offenses¹⁶⁸⁷ set out in art.8 may be taken by the judge, court or public prosecutor for non-delayable cases (art.8/2). Likewise, pursuant to the art.9, in cases of personal right violations, in addition to the possibility to request from the content and hosting service providers to take down the content in question through the “notification method”, it is also possible to request blocking access to this content from the magistrates’ court judge¹⁶⁸⁸. Blocking access is an action which can be taken by the access providers. And this kind of action can only be taken through the court decision, thus by the notification made by this court to the access provider. In cases of trademark infringements, blocking orders can be taken by the courts within the scope of the civil procedure code and the IPL¹⁶⁸⁹¹⁶⁹⁰.

In the E-Commerce Directive, while there is no provision with regard to the access provider’s obligation to block access to unlawful contents and the consequences of noncompliance, art.12/3 provides the possibility to the Member States, through their courts or administrative authorities, to require the service provider to terminate or prevent an infringement. Therefore, the immunity attached to the mere conduit operation in the

¹⁶⁸⁶ In accordance with the additional Article 4 of the Turkish Intellectual and Industrial Property Law, the notification is addressed to the content provider, in cases where the violation continues, an application is made to the public prosecutor and the public prosecutor informs the service provider about the violation and requests that the service be stopped, that is, access is blocked.

¹⁶⁸⁷ With regard to the offenses stated in Article 8 of the Law no. 5651, there is a notice website. See Notice Center of the Information and Communication Technologies Authority at <https://www.ihbarweb.org.tr> (last accessed on 17.05.2019)

¹⁶⁸⁸ It was stated by the Constitutional Court that the decision to prevent access in such a way should be made only in cases where the violation could be understood at first glance without the need for further investigation, since these blocking access methods provided for in this way are a contentious way of judicial proceedings and the defendant party has not the opportunity to defend itself. This is also called “infringement at first glance doctrine”. AYM, Ali Kızılcık Application No. 2014/5552, 26.10.2017, par.62-63; Yarg. 19 CD. 2017/6382 E. 2018/8575 K. 12.07.2018 T.

¹⁶⁸⁹ Tekin MEMİŞ, Erişimin Engellenmesi, p.167

¹⁶⁹⁰ In a case where it was alleged that the personal rights of the legal entity were violated through the use of the trademark of the legal entity in counterfeit products on the Internet and requested from the Magistrate's Court to disable access to that content pursuant to the Law no.5651, the Supreme Court rejected the request by stating that the trademark rights and the personal rights protected against publications on the internet under the Law no.5651 are different. Yarg. 19 CD. 2016/74 E. 2017/4574 K. 15.05.2017 T. (www.kazanci.com)

EU is not conditional on any active steps being taken other than compliance with court orders¹⁶⁹¹. Indeed, within the EU system, an “objective” exemption is provided for internet service providers engaged in “mere conduit” activities, on condition that they comply with the requirements set out in art.12. On the other hand, for the caching and hosting services, the Directive provides “subjective” exemptions, meaning that in addition to complying with the objective criteria set by the legislature, the ISP has to comply with additional due diligence requirements¹⁶⁹².

On this point, the CJEU held that the conditions for hosting service providers set forth in art.14 cannot be applied by analogy to access providers¹⁶⁹³. In fact, the derogations relating to liability laid down in that directive were made in the light of the fact that the activities carried out by the different categories of service providers concerned, in particular by the access providers to a communication network and the web hosts, all are of a purely “technical, automatic and passive” nature and that, consequently, these service providers have neither the knowledge nor the control of the information thus transmitted or stored. That said, the service provided by the host of an internet site, which consists of storing information, is long-lasting. Therefore, this host may be led to become aware of the illegal nature of some of the information it stores at a time later than when it is stored and where it is still able to take action to remove or render impossible their access. On the other hand, in the case of a provider of access to a communication network, the service for transmitting the information it provides does not normally extend over time, so that, after having transmitted information, he no longer exercises any control over that information. Under these conditions, the provider of access to a communication network, unlike the host of a website, is often not able to undertake actions to remove certain information or to make access to it impossible at a later time. For these reasons, the Court did not accept to consider, for the mere conduit operators, any further condition other than being within the boundaries of a “technical, automatic and passive” process

¹⁶⁹¹ UKSC 28, *Cartier International AG and others v. British Telecommunications Plc and another appellant* (“Cartier”), 13.06.2018, par.21

¹⁶⁹² Pablo BAISTROCCHI, p.118

¹⁶⁹³ C-484/14, *Mc Fadden*, 15.09.2016, par.65

for the transmission of the required information¹⁶⁹⁴. In other words, the Court explicitly rejected to create a new knowledge requirement known from the hosting safe harbor¹⁶⁹⁵.

As a matter of fact, the French Law for Confidence in the Digital Economy (LCEN) transposing the E-Commerce Directive, which impose an obligation to hosting service providers to take down the unlawful content as soon as they become aware of this, does not contain such a provision for access providers. Instead, it stipulates that the judicial authority may prescribe, in summary or on request, to the hosting provider or, failing that, to the access provider, all appropriate measures to prevent damage or to stop a damage caused by the content of an online communication service to the public¹⁶⁹⁶.

Therefore, both in the European countries and Turkey, an access provider is in principle not liable for an unlawful content, but is only under obligation to block access to this content when they become aware of this through a court order or decision. Failure to comply with this order or decision will give rise to its liability. In an English court decision, it was indicated that even in the case where a mere conduit operator had been informed of the uses made of his network by third parties, *“it does not have the limited duty to take proactive steps to stop access to illegal content which is implicit in the conditions governing the immunities for caching and hosting. Its only duty is to comply with an order of the Court”*¹⁶⁹⁷. The Turkish Supreme Court also rules that while take down of a content may be requested from the content and hosting provider, on the other hand blocking access to a content may be requested from a court¹⁶⁹⁸.

However, when the Turkish court decisions are examined, it is seen that, in general, the access and hosting providers are considered in the same way and it is sought whether the right owner has notified them. However, even such notification to the access provider is accepted, for the access provider to block access to the alleged unlawful content, it must be clearly understandable that the content in question constitutes a

¹⁶⁹⁴ C-484/14, Mc Fadden, 15.09.2016, par.61-64

¹⁶⁹⁵ Martin HUSOVEC, “Holey Cap! CJEU Drills (Yet) Another Hole in the E-Commerce Directive’s Safe Harbors”, *Journal of Intellectual Property Law & Practice*, 2017, Vol.12, No.2, p.116-117

¹⁶⁹⁶ art.6, I, 8 de la Loi 2004-575 du 21 Juin 2004 pour la confiance dans l’économie numérique (LCEN)

¹⁶⁹⁷ UKSC 28, Cartier, 13.06.2018, par.33

¹⁶⁹⁸ Yarg. 19 CD. 2017/5487 E. 2018/5205 K. 26.04.2018 T. (www.kazanci.com)

violation “at first glance”¹⁶⁹⁹. Otherwise, as will be explained below for the hosting service providers, failure to take into consideration notification which are not manifestly unlawful cannot result in the liability of those access providers.

On the other hand, the preventive measures that the courts would require from access providers to take must ensure a fair balance between the fundamental rights, such as the protection of intellectual rights, right of freedom to conduct a business, freedom on information etc.¹⁷⁰⁰. For instance, in a case where the service of providing a wireless local area network free of charge was at issue, the CJEU examined three types of injunction envisaged by the referring court and found only one of them compatible with the EU law. One of the envisaged injunctions by the referring court was monitoring all the information transmitted, which is found by the Court contrary to art.15/1 of the E-Commerce Directive which prohibits it being imposed, in particular on providers of access to a communication network, a general obligation to monitor the information that they transmit. Second measure envisaged by the referring court was the measure consisting in terminating the internet connection completely. However, this kind of measure is also found not ensuring a fair balance between the fundamental rights as it would entail a serious breach of the freedom to conduct a business, even the defendant activity in the case at issue was only of ancillary nature compared to the main one. Lastly, the third envisaged injunction by the referring court was found by the CJEU as striking a fair balance between the freedom to conduct a business, freedom of information and right to protection to intellectual property. That measure consisted in securing internet connection by means of a password obtained by the users by revealing their identity so that they cannot act anonymously¹⁷⁰¹. In other words, merely handing out a password on a menu of a restaurant would not be sufficient, it is required that the password is shared with customers only upon their personal identifications. However, the problem here is whether

¹⁶⁹⁹ With regard to blocking access orders of Courts, see AYM, Ali Kızılcık Application No.. 2014/5552, 26.10.2017, par.62-63; Yarg. 19 CD. 2017/6382 E. 2018/8575 K. 12.07.2018 T.

¹⁷⁰⁰ C-314/12, UPC Telekabel Wien v. Constantin Film (“UPC Telekabel Wien”), 27.03.2014, par.62-63; C-275/06, Promusicae v. Telefonica de Espana (“Promusicae”), 29.01.2008, par.68-70

¹⁷⁰¹ C-484/14, Mc Fadden, 15.09.2016, par.87-96

this obligation to identify customers is at all compatible with the fundamental rights such as right to privacy and data protection¹⁷⁰².

While courts may request access providers to block access to the infringing contents or websites, they may leave to the access providers' discretion as to how these measures should be realized. In other words, it is possible to formulate a prohibitory injunction in general terms and not not prescribe specific measures. However, in such a situation, the question of what technical measures are to be applied remains open. According to the CJEU's case-law, besides being in compliance with the fundamental rights of the freedom to conduct a business of the service provider and the freedom of information of the internet users, the measures taken by the addressee of an injunction must be sufficiently effective to ensure effective protection of the intellectual property rights. On this point, the Court stressed the possibility that the execution of an injunction may not lead to a complete termination of the infringements of the intellectual property right. This is due to the fact that a technique for completely terminating infringement of intellectual property rights may not exist or may not be practically feasible, which would mean that certain measures taken would be, where applicable, circumventable in one way or another. However, even though the measures taken pursuant to an injunction may not likely to lead, in some circumstances, to a total termination of the infringements of the IP right, they must have *“the effect of preventing unauthorized access to the protected subject-matter or, at least, of making it difficult to achieve and of seriously discouraging internet users who are using the services of the addressee of that injunction from accessing the subject-matter made available to them in breach of the IP right”*¹⁷⁰³.

On this point it should be asked who should pay the cost of complying with the injunction ordered against an internet service provider to prevent the use of his facilities by wrongdoers for unlawful purposes? Actually, this was asked and responded by Lord Sumption in the case between Cartier and British Telecommunications which was the first case in the UK in which a “website-blocking injunction” has been granted to protect a trademark¹⁷⁰⁴. According to the Judge, there are five implementation costs for website-

¹⁷⁰² For detailed information SEE, Martin HUSOVEC, Safe Harbors, p.123

¹⁷⁰³ C-314/12, UPC Telekabel Wien, 27.03.2014, par.47-63

¹⁷⁰⁴ UKSC 28, Cartier, 13.06.2018

blocking. Two of them are the “cost of acquiring and upgrading the hardware and software required to block the target sites” and the “cost of managing the blocking system”. The Judge considered that the internet service provider may not complain about having to bear these costs as most of them would be incurred anyway for other reasons, such as to block access to child abuse images or to establish parental control mechanisms. However, the problem was the other costs such as “the marginal cost of the initial implementation of the order”, “the cost of updating the block over the lifetime of the orders in response to notifications from the rights-holders”, and “the costs and liabilities that may be incurred if blocking malfunctions through no fault of the internet service provider”. The question was whether the right holders should have been required to indemnify the internet service provider for these implementation costs¹⁷⁰⁵. According to the Judge, the mere conduit intermediary is legally innocent¹⁷⁰⁶ and “*unless there are good reasons for a different order, an innocent intermediary is entitled to be indemnified by the rights-holder against the costs of complying with a website-blocking order*”¹⁷⁰⁷. This is due to the fact, according to the Judge, that “*An internet service provider serving as a mere conduit has no means of knowing what use is being made of his network by third parties to distribute illegal content. Even when it is informed of this, it does not have the limited duty to take proactive steps to stop access to illegal content which is implicit in the conditions governing the immunities for caching and hosting. Its only duty is to comply with an order of the Court. There is no legal basis for requiring a party to shoulder the burden of remedying an injustice if he has no legal responsibility for the infringement and is not a volunteer but is acting under the compulsion of an order of the court*”¹⁷⁰⁸.

On the contrary, the French Supreme Court¹⁷⁰⁹ has ruled on the benefit of right holders in his decision 2017 by approving the Court of Appeal decision according to which the cost of the blocking orders and dereferencing measures must be borne by the

¹⁷⁰⁵ Ibid., par.5

¹⁷⁰⁶ According to the Judge, different consideration may apply to caching and hosting intermediaries as their operations encompass a greater degree of participation in the alleged infringing act (par.37)

¹⁷⁰⁷ UKSC 28, Cartier, 13.06.2018, par.31

¹⁷⁰⁸ Ibid., par.33

¹⁷⁰⁹ C.Cass, chambre civile 1, Société Française du Radiotéléphone v. Union des Producteurs de Cinéma, 06.07.2017 (www.legifrance.gouv.fr)

access providers and search engines. According to the French Supreme Court, it is only in the event that a particular measure must prove to be disproportionate, given its complexity, cost and duration, to the point of jeopardizing, over time, the viability of the the economic model of technical intermediaries, the need for the costs, in whole or in part, to be borne by the right holder should be assessed.

On this point, a distinction should be made between the costs of complying with the injunction order and the costs of litigation. The CJEU had made a clarification on the claims of reimbursement of the costs. Accordingly, in a case where a right owner is precluded to claim compensation as the internet service provider cannot be held liable, this right owner is also, in any event, precluded from claiming the reimbursement of the costs of formal notice or of justice incurred for the purposes of his claim for compensation. Such a claim assumes, to be well founded, that the claim in the main proceedings is itself well founded¹⁷¹⁰. On the other hand, as the person whose rights are infringed can require from a national authority or court to prohibit the service provider from allowing the continuation of the infringement, consequently, that same person can claim the reimbursement of the costs of formal notice and of justice incurred in a claim such as that¹⁷¹¹. However, in this latter case, although it may be possible to claim the costs incurred from the service provider who has not complied with the court order to prevent the infringement to continue as it is liable for such conduct, reimbursement of the costs of litigation by the service provider who has complied with the court order may be criticized¹⁷¹². This is especially true for the access providers/mere conduit operators. Indeed, under the art.12 of the E-Commerce Directive, access providers do not have an obligation to take down or block access to illegal contents when they are notified by the rights holders as in the case of caching and hosting service providers. On the other hand, they are under obligation to take down or block access to this illegal content whenever they are informed through a court decision which orders them to block the access. In this regard, it may not be fair to bear the cost of litigation in respect of access providers which comply with this order.

¹⁷¹⁰ C-484/14, *Mc Fadden*, 15.09.2016, par.75

¹⁷¹¹ *Ibid.*, par.78

¹⁷¹² For detailed information see Martin HUSOVEC, *Safe Harbors*, p.118

On the other hand, under the Turkish legislation, in addition to their obligation to prevent access to the illegal content when they are informed of this, they have also other obligation with regard to the identification of the infringer party. In that regard, access providers have to keep the traffic information related to the services provided for 1 year¹⁷¹³ and ensure the accuracy, integrity and confidentiality of such information. At this point, it should be noted that the obligation of access providers stipulated in art.6/1-f of the Turkish Internet Law to deliver the information requested to the Authority (ICTA) and to take the measures notified by the Authority had been annulled by the Constitutional Court¹⁷¹⁴ as being not specific and foreseeable, it limits excessively the protection of the personal data of individuals and thereby constitute a violation of art.20 of the Constitution. The same regulation for content and hosting providers had also been annulled by this Constitutional Court decision for the same reasons.

B. Liability of Caching Providers

The caching operations regulated in the E-Commerce Directive is the transmission in a communication network of information provided by a recipient of the service. The provider of a caching service realizes an “automatic, intermediate and temporary” storage of the information “for the sole purpose of making more efficient the information’s onward transmission to other recipients of the service upon their request” (art.13/1). Therefore, in order for the service provider to be qualified under this article as a caching service provider and to determine its responsibility accordingly, it should provide an automatic, intermediate and temporary caching service for more effective transmission of the third party content requested by the user.

On the other hand, there are certain type of caching services such as “long term caching” and “mirror caching” which do not satisfy this definition and therefore do not benefit from the liability exemption of the caching operator¹⁷¹⁵.

¹⁷¹³ Implementing Regulation on Procedures and Principles Regarding the Regulation of Publications on the Internet (“*İnternet Ortamında Yapılan Yayınların Düzenlenmesine Dair Usul ve Esaslar Hakkında Yönetmelik*”), O.J. 26716, 30.11.2007, art.8/1-b

¹⁷¹⁴ AYM 2014/87 E. 2015/112 K. 08.12.2015 T.; RG 29607, 28.01.2016

¹⁷¹⁵ Pablo BAISTROCCHI, p.120

This service provider should not in principle be held responsible for this storage activity according to art.13 of the Directive. However, irresponsibility is, here again, subject to compliance with cumulative conditions¹⁷¹⁶. For being irresponsible, firstly, the provider shall not “modify the information” and must comply “with conditions on access to the information” (art.13/1-a,b). Therefore, the caching provider must ensure that the content is copied in the cache in accordance with the initial form on the original server and does not disregard the conditions for access to information. That is, the provider should not change what the original server provides for access to information. For example, if a password is required by the site owner for the protection of minors, the caching provider must also guarantee such requirement and maintain all restrictions for access¹⁷¹⁷.

For being irresponsible secondly, the service provider must comply “with rules regarding the updating of the information, specified in a manner widely recognized and used by industry” (art.13/1-c). In other words, the provider should update information if necessary by comparing it to that of the main source¹⁷¹⁸. Moreover, the provider shall not “interfere with the lawful use of technology, widely recognized and used by industry, to obtain data on the use of the information” (art.13/1-d). Finally, the last condition for being irresponsible, the provider shall “act expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement” (art.13/1-e).

Regarding the mere conduit and caching operators, a service provider can benefit from the exemptions when he is not involved in any way in the information transmitted. This supposes, among other things, that he does not modify the information transmitted. However, this does not cover technical manipulations that may occur during the transmission, as these do not affect the integrity of the information contained in the transmission. Moreover, a service provider who cooperates deliberately with one of the

¹⁷¹⁶ Céline CASTETS-RENARD, *Droit de l’Internet*, p.280

¹⁷¹⁷ Mine KAYA, *İnternet Servis Sağlayıcıları*, p.757

¹⁷¹⁸ *Ibid.*, p.757

addressees of his service in order to engage in illegal activities goes beyond ‘mere conduit’ or ‘caching’ activities and as a result cannot benefit from the derogations relating to liability for these types of activities (Dir. recitals 43-44).

C. Liability of Hosting Providers

The hosting operations consist of “*the storage of information provided by a recipient of the service*”. Therefore, hosting activities is a storage activity.

In principle, under both the European and Turkish legislation, hosting service providers do not have any obligation to control the content they host or investigate whether such contents are unlawful. In this respect, in principle, hosting service providers are not responsible for the illegality of the content for which they provide hosting/storing services. Indeed, controlling or monitoring the content provided by third parties on the internet is technically impossible for the hosting providers¹⁷¹⁹ or even it is possible, to implement such control or monitoring mechanism is a very difficult process. Especially, with the use of Web 2.0 technology, it is not possible for the hosting providers to check actually the information provided by users due to the uploading speed of information to the internet¹⁷²⁰.

On the other hand, the liability of the hosting service provider starts rising from the moment they *become aware of* or *are notified of* the unlawful use. As long as they become aware of the illegal content, they are under the obligation to take down such content, otherwise their responsibility can be held. Moreover, the fact that the illegal content has been produced or provided under the authority or the control of the hosting service provider prevent this provider from benefiting the liability regime of the hosting service providers, thus “safe harbor”. In fact, in such a situation, the service provider will be liable for being aware of, and even at the source of the illegal content. This issue is clearly set out in art.14/2 of the E-Commerce Directive.

¹⁷¹⁹ Harun DEMİRTAŞ, p.103

¹⁷²⁰ Mehmet Bedii KAYA, Teknik ve Hukuki Boyutlarıyla İnternete Erişimin Engellenmesi, 5651 sayılı Kanun ve Dünya Uygulamaları, İstanbul 2010, p.130-131

Under the Turkish Internet Law, the hosting service provider is obliged to take down the illegal content when it has been *notified of* this content (art.5/1-2)¹⁷²¹¹⁷²². Therefore, while in principle hosting service providers do not have any liability for illegal contents that they provide hosting services¹⁷²³, their liability will be at issue when they are notified of this content and when they do not take down it despite the notification.

On the other hand, in the E-Commerce Directive, unlike of “being notified of” condition stipulated in the Turkish legislation, requires also that the hosting service provider should not be “aware” of the illegal content. At this point, the difference between “being notified of” and “being aware of” should be examined. Indeed, even though “being aware” is a result of “being informed”, the status of “being aware” without “being informed” is stipulated, in the E-Commerce Directive, as a condition of the liability. Accordingly, under the E-Commerce Directive, *“the service provider is not liable for the information stored at the request of a recipient of the service, on condition that (a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent, or (b) the provider, upon obtaining knowledge or awareness of illegal activity or information, acts expeditiously to remove or to disable access to the information”* (art. 14/1-a, b).

At this point, it should be noted that, the condition of not being “aware” of the illegal content is important especially in determining whether a service provider can be considered as a hosting service provider under the art.14 of the Directive. In fact, the fact that the service provided includes the storage of information transmitted to it by its customer is not in itself sufficient to conclude that the service falls in any circumstances under the scope of art.14/1 of the E-Commerce Directive¹⁷²⁴. To fall within this scope, the service provider activities should be of a *“mere technical, automatic and passive*

¹⁷²¹ With the Article 88 of the Law No. 6518 dated 06.02.2014, the condition of “as far as technical means exist” has been removed from the text of this article. However, this clause removed from the Law has not yet been removed from the Regulation.

¹⁷²² In addition to this obligation, as with access providers, hosting providers are obliged to keep traffic information related to the services they provide for a certain period of time (Law no.5651, art.5 / 3). This obligation is important to identify the perpetrator of illegal content.

¹⁷²³ However, prior to Law no. 5651, it is seen that place providers such as Superonline had been held responsible together with the content provider. Yarg. 11. HD. 2003/12494 E. 2004/9096 K. 30.09.2004 T.) (www.kazanci.com)

¹⁷²⁴ C-324/09, eBay, 12.07.2011, par.111

nature”, implying that that service provider “*has neither knowledge of nor control over the information which is transmitted or stored*”. Accordingly, in order to ascertain whether an internet service provider can be exempted from liability under art. 14 of E-Commerce Directive, it is necessary to consider whether the role exercised by that service provider is neutral, in that his behavior is purely “technical”, “automatic” and “passive”, implying the absence of knowledge or control of the data he stores¹⁷²⁵. In cases where the service provider plays an active role of a nature to give him a knowledge or control of this data, instead of limiting himself to a neutral supply of the service by means of a purely technical and automatic processing of the data provided by his customers, such service provider would not be exempted from liability under art.14¹⁷²⁶. Therefore, in addition of being notified of the illegal content, the active role played by the service provider with regard to this illegal content would make it aware of this and thereby liable for such content.

The assessment of whether a hosting provider plays an active role with regard to the content that provides hosting services should be made case-by-case basis. In fact, the activities of each hosting service provider may differ from another. Moreover, even among operators who perform the same activity, there may be operational differences. For this reason, as the Advocate General pointed out in his opinion in *eBay* case, it should be focused on “a type of activity” and while certain activities by a service provider may be exempt from liability, all others may not and remain in the “normal” liability regimes¹⁷²⁷. At this point, we can show the difference between “being informed of” within the meaning of the Turkish legislation and “being aware of” within the meaning of the European legislation as follows: for example, operators such as Google or eBay considered as hosting service providers under both European and Turkish case-law, may only be held liable as long as they are informed of the illegal content they store and consequently not take down this content. In the event, they take down this illegal content, their responsibility cannot be held. On the other hand, pursuant to the European legislation and case-law, these operators would not be qualified automatically as hosting

¹⁷²⁵ Joined Cases C-236/08 to C-238/08, Google France, par.113-114

¹⁷²⁶ C-324/09, eBay, 12.07.2011, par.113

¹⁷²⁷ C-324/09, eBay, Opinion of AG Jaaskinen, 09.12.2010, par.149

service providers, but will be qualified as such based on their possibility of being aware of the illegal content which depends on the the nature of their activities. Therefore, while operators such as Google or eBay qualified automatically as hosting service provider pursuant to the Turkish legislation cannot be held liable as long as they take down the illegal content when they are notified of it; these operators cannot benefit from the “safe harbor” regime of the hosting service providers, under the EU legislation, because of the nature of their activities, especially of their active role played with regard to the content during the provision of services, thus on the ground that they being aware of the illegal content because of the nature of their activities and their involvement in the content. Even so, although there is no clear provision in the Turkish legislation that the hosting service provider should not be “aware” of the illegal content in order to avoid liability, it is obvious that being aware of such illegality will give rise to its liability.

Under the E-Commerce Directive, a distinction is made in art.14 with regard to the condition of “being aware” of the illegal content or use. The knowledge standard is split into two forms: “*actual knowledge*” and “*awareness of apparent infringement (constructive knowledge)*”¹⁷²⁸. This distinction is of importance especially in compensation claims. Indeed, while as regards claims for damages, the hosting service provider is not liable as long as it is “not aware of facts or circumstances from which the illegal activity or information is apparent”, on the other hand, in cases where such damage is not claimed, the liability of the service provider depends on “actual knowledge of illegal activity or information”.

Therefore, the E-Commerce knowledge standard consists of “actual knowledge” and “awareness of apparent infringement”. This latter is called “constructive knowledge” because it is similar to “constructive knowledge” in tort law for imposing contributory liability on conduct¹⁷²⁹. While actual knowledge is generally admitted as a specific knowledge of infringement and notifications have been prevalent to prove that an internet service provider had actual knowledge of infringement¹⁷³⁰, awareness of apparent

¹⁷²⁸ Mohammad SADEGHI, “The Knowledge Standard for ISP Copyright and Trademark Secondary Liability: A Comparative Study on the Analysis of US and EU Laws”, Phd thesis, Brunel University London, School of Law, 2013, p. 99

¹⁷²⁹ Ibid., p.143

¹⁷³⁰ Ibid., p.104-105

infringement is the same as “should have known” or “had reason to know” user infringement, as implemented in tort law’s evaluation of constructive knowledge¹⁷³¹ and evaluated on the basis of a “*diligent economic operator*”¹⁷³². As stated by the CJEU in *eBay* case, “it is sufficient, in order for the provider of an information society service to be denied entitlement to the exemption from liability provided for in Article 14 of Directive 2000/31, for it to have been aware of facts or circumstances on the basis of which a diligent economic operator should have identified the illegality in question and acted in accordance with Article 14(1)(b) of Directive 2000/31”¹⁷³³. On the other hand, actual knowledge excludes construed knowledge and means “*knowledge of past or present information, activity or facts that the service provider has on the basis of an external notification or its own voluntary research*”¹⁷³⁴.

Under the Turkish legislation, hosting service providers are under the obligation to take down the illegal content they store in cases where they are informed of this content in accordance with art.8 and 9 of the Internet Law (art.5/2). Taking down of the content is defined as the removal of the content from servers or hosted content by the content or hosting providers (art.2/1-ö). At this point, it should be noted that even though the art.8 of this Law which is referred to in art.5/2, regulates *blocking access* of the contents containing certain offenses in the Criminal Law and in the Law on Crimes Against Atatürk, and art.9 regulates *taking down* and *blocking access* of the contents violating personal rights, thus even though the provisions referred to in art.5/2 do not relate to the violation of the intellectual property rights, art.5/2 should be interpreted as a means to be followed in order to determine the liability of the service provider¹⁷³⁵. In fact, the aim and scope of the Turkish Internet Law is determined in art.1 as “the regulation of content, hosting, access and multiple user providers’ liability and of principles and procedures to fight against certain crimes committed on the internet through content, hosting and access providers”. Therefore, as this law aims to regulate the liability principles of the internet

¹⁷³¹ Ibid., p.112

¹⁷³² For more detail on “diligent economic operator”, see Tekin MEMİŞ, “Fikri Mülkiyet İhlallerinde Basiretli Tacir Kavramı – Yargıtay Kararı İncelemeleri”, Fikri Mülkiyet Hukuku Yıllığı 2010, p. 343 et. al

¹⁷³³ C-324/09, *eBay*, 12.07.2011, par.120; art.14/1-b: “the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information”.

¹⁷³⁴ C-324/09, *eBay*, Opinion of AG Jaaskinen, 09.12.2010, par.162-164

¹⁷³⁵ Savaş BOZBEL, “Fikri Hakların İhlali Nedeniyle İhtiyati Tedbir Yoluyla İnternet Sitelerine Erişim Engellenebilir mi”, Fikri Mülkiyet Hukuku Yıllığı 2009, p.140

service providers, even there is no crime within the meaning of the Criminal Law or a violation of personal rights, in case of trademark infringement, art.5/2 should be understood as a means to be followed in order for the provider to be aware of the illegal content. Accordingly, natural or legal persons claiming that their trademark rights have been infringed due to the content published on the internet may have recourse to the content provider, and in case of failure to reach it, to the hosting service provider and may request from them through a notification to take down the infringing content. Moreover, these persons whose rights have been infringed may also request that the access to such content be blocked from directly magistrates' court (art.9/1). The main techniques used to block access are access blocking from the domain name, internet protocol (IP) address, and object-based (URL) access blocking¹⁷³⁶.

Therefore, there are two ways that the persons whose rights are violated may resort in order to take down the infringing content. The first one is to notify the content or hosting service provider of the infringing content through the “*notification method*” mentioned in the Law and thereby request the take down of the said content; the second one is to request blocking access to the content in question directly from the court¹⁷³⁷.

Concerning the “notification method”, it is defined in the Law as the notification method to be made, in the first place, to the content provider and if no result can be obtained in a reasonable time from the content provider, to the hosting service provider via their communication addresses in order to take down the content, by the persons whose rights are claimed to be infringed by this content (art.2/1-r). Therefore, trademark proprietors whose rights are infringed due to a content posted on the internet, may notify the hosting service providers of this content and request its removal. The non-compliance with this request may give rise to the liability of the hosting provider. However, if the alleged infringing content is in fact not unlawful, the non-compliance of the hosting provider with the request of the right holder would not generate the liability of this service

¹⁷³⁶ For more information, see Doğan KILINÇ, “5651 Sayılı İnternet Ortamında Yapılan Yayınların Düzenlenmesi ve Bu Yayınlar Yoluyla İşlenen Suçlarla Mücadele Edilmesi Hakkında Kanun’un 9/A Maddesi Çerçevesinde Özel Hayatın Korunması”, Gazi Üniversitesi Hukuk Fakültesi Dergisi, Vol.XX, No..2, 2016, p. 598 et.al.

¹⁷³⁷ Apart these two situations, the hosting service provider can be aware of the unlawfulness of the content that it stores through the press. For example, a French provider is exposed to this situation during the Wikileaks case. For more information, see Cédric MANARA, p.81

provider. For instance, in the “*şikayetvar*” case before the Turkish Supreme Court in 2018¹⁷³⁸, the plaintiff brought an unfair competition proceeding against the hosting service provider of the website www.sikayetvar.com by claiming that its trade name and trademark had been used in unfounded complaints of the users. However, after having stated that the hosting service provider has no obligation to control the content that it stores, but the obligation to take down the alleged illegal content when it is notified of such content, the Court held that the fact that the hosting service provider did not take down the content at issue after he received the notification sent by the plaintiff does not make this service provider liable. This is because in the contents alleged to be infringing the plaintiff’s rights were related to the problems encountered by the consumers regarding the plaintiff’s services, so that it falls within the freedom of expression. Therefore, the contents complained of by the plaintiff were in fact lawful, as they were allowed within the meaning of freedom of expression. So that, non-compliance of the hosting provider with the removal request of these content did not generate the liability of this service provider.

However, the situation may not be clear always as in the above-mentioned case. For instance, the assessment of the alleged violation stated in the notice by the hosting service provider and by the court may not be the same. Moreover, while the monitoring obligation is certain as soon as a court order is received, the situation is less certain at the preliminary stage of the trial, especially when rights holders’ allegations are groundless. There is no clarity in the legislation on how the internet service provider would react in the face of these situations. The Turkish Internet law stipulates only that the requests of persons claiming the violation of their rights should be replied by the content and/or hosting providers within twenty-four hours at the latest (art.9/2). The answer to these request may be positive or negative. So the question is whether the hosting service provider will be held liable in case of a negative answer to the right holder’s request. In fact, the hosting service provider may not found out an infringement or violation of the rights concerned. However, what would be the situation if subsequently the court found out that there is an infringement? These issues cannot be understood from the Law.

¹⁷³⁸ Yarg. 11. HD. 2016/14151 E. 2018/5088 K. 10.09.2018 T. (www.kazanci.com)

Similarly, even though the art.14/1-b establishes as a criterion for not being liable to remove or to disable access to the information upon obtaining knowledge or awareness of infringement, the Directive does not establish a “notice and take down” regime. Rather, it leaves the possibility for Member States to establish procedures for the removal or disabling of access to information, thus the possibility to establish “notice and take down” procedure (art.14/3)¹⁷³⁹. In this regard, we must examine the member states’ law and case-law in order to see how this problem was tackled by them. For instance, the UK law on Electronic Commerce (EC Directive) Regulation adds a little more details than the Directive, directing courts to have regard to, among others, “*the extent to which any notice includes (i) the full name and address of the sender of the notice; (ii) details of the location of the information in question; and (iii) details of the unlawful nature of the activity or information in question*”¹⁷⁴⁰. On the other hand, the German Federal Court of Justice has provided guidelines on when a notification should be considered serious and sufficiently plausible to give rise to actions for removal and prevention of alleged infringement¹⁷⁴¹. Accordingly, “*the function of the notification of infringement, which can be made either before litigation—by a warning notice, for example—or in the form of bringing an action, consists in allowing the operator of an internet trading platform, who is not generally required to monitor preventively, to find, among the many sales offers his registered members have entered without his knowledge by means of the platform- provided software, those that infringe the rights of third parties. This requires that the notice be worded so concretely as to allow the addressee of the notice to detect the violation easily—meaning without a thorough legal or factual examination*”¹⁷⁴². Similarly, *the French Constitutional Council*, in its decision dating June 10, 2004, clarified that the hosting service provider is required to take down only “*obviously*” illegal content. Therefore, it cannot be engaged the responsibility of a hosting service provider who has not taken down information notified as unlawful by a third party if it does not show in an obvious way such a character or if the take down was not ordered by a

¹⁷³⁹ Moreover, pursuant to the art.21/2 of the Directive, when the said Directive is re-examined by the Commission every two years, the report shall analyze “notice and take down” procedures.

¹⁷⁴⁰ Electronic Commerce Regulation 2002, SI 2002/2013, reg 22; See Daithi Mac SITHIGH, “The Fragmentation of Intermediary Liability in the UK”, *Journal of Intellectual Property Law & Practice*, Vol.8, Issue 7, 2013, p.526

¹⁷⁴¹ Annette KUR, “Second Liability for Trademark Infringement on the Internet: The Situation in Germany and Throughout the EU”, 37 *Colum. J. L. & Arts*, 2014, p.534

¹⁷⁴² *Bundesgerichtshof [BGH]*, 17 August 2011 – Case No. I ZR 57/09; *Int’l Rev. Intell. Prop. & Competition Law*, Vol.44, Issue 1, February 2013, p.128

judge¹⁷⁴³. The hosting provider will not be held liable for not having removed content whose illegal nature is not obvious¹⁷⁴⁴. The French Law LCEN which entered into force just after the above-mentioned French Constitutional Court decision and which transposes the E-Commerce Directive, stipulates what should the notification addressed to the hosting service provider contain in order to assume that the hosting service provider is aware of the illegal content. Pursuant to the art.6/5 of the said Law, the notification must include the following elements: *“the date of the notification; if the notifier is a natural person: his surname, first name, profession, address, nationality, date and place of birth; if the applicant is a legal person: its form, its trade name, its registered office and the body that legally represents it; the name and address of the addressee or, in the case of a legal person, its trade name and registered office; the description of the facts in dispute and their precise location; the reasons for which the content must be taken down, including a reference to the legal provisions and the justifications of facts; a copy of the correspondence sent to the author or publisher of the disputed information or activities requesting their interruption, taken down or modification, or the justification that the author or publisher could not be contacted”*. Thereby, the notification issued must contain all the above prescribed points and, in particular, describe and locate the facts at issue¹⁷⁴⁵.

For example, in a French Court of Appeals decision dated 2014¹⁷⁴⁶, the Court held that although lists of links may constitute regular notifications, the plaintiffs do not specify how each of these commercial links would be likely to affect adversely their rights and more particularly to the essential function of indicating the origin of their marks. On this point the Court recalled the decision of the Constitutional Council that the responsibility of a hosting service provider who has not taken down information notified as unlawful by a third party can only hold liable if the content is "obviously" illegal. In this particular case concerning the use of the mark of others in AdWords, the keywords triggering the display of the commercial links corresponded not to the trademarks in question but to generic terms used with the "broad match" option. Since the plaintiffs

¹⁷⁴³ CA Paris, Pole 5, chambre 1, 09.04.2014, Google France, Inc et Ireland v.Voyageur du Monde, Terres d’Aventures

¹⁷⁴⁴ Céline CASTETS-RENARD, Droit de l’Internet, p.295

¹⁷⁴⁵ C. Cass, 1ere civ., 17.02.2011, no.09-67896

¹⁷⁴⁶ CA Paris, Pole 5, chambre 1, 09.04.2014, Google France, Inc et Ireland v.Voyageur du Monde, Terres d’Aventures

have not demonstrated the manifestly unlawful nature of the hypertext links, it has been held that Google has satisfied its obligation as a web hosting service provider and has committed no fault and that therefore its responsibility cannot be held on the basis of Article 6 of the law for Confidence in the Digital Economy which transposes the E-Commerce Directive. Similarly, in a judgment of the Paris Court of Appeal in 2010, although Google was in delay to respond to the letter sent by the owner of the trademark, the Court considered that this notification was not effective as this letter contained no analysis of the advertisements and was limited to incriminating not the advertisements themselves, but the use of the mark as a keyword, in the following general terms: "Quick investigations have indeed allowed me to establish that your company uses this trademark as a "keyword". Therefore, it has not been shown that the unlawfulness of the advertisements was manifest¹⁷⁴⁷.

A similar decision was made by the Turkish Constitutional Court in parallel with the decision of the French Constitutional Court. Although the subject of the Turkish decision was the blocking order given to an access provider, its essence is the same as the French decision and may apply to the hosting providers. According to the Turkish Constitutional Court, when it is applied to the Criminal Court in order to prevent access to an illegal content, the party against whom the blocking order is claimed is not informed of this request and cannot defend itself. However, a blocking order decision is a protection measure and may be applied in exceptional cases. In this regard, this exceptional measure can only be applied in cases where it is obviously understood from the content in question that it constitutes an infringement/violation at first glance. This is also called the "infringement at first glance doctrine"¹⁷⁴⁸.

Therefore, when a notification is addressed to the hosting service provider, the allegedly infringing content should be taken down by the service provider if such content constitutes "manifestly" an infringement or violation. If the service provider does not take down this content which is manifestly unlawful, it will be held liable. Otherwise, even if

¹⁷⁴⁷ CA Paris, Pole 5, chambre 2, Google France v. Syndicat Français de la Litterie, 19.11.2010 (www.legalis.net)

¹⁷⁴⁸ AYM, Ali Kılık Application No.. 2014/5552, 26.10.2017, par.56-63

the hosting service provider does not take down this content which is not manifestly illegal, it cannot be held liable for non-taking down the content.

The CJEU case-law on this matter is that “*although such a notification admittedly cannot automatically preclude the exemption from liability provided for in art.14 of Directive 2000/31, given that notifications of allegedly illegal activities or information may turn out to be insufficiently precise or inadequately substantiated, the fact remains that such notification represents, as a general rule, a factor of which the national court must take account when determining, in the light of the information so transmitted to the operator, whether the latter was actually aware of facts or circumstances on the basis of which a diligent economic operator should have identified the illegality*”¹⁷⁴⁹.

Therefore, according to the CJEU, although this notification is an important element in determining whether the provider is aware of unlawful content, in some cases, this notification may not be sufficiently clear and understandable for the detection of the infringement, so that it will not constitute automatically an obstacle for the exemption from the liability. The notification should be in a way that fully indicates the use constituting the infringement so that the service provider may detect it. However, as stated in the above-mentioned judgment of the French Court of Appeal dated 2014, even though the notification should contain information on how the use in question infringes the trademark right, it may be problematic for the service provider to evaluate this situation. In fact, the hosting service provider, while is not supposed to resolve legal issues, may also not be competent on these issues. For example, in some cases, pro-terrorist acts may be clearly understood as being unlawful, whereas the infringement of a trademark rights may not be evident in cases that require a concrete case study and the assessment of both parties' defenses.

In this respect, the answer to the question of how the hosting service provider will determine whether the content is infringing the trademark rights when notified by the right holder is not certain. Should the hosting provider only take down the content when

¹⁷⁴⁹ C-324/09, eBay, 12.07.2011, par.122

the infringement is understood in an obvious way without the need for legal review (for example, where a sign identical with a trademark is used for goods or services identical with those for which the trademark is registered)? Or should it make a legal assessment and determine if there is an infringement? However, in such a case, it may reach a wrong conclusion even if it makes a legal assessment. In this case, for example, what will happen if the provider does not take down the infringing content in a situation where the infringement of the trademark right is not clearly understood and requires technical examination? Likewise, if the content in question is taken down despite of the fact that the infringement is not obvious and it is concluded that there is no infringement as a result of legal technical examination, the content in question will be removed unnecessarily. In this case, it may be possible for the hosting service provider to face liability and indemnity lawsuits brought by the content provider¹⁷⁵⁰. Indeed, the analysis of a sample of French court decisions made at the request of trademark holders who considered that social networks, forums or blogs violated their right, shows that they were successful in only one third of cases. So, what the judge has the power to decide, can the intermediary appreciate it?¹⁷⁵¹

For all of these possibilities, the CJEU has given the diligent economic operator criterion. In this respect, it is necessary to determine whether a diligent economic operator can determine the infringement mentioned in the notification. However, in my opinion, this may lead to very different interpretations. In fact, by setting forth such a general criterion without determining clearly which information should be contained in the notification and what an obvious infringement is, the hosting service provider will be obliged to investigate the source of the infringement if the notification is ambiguous and completely unclear, which is contrary to the absence of the monitoring obligation of the service provider.

¹⁷⁵⁰ For instance, on this matter the American Digital Millennium Copyright Act (DMCA) states that “a service provider shall not be liable to any person for any claim based on the service provider’s good faith disabling of access to, or removal of, material or activity claimed to be infringing or based on facts or circumstances from which infringing activity is apparent, regardless of whether the material or activity is ultimately determined to be infringed.” Section 512/g-1

¹⁷⁵¹ Cédric MANARA, p.83

For instance, in a case before the Turkish Supreme Court, the trademark of the plaintiff “Yaşam için Teknoloji” (Technology for Life) had been used in the defendant’s domain name of www.yasamiçinteknoloji.com. The plaintiff sued the domain name owner, but also the hosting service provider of the defendant. The first instance court rejected the case with regard to the hosting service provider on the ground that it cannot be held liable for the alleged infringing domain name registration as it has the hosting service provider status¹⁷⁵². However, this decision had been reversed by the Supreme Court¹⁷⁵³, which after having established that the the hosting service provider did not take any action after the receipt of the notification through which the trademark proprietor claimed the prevention of the infringing use, so that a legal action can be brought against him, held that the defendant is under the obligation to *carry out the necessary research* when it contributes to the internet access by registering the sign as a domain name and thus under the obligation to *act as a diligent economic operator* in the scope of its activities. Therefore, with this decision, the Supreme Court put the hosting service providers under the obligation to do necessary investigations with regard to the domain name or content they register or store in order to determine whether these constitute an infringement of third party’s right. However, according to both Turkish and European legislation, hosting service providers does not have such an obligation. They may be held liable only after they have become aware of the unlawful use and as long as they do not remove the content. Even in this case, that is, even if the alleged infringing content is notified to the service provider, this latter cannot be held liable unless the notification is clear and understandable for the detection of the infringement. As a matter of fact, in the first instance court decision given after the reversal by the Supreme Court, it was stated that the defendant had not acted as a diligent economic operator by continuing to provide hosting services to the website in dispute despite the notification¹⁷⁵⁴. Therefore, the first instance court interpreted the diligent economic operator as regards to the acts upon the receipt of the notifications, and not as regards to researches made prior or during the

¹⁷⁵² İstanbul 4. FSHHM, 2010/137 E. 2011/241 K. 27.12.2011 T.

¹⁷⁵³ Yarg. 11. HD. 2012/3350 E. 2013/3597 K. 27.02.2013

¹⁷⁵⁴ İstanbul 4. FSHHM 2013/141 E. 2013/161 K. 27.09.2013 T.; Approval Yarg. 11. HD. 2014/249 E. 2014/7355 K. 14.04.2014 T. (www.kazanci.com)

service provision to the users. In my opinion, the approach of the first instance court is more appropriate than that of the Supreme Court.

On the other hand, if the notification is clearly unfunded, the person sending this notification may also be held liable. However, there is no clarity in this regard neither in the Turkish legislation nor in the E-Commerce Directive. Only in the Commission's Recommendation in 2018, it was stipulated that “*effective and appropriate measures should be taken to prevent the submission or, or the taking of action upon, notices or counter-notices that are submitted in bad faith and other forms of abusive behavior related to the recommended measures to tackle illegal content online*”¹⁷⁵⁵. On this point, for example, the fact, according to the French law LCEN, for any person, to present to the hosting service provider a content or an activity as being illegal for the purpose of obtaining the withdrawal or to stop the diffusion, while s/he knows that this information is inaccurate, is punished one year's imprisonment and a fine of 15,000 Euros (art.6 / I-4). In addition to this, as a result of these torts, there may be damage claims. For example, a trader was ordered to pay 20,000 Euros in compensation for damage suffered by his competitor due to an abusive blocking of his two Facebook pages¹⁷⁵⁶.

At this point, it is worth mentioning the infringement notification procedure under the American Digital Millennium Copyright Act (DMCA). It is, in my opinion, an exemplary system in terms of balancing the interests. According to this, the person whose intellectual property is infringed notifies the service provider. What this notification should cover includes elements similar to those mentioned in the French provision mentioned above¹⁷⁵⁷. However, the particularity of this American regulation is that after the removal of the content in question by the service provider which have been notified by the right holder, the content provider has the right to counter notify the service provider. What the counter notification should contain is also clearly regulated¹⁷⁵⁸. Upon the receipt this counter notification of the content provider, the service provider replaces

¹⁷⁵⁵ European Commission, “Commission Recommendation of 01.03.2018 on measures to effectively tackle illegal content online”, C(2018) 1177 final, 01.03.2018, art.21

¹⁷⁵⁶ CA Lyon, 1ere ch. Civile A, Spiruline sans frontiere (S.S.F) v. Guillaume C., 18.12.2014 (www.legalis.net); Christiane FERAL-SCHUHL, p.1261

¹⁷⁵⁷ Digital Millennium Copyright Act, Section 512/c-3

¹⁷⁵⁸ Ibid., Section 512/g-3

the removed material or cease disabling access to it in 10 to 14 business days following the receipt of the counter notice if the right owner who claims that its rights are infringed does not file an action against the content provider¹⁷⁵⁹¹⁷⁶⁰. Therefore, beside the right owner's possibility to notify the service provider about the infringement and to request the removal of these infringing contents, the content owner has also the possibility to defend itself with regard the content in question. Moreover, for a removal or disabling access of the said content in a permanent way, the right holder should take an action for this content before the courts, which will have the last word. By this way, unnecessary and unfair removal or disabling access of the contents would be prevented if the right owner does not take such an action before the courts, thus if s/he is not determined in his claim.

A “counter-notice” system similar to that of the American DMCA has been also foreseen in the EU Commission's Recommendation dated 2018. Accordingly, “*when a hosting provider decides to remove or disable access to any content that it stores because it considers the content to be illegal content, (...) the content provider should, without undue delay, be informed in a proportionate manner of that decision and reasons for taking it*”. Moreover, “*content providers should be given the possibility to contest the decision by the hosting service provider (...) within a reasonable time period, through the submission of a counter-notice to the hosting provider*” and “*where the counter-notice contains grounds for the hosting service provider to consider that the content to which the counter-notice relates is not to be considered illegal content, it should reverse its decision to remove or disable access to that content without undue delay*”. However, this mechanism should not be applied where it is manifest that the content concerned is an illegal content and relates to serious criminal offenses¹⁷⁶¹.

On the other hand, besides the content of the notification sent by the alleged infringed right owner to the service provider, how the notification should be made has to be determined. On this point, pursuant to the art.2/1-r of the Turkish Internet Law, the

¹⁷⁵⁹ Ibid., Section 512/g-2-b&c

¹⁷⁶⁰ Kaan Mert GÜLPINAR, p.44-46

¹⁷⁶¹ European Commission, “Commission Recommendation of 01.03.2018 on measures to effectively tackle illegal content online”, C(2018) 1177 final, 01.03.2018, art.9-12

notification should be sent to the content or hosting service provider via their communication addresses, such as e-mails or other communication means (art.3/3). In this respect, the said notification may be made by any means of communication such as telephone, message or e-mail. However, sending cease and desist letter would be more appropriate in terms of proof. Moreover, as Turkish Supreme Court stated, filing a lawsuit is also considered as a notification¹⁷⁶².

At this point, it should be pointed out that there is no need for the right owner in the first place to issue a notification to or file a lawsuit against the content provider in order to being able to take an action against the hosting service provider before the courts. Indeed, as the content provider is the main offender, the right owner can bring a legal proceeding against him without having sent a notification beforehand. On the other hand, in accordance to the joint liability principles, the person who has been harmed may sue all the offender together, but also only a part of them. In this regard, without filing a lawsuit against the content provider who is the main offender, it is possible to sue the hosting service provider for trademark infringement before the courts as long as this service provider is notified beforehand of the infringing content¹⁷⁶³.

Even though hosting service providers are exempted from liability for third party's content as long as they satisfy the necessary requirements, they can be the addressee of "injunctions" from the competent authorities in order to terminate or prevent an infringement. On this point, it should be recalled that even though art. 15 of the E-Commerce Directive prohibit any general obligation to monitor the information which the intermediary service providers transmit or store, nor a general obligation actively to seek fact or circumstances indicating illegal activity; on the other hand, the recital 47 of the preamble to the E-Commerce Directive states that "Member States are prevented from imposing a monitoring obligation on service providers *only with respect to obligations of a general nature*; this does *not concern monitoring obligations in a specific case* and, in particular, does not affect orders by national authorities in accordance with national legislation.". Moreover, recital 48 continues as "This Directive does not affect the

¹⁷⁶² Yarg. 11. HD., 2014/10712 E. 2014/18417 K. 26.11.2014 T. (www.kazanci.com)

¹⁷⁶³ Yarg. 11. HD. 2016/1613 E. 2017/6599 K. 27.11.2017 T. (www.kazanci.com)

possibility for Member States of requiring service providers, who host information provided by recipients of their service, *to apply duties of care*, which can reasonably be expected from them and which are specified by national law, *in order to detect and prevent* certain types of illegal activities”. In this context, for example, the French Law LCEN transposing the E-Commerce Directive, in its art.6/II/7, states that “although hosting and access providers are not subject to a general obligation to monitor the information they transmit or store, nor a general obligation to investigate for facts or circumstances that reveal illegal activities; they may be required to put in place *targeted and temporary surveillance* by the judicial authority”.

As regards the obligation to prevent the put back of illicit content online, the French courts initially accepted the obligation known as the "notice and stay down"¹⁷⁶⁴. A shift is thus made from a "notice and take down" procedure to a "notice and stay down" obligation. According to this early case law, in order to fully benefit from the regime of conditional liability regime of the hosting service provider, the latter must implement all the means likely to avoid a new publication of the content, withdrawn a first time after notification. Its responsibility was therefore not engaged because of the first publishing of unlawful content, but for other publications, since their illicit nature has been previously brought to its attention. Therefore, two cumulative conditions were necessary: it must have been validly notified a first time and the contents should had been removed. It was an active-preventive a *priori* liability rather than a passive-reactive *posterior* liability (notice and take down)¹⁷⁶⁵.

But this French jurisprudence is abandoned by the Supreme Court in three judgments delivered in 2012¹⁷⁶⁶. For example, in a judgment where Google Video was at issue, the Supreme Court has overruled the decision of the Court of Appeal which held that Google companies could not claim the irresponsibility of the hosting service providers as they had not done the due diligence necessary to make it impossible to re-upload the documentary film in question, already reported as unlawful. The Court of

¹⁷⁶⁴ TGI Paris, , Zadig Production et autres v. Dailymotion 10.10.2009; CA Paris, Google France v. Aufeminin.com et autres, 04.02.2011

¹⁷⁶⁵ Céline CASTETS-RENARD, Droit de l'Internet, p.300-301

¹⁷⁶⁶ C.Cass., 1ere ch civ, Google France v. Bac Films; Aufeminin.com v. Google France; Syndicat national de l'édition phonographique v. Google France, 12.07.2012, (www.legalis.net)

Appeal held that it was their responsibility to implement all technical means, which they did not dispute having, to make it impossible to access the videos they stored. However, the Supreme Court considered that the measures imposed on the hosting service providers to prevent any new posting of unlawful content, without even having been notified by another regular notification yet required so that they actually have knowledge of its unlawfulness and its location and are then required to act promptly to withdraw or make access impossible, results in the submission, beyond the sole power to order a measure to prevent or stop the damage linked to the current content of the site in question, *a general obligation to monitor* the content they store and search for illegal uploads and to prescribe them, *disproportionately* to the aim pursued, the establishment of a blocking device without time limitation¹⁷⁶⁷. On this point, it should be noted that even though these online content-sharing platforms are hosting service providers, their liability with regard to copyright-protected works is not anymore subject to the E-Commerce Directive, but to the new Directive 2019/790 on Copyright and Related Rights in the Digital Single Market.

It was held by the German courts with regard to hosting service providers such as online shopping or auction sites that while these providers cannot control every product that they provide intermediary service, the obligation to prevent the same or similar infringements can be imposed on them when it is expectable from these service providers¹⁷⁶⁸. Some criteria have been laid down in determining the “expectable” obligation to control the content such as the technical and economic competence of the service provider in preventing the violation, the profit of the service provider from this service, the importance of the violation, and in particular the nature of the right violated, and more details showing the existence of the infringement.

However, the obligation of the internet service providers to investigate and control the content they transmit first arises upon becoming aware of a violation because of the content. Otherwise, it would be contrary to the principle that the internet service providers cannot be obliged to control the content¹⁷⁶⁹. In this respect, although a

¹⁷⁶⁷ C.Cass., 1ere ch civ, Google France v. Bac Films, 12.07.2012

¹⁷⁶⁸ Mine KAYA, İnternet Servis Sağlayıcıları, p.760

¹⁷⁶⁹ Ibid., p.744-745

monitoring obligation cannot be imposed on hosting service providers such as online shopping or auction sites before the notification of the infringement, they may be imposed to fulfill the disabling access requests upon the receipt of the infringement notification and moreover to take necessary measures which can be expected from them and which are technically feasible for the prevention of future infringement¹⁷⁷⁰.

The CJEU examined, in *eBay* case, whether an online marketplace operator can be obliged to take, in addition to measures aimed at putting an end to infringements of intellectual property rights by users of its service, measures to prevent new infringement of this nature. According to the court, an online service provider such as an online marketplace may be ordered “*to take measures that contribute not only to bringing to an end infringements committed through that marketplace, but also to preventing further infringements*”¹⁷⁷¹. Therefore, the mechanism is as follows: the owner of intellectual property rights on a trademark finds out an infringement thereof through an online service, obtains the withdrawal of illegal content in accordance with the regime provided, but wishes to obtain a stronger measure. It is then address to the judge who can force the operator of this service to ensure that there is no further infringement of the trademark right¹⁷⁷². But in this case, what measure can the judge enjoin for this purpose? On this point, the CJEU stated that *these measures*, while they must be effective and dissuasive, “cannot consist in an active monitoring of all the data of each of its customers in order to prevent any future infringement of intellectual property right via that provider’s website”, as the measures referred to by the art. 3 of the Directive 2004/48¹⁷⁷³ must be “*fair and proportionate and must not be excessively costly*”¹⁷⁷⁴. Moreover, the injunction addressed to that operator cannot have the object or effect of introducing a general and permanent prohibition on the sale of products under these marks on that marketplace, which would create barriers to legitimate trade¹⁷⁷⁵.

¹⁷⁷⁰ Ibid., p.760-761

¹⁷⁷¹ C-324/09, *eBay*, 12.07.2011, par.131

¹⁷⁷² Cédric MANARA, p.100

¹⁷⁷³ on the enforcement of intellectual property rights, O.J. 30.04.2004, L 157/45

¹⁷⁷⁴ C-324/09, *eBay*, 12.07.2011, par.139

¹⁷⁷⁵ Ibid., par.140

For instance, the CJEU, in *Scarlett Extended*¹⁷⁷⁶ and *SABAM*¹⁷⁷⁷ cases, found an injunction against intermediaries to install, in respect of all its customers, in abstracto and as a preventive measure, at the exclusive expense of that internet service provider and without limitation in time, a *filtering system* in order to identify and subsequently to block the transfer of the files, as imposing a general monitoring obligation which is prohibited by art.15 of the E-Commerce Directive. Concerning the conditions for the filtering of infringing content, the CJEU recognizes that, if the protection of intellectual property rights is enshrined in art.17/2 of the Charter of Fundamental Rights of the European Union of 7 December 2000, it does not appear at all from this provision, or even from the case-law of the Court, that such a right is intangible and that its protection should be absolutely guaranteed. On the contrary, the Court has already stated in the *Promusicae* case that the protection of the fundamental property rights must be weighed against that of other fundamental rights. National legislation may provide for filtering measures with the help of technical intermediaries, but the measures provided for must not be disproportionate or affect detrimentally the absence of a general obligation to monitor of the hosting service providers (art.15 of the E-Commerce Directive). In this case, the freedom of enterprise of the service provider, recognized in Article 16 of the Charter, was affected because the injunction made to it would require it to install a complex, expensive, permanent computer system and at its only expenses. However, the filtering requirement can only be “temporary” and “targeted” (art.15 of the E-Commerce Directive and art.6/I/7 of LCEN)¹⁷⁷⁸.

Consequently, hosting providers may be ordered by the courts to take measures aiming to terminate the existing infringement, but also to prevent future infringements. However, these measures should not be in the form of “active monitoring” since such an obligation is contrary to the legislation. For this, the monitoring obligation for the prevention of future trademark infringement must concern infringement of “*the same*

¹⁷⁷⁶ C-70/10, *Scarlet Extended SA v. SABAM* (“Scarlet Extended”), 24.11.2011, par.39-40

¹⁷⁷⁷ C-360/10, *SABAM v. Netlog NV* (“Sabam”), 16.02.2012, par. 53

¹⁷⁷⁸ Céline CASTETS-RENARD, *Responsabilité des Intermédiaires de l’Internet*, p.827

nature by the same recipient of the same rights”, and should relate to a “*specific case*” which is limited in terms of “*subject*” and “*the duration*” of the monitoring¹⁷⁷⁹.

Even if hosting providers carry out an active monitoring, it may not be possible for them to detect the illegality in each case. Indeed, even if the hosting provider, once notified by the trademark owner, has become aware of the trademark proprietor’s rights subject to the alleged infringement, these right may have expired at a later date. In this respect, the hosting provider cannot be expected to conduct a right ownership investigation on that right. Likewise, the alleged infringed trademark may be used by someone with legitimate interests or rights on that trademark. For example, while the trademark subject to the first notification is used on counterfeit goods, the latter use may be related to second-hand products. In this case also, the hosting provider has no obligation to investigate the lawfulness of this use. As such, it is not possible to impose an obligation on the hosting provider to prevent subsequent violations of the same trademark. For these reasons, the notification will have to be done again in case of re-posting of illegal content. To judge otherwise would be to subject the service providers to a general obligation of monitoring¹⁷⁸⁰ and to impose, disproportionately in relation to the aim pursued, the establishment of a blocking device without any time limit, and thus to impose on them measures that are incompatible with the general scheme of the E-Commerce Directive¹⁷⁸¹.

Finally, it should be noted that while under the Turkish Internet Law, the hosting service provider should “remove/take down” the alleged infringing content once it has been informed of it, the E-Commerce Directive provides two methods such as removal or disabling access to the information (art.14/1-b). Under the Turkish Law, disabling access is stipulated for the access providers. In other words, while removal of the illegal content may be requested from the content and hosting provider, disabling access/blocking access may be requested only from the court¹⁷⁸².

¹⁷⁷⁹ C-18/18, Eva Glawischnig-Piesczek v. Facebook Ireland Ltd., Opinion of AG Szpunar, 04.06.2019, par.45-47; see the Judgment of the Court delivered on 3th of October 2019 for the possible court injunctions to the hosting providers in order to prevent identical and equivalent defamatory contents.

¹⁷⁸⁰ See to that effect NICA 54 (Northern Ireland Court of Appeal), CG v. Facebook Ireland Ltd. & Anor (2016)

¹⁷⁸¹ Cédric MANARA, p.99; C. Cass., 1ere ch civ., 12.07.2012, Aufeminin.com v. Google France

¹⁷⁸² Yarg. 19 CD. 2017/5487 E. 2018/5205 K. 26.04.2018 T. (www.kazanci.com)

Regarding the removal of the illegal content by the hosting service provider, there is no indication in the Turkish Law with regard to the period in which such removal should be executed. On the other hand, the E-Commerce indicates that such removal should be “expeditiously”. However, no guidance is given in the Directive as to what “expeditious” means which is a source of uncertainty. In this regard, for example, the French case-law is divergent on this subject as while a first instance court considered in one case that the providers were required to act in the same day, other jurisdictions have considered that a period of several weeks, or even months, between knowledge of the facts and the withdrawal illegal content, could be qualified as prompt¹⁷⁸³. However, in any case, the legal ambiguities about the term « expeditiously » place internet service providers on the verge of being held accountable: if a service provider ignores an alleged infringement notification or addresses it too late, it can be sued by the right holder. On the other hand, if it recognizes the notification and disable access to the alleged infringing content, it is possible that its users may sue it for violation of freedom of expression, competition or other illegal actions¹⁷⁸⁴. Moreover, in the application of the principle of “notice and take down”, recital 46 of the E-Commerce Directive must be taken into account, according to which, “*the removal or disabling of access has to be undertaken in the observance of the principle of freedom of expression and of procedures established for this purpose at national level*”. For instance, In Finland, national legislation implementing the E-Commerce Directive provides that a hosting service provider is required to remove information stored in his system only if he was enjoined to do so by court order *in case of trademark infringement*, or upon notification of the right owner *in case of copyright or related right infringement*. In the latter case, the user can oppose to the removal within 14 days¹⁷⁸⁵.

Pursuant to the Turkish Internet Law, hosting service providers should keep their introductory information up-to-date and accessible to the users on their websites (art.3/1) and keep, ensure the accuracy, integrity and confidentiality of the traffic information with regard to the services provided for a certain period of time (art.5/3). An administrative

¹⁷⁸³ TGI Toulouse, (réf), Krim K. v. Pierre G, Amen, 13.03.2008; TGI Paris, Lafesse v. YouTube, 14.11.2008; CA Paris, Google v. Flach Film, 09.04.2010; Nathalie DREYFUS, p.346

¹⁷⁸⁴ Mohammad SADEGHI, p. 109

¹⁷⁸⁵ C-324/09, eBay, Opinion of AG Jaaskinen, 09.12.2010, par.156-159

fine is imposed on the hosting providers who do not fulfill these obligations. Moreover, for example, the Supreme Court upheld the first instance court decision which held liable a hosting service provider on the ground that this service provider provided services to the content provider without even asking an identification number so that it caused that the infringer not to be easily identified¹⁷⁸⁶.

2. Liability of Internet Service Providers outside the “Safe Harbor” regime

Internet actors which do not benefit from the safe harbor regime are primarily the content providers as they are the ones who produce or provide the alleged infringing contents on the internet and thereby considered as the principal offender (A). On the other hand, service providers who provide the necessary technical environment to its users but exceed the technical and neutral role limits due to the nature of its activities are also not covered under the safe harbor regime (B).

A. Liability of Content Providers

The liability of content providers under the Turkish Internet Law has been regulated by taking into consideration the provisions of the German Tele-Services Act of 1997 on this subject¹⁷⁸⁷. Accordingly, unlike the access and hosting service providers, the content provider is responsible for all kinds of content it provides on the internet environment (art.4/1). On the other hand, s/he is not responsible for the third party’s content to which s/he provides a link. However, if it is understood from the presentation format that s/he adopts the content to which s/he provides a link or aims that the user accesses to such content, s/he will be responsible under the general provisions (art.4/1-2). Therefore, there are two types of content for which the content provider is responsible and/or conditional irresponsible. One of them is the content of the content provider itself, the other one is the content that belongs to third parties.

The content provider is objectively responsible for its own content¹⁷⁸⁸. The nature of this liability of a tort liability. As indicated by the Turkish Supreme Court, the content provider’s liability is an “absolute liability” (liability without fault) under the art.4

¹⁷⁸⁶ Yarg. 11. HD. 2012/3593 E. 2013/17284 K. 02.10.2013 T.; Uğur ÇOLAK, Türk Marka Hukuku, p.552

¹⁷⁸⁷ Ümit GEZDER, p.75

¹⁷⁸⁸ Fırat ÖZTAN, Fikir ve Sanat Eserleri Hukuku, Ankara 2008, p.632

of the Internet Law by the mere making available the content to the public on the internet¹⁷⁸⁹. In this regard, it has been argued that art. 4 of the Internet Law provides a new absolute liability which is not regulated under the Turkish Law¹⁷⁹⁰.

On the other hand, the techniques used, especially hypertext links, do not allow an approach of purely editorial responsibility¹⁷⁹¹. As stated by the ECHR, “hyperlinks, as a technique of reporting, are essentially different from traditional acts of publication in that, as a general rule, they merely direct users to content available elsewhere on the Internet. They do not present the linked statements to the audience or communicate its content, but only serve to call readers’ attention to the existence of material on another website”. Moreover, “the person referring to information through a hyperlink does not exercise control over the content of the website to which a hyperlink enables access, and which might be changed after the creation of the link”¹⁷⁹².

For this reason, the content provider is only responsible under certain circumstances for the content of third parties to which it provides links. Pursuant to the Turkish Internet Law, these circumstances are those where the content provider adopts the content belonging to someone else and explicitly aims the user to access the content in question. Indeed, with such adoption, the content is considered to be the content of the content provider. Therefore, the contents for which the content provider is responsible in absolute way, are the content that is produced by the content provider itself and the content produced or provided by others but adopted by the content provider¹⁷⁹³.

There is no special regulation for the content providers under the E-Commerce Directive, as it is indicated in the 42th recital of the said Directive, “*the exemptions from liability established in this Directive cover only cases where the activity of the information society service provider is limited to the technical process of operating and giving access to a communication network over which information made available by third parties (...)*”. In this respect, there is no regulation in the E-Commerce Directive on

¹⁷⁸⁹ Yarg. 4. HD., 2014/7834 E. 2014/11797 K.; Ümit GEZDER, p.79

¹⁷⁹⁰ Ümit GEZDER, p.79

¹⁷⁹¹ Christiane FERAL-SCHUHL, p.1356

¹⁷⁹² ECHR, fourth section, Case of Magyar Jeti ZRT v. Hungary (“Jeti ZRT”), application no. 11257/16, 04.12.2018, par.74-75

¹⁷⁹³ Ümit GEZDER, p.88

service providers other than those that perform technical functions. Nevertheless, the decision of the European Court of Human Rights in December 2018¹⁷⁹⁴, which will be discussed in detail below, sheds light on the content provider's liability with regard to the content to which it provides link.

First of all, in terms of the content provider's liability for its own content, the scope of its content should be determined. The definition of the content provider is given in article 2/1-f of the Internet Law, according to which the content provider is a natural or legal person who produces, modifies and provides all kinds of information or data offered to users over the internet. Therefore, if any content (information and data) presented to the internet is produced, modified and provided by the content provider, such content will be its own content of the content provider. It is obvious that the person who produces a content will be responsible for that content. However, it is also possible for the content to be produced by another person, but modified by the service provider and made available to the internet. In this case, in respect of content produced by someone else but subsequently modified, the person who changes and makes it available on the internet will be responsible for that content as a content provider. Moreover, even if such content has not been produced or modified by the service provider, the person who has provided and made available such content on the internet will be responsible as content provider.

As can be seen from the definition given in article 2/1-f of the Internet Law, the content provider may be the one who "provides" all kinds of content offered to the users over the internet. In such a case, it is held liable for such content. On the other hand, art.4/2 which regulates the liability of the content provider, refers to "providing link" and grants a liability exemption for such situation. In this regard, the difference between "providing content" and "providing link to another's content" needs to be examined. Indeed, for example, if the content on a web page is prepared/produced by a third party and not by that web page owner, the liability for such content lies on the web page owner as it is the one who provides and makes it available on the internet¹⁷⁹⁵. If, on the other

¹⁷⁹⁴ ECHR, fourth section, Case of Magyar Jeti ZRT v. Hungary, application no. 11257/16, 04.12.2018

¹⁷⁹⁵ Harun DEMİRTAŞ, p.117

hand, a link to another content is provided on that web page, the web page owner may not be held responsible for the content to which it provides link under certain circumstances. In this case, the content provider does not provide content to the Internet, but rather provides a link to content already submitted to the Internet. In other words, the content provider does not provide a content on the internet, but provides a link to a content already provided. In principle, in such a case, the content provider is not responsible for the content of third parties to which it provides links. However, if it is clear from the presentation form that it adopts the content to which it provides links and aims the user to access such content, it would be responsible under the general provisions (art. 4 /1-2).

The liability of the content provider because of the link provided to a third party content, is not a liability of the person who directly infringes a right, but a liability of the person who participates in the action of the person responsible for the unlawfulness of the linked page¹⁷⁹⁶. Regarding this issue, it was stated in the Justice Commission Report¹⁷⁹⁷ that in cases where the content provider provides a link to a content of third party, if it is understood from the presentation format that s/he adopts the content to which s/he provides a link or aims that the user accesses to such content, s/he will be held responsible for such content; that, in this respect, if the linked content constitutes an offense, the content provider linking to that content will be held liable for its complicity to the offense committed.

In such a case, the content provider's liability principles are similar to the access and hosting provider's responsibility regime. In fact, the irresponsibility of the access and hosting providers relates to the third party's content, and their responsibilities arise if they have any participation or interventions (active roles) with regard to this third party's content. Likewise, the responsibility of the content provider is not held because of the third party's content, but because of its involvement in this third party's content. In other words, the more the operator is involved in the content of third parties before it is put online - whether through prior censorship, modification of the content, selection of

¹⁷⁹⁶ Ibid., p.117-118

¹⁷⁹⁷ 12.04.2007, <https://www.tbmm.gov.tr/sirasayi/donem22/yil01/ss1397m.htm>

recipients, call for comments on topics defined in advance or by the appropriation of the content - the more he risks being held liable for this content¹⁷⁹⁸.

It should be noted that there is no prior obligation for the content providers to verify illegal content that may be found within the sites to which they provide links. In this context, for example, a French court held that search engines cannot be imposed to an obligation to monitor the sites they refer to by hypertext links. Therefore, the fact of not checking the legality of the contents targeted by the hyperlinks and the fact of not having set up a process automatically preventing, by means of a filtering system, the supply of hyperlinks towards unlawful contents do not constitute a fault or negligence liable to incur the liability of the creator of a hyperlink¹⁷⁹⁹.

It is not clear how should be interpreted the requirement of “*adopting the content to which a link a provided*” for the content providers to be held liable for third party content. Due to the fact that the relevant provision is open to interpretation, the liability of the content provider in such case may differ according to the nature of the circumstances at issue¹⁸⁰⁰.

At this point, it should be noted that linking intermediaries are very diverse. These are service providers providing “hyperlinks” to third party content in order to organize or make such information more accessible to users¹⁸⁰¹. It is not clear whether providers of hyperlinks fall within the scope of art.14 of the E-Commerce Directive related to the hosting service providers. The providers of hyperlinks include hyperlinkers, location tool services (such as Google search engine) and content aggregators. While some search engine activities such advertising services provided by search engine companies might qualify under art. 14 as the CJEU applied the art.14 immunity provision to Google’s AdWords service¹⁸⁰², it does not follow that the provision of links by either a search engine or an individual actor corresponds to the criteria of art. 14. Providers of hyperlinks do not necessarily “store information provided by a *recipient* of the service.”

¹⁷⁹⁸ ECHR, Delfi AS v. Estonia (“Delfi”), Application No.64569/09, 16.06.2015, par.58

¹⁷⁹⁹ Christiane FERAL-SCHUHL, p.1374; TGI Paris, ord. Réf. L.P dite Lorie v. M.G.S, Wanadoo Portails, 12.05.2003 (www.legalis.net)

¹⁸⁰⁰ Ahmet Bedii KAYA, p.129

¹⁸⁰¹ Béatrice MARTINET FARANO, p.101-102

¹⁸⁰² Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010

Rather, in many hyperlinking contexts, the hyperlinks at issue have been provided by the operator of the website¹⁸⁰³. However, as explained above, the RSS (Really Simple Syndication) aggregator sites which operates exclusively by linking have been considered as hosting service providers in France. In this regard, these linking operators are not liable for the contents linked under the safe harbor regime. For example, an interactive site offering Internet users the possibility of putting online hypertext links by attaching titles summarizing the content of the information is qualified by the French Supreme Court as hosting service provider because the activity of the creator of the site was limited to structure and classify information made available to the public to facilitate the use of its service. On the other hand, this company was not the author of the titles and hypertext links, nor did it determine or verify the contents of the site¹⁸⁰⁴.

When considering whether someone else's content is adopted, one should also look at how the internet user perceives it¹⁸⁰⁵. For example, if it is concluded that the internet user may think that the site containing the content in question belongs to the content provider, this latter should be responsible for this content. If the user is hesitating, the same conclusion can be reached¹⁸⁰⁶. In this context, for example, when the content provider provides an inline link¹⁸⁰⁷ to someone else's content, it is assumed that it adopts the content. In fact, such a link form an integrity with the content provider's own content, so that it is considered as a content it adopts unless the content provider explicitly distinguishes the sources of the information¹⁸⁰⁸. Likewise, in the case of framing¹⁸⁰⁹ or deep links¹⁸¹⁰, the content provider should be deemed responsible if the user is unwittingly redirected to another site¹⁸¹¹. Indeed, such situation consists in quoting another site, without showing the change of the site in the URL and without going through

¹⁸⁰³ Jane C. GINSBURG, Luke Ali BUDIARDJO, p.171-172

¹⁸⁰⁴ C.Cass, 1ere chambre civile, 17.02.2011, M.Olivier v. Bloobox-net (www.legalis.net)

¹⁸⁰⁵ Savaş BOZBEL, Fikir ve Sanat Eserleri Hukuku, p. 490

¹⁸⁰⁶ Uğur ÇOLAK, Türk Marka Hukuku, p.535

¹⁸⁰⁷ In Inline-linking, a link to someone else's content is given on a website in a way so that it is no longer clearly understood to whom belongs the content under the link. See Savaş BOZBEL, Fikri Mülkiyet, p.310, footnote.776

¹⁸⁰⁸ Mine KAYA, İnternet Servis Sağlayıcıları, p.753

¹⁸⁰⁹ In Framing, the entire site of another person is "embedded" in a part of a website (frame). The internet user, while it stays on the website of the link provider, the website of another person is displayed in a frame. Depending on the design of the website, this may or may not be noticeable to the user. See Savaş BOZBEL, Fikri Mülkiyet, p.310, footnote.777

¹⁸¹⁰ The feature of deep link is that it links directly to the linked content by bypassing the home page of the linked site. See Savaş BOZBEL, Fikri Mülkiyet, p.309

¹⁸¹¹ Uğur ÇOLAK, Türk Marka Hukuku, p.535

the homepage. Therefore, the implementation of a deep link is likely to constitute an act of unfair competition, insofar as it manages to divert users from competing sites. On the other hand, the good practice of the hyperlink consists on the contrary to make clear the change of site by the opening of a new window with the address URL of the site and the home page.¹⁸¹² In such a case, as the internet user can easily understand that s/he has entered into another site, the content provider would not be liable for the content to which it provided a link¹⁸¹³.

At this point, it is worth mentioning a decision of the European Court of Human Rights with regard to the responsibility of the content provider that provides links to third party's contents. Indeed, the criteria laid down by ECHR will shed light on the determination of whether the content provider is responsible for third-party content to which it provides links under the Turkish Law. In the case in question, the Hungarian domestic courts find a news portal liable for the posting of a hyperlink leading to defamatory content on its website. The applicant company, which operates a popular online news portal called 444.hu published an article on an incident related to a political party and gave a hyperlink, by clicking on which readers could open a new web page leading to the video hosted on YouTube. The political party brought defamation proceeding against eight defendants including the applicant company who had provided links to the impugned video. According to domestic courts, the applicant company (news portal) was objectively liable for disseminating defamatory statements and had infringed the political party's right to reputation. In these circumstances, the applicant company resorted to the European Court of Human Rights by asserting that its freedom of expression had been unduly restricted. In analyzing whether the posting of a hyperlink may give rise to liability for the content itself, the Court took into account a number of elements such as, "(i) did the journalist endorse the impugned content; (ii) did the journalist repeat the impugned content (without endorsing it); (iii) did the journalist merely include a hyperlink to the impugned content (without endorsing or repeating it); (iv) did the journalist know or could he or she reasonably have known that the impugned content was defamatory or otherwise unlawful; (v) did the journalist act in good faith,

¹⁸¹² Céline CASTETS-RENARD, *Droit de l'Internet*, p.349

¹⁸¹³ Uğur ÇOLAK, *Türk Marka Hukuku*, p.535

respect the ethics of journalism and perform the due diligence expected in responsible journalism?”¹⁸¹⁴.

In the first place, the Court found that the article in question simply mentioned that an interview with a person named J.Gy.¹⁸¹⁵ could be found on YouTube and provided a hyperlink to access it, without commenting or repeating part of it. Moreover, it observed that the author did not imply in any way that the statements at issue were true, nor did he approved the content. In this regard, it was concluded that the impugned article did not amount to an endorsement of the incriminated content, nor did it repeat the defamatory statements, as the publication was limited to posting the hyperlink. Regarding whether the applicant company knew or could have reasonably known that the hyperlink provided access to defamatory or otherwise unlawful content, the Court considered that the journalist could reasonably assume that the contents, to which he provided access, would remain within the realm of permissible criticism of political parties and, as such, would not be unlawful. In these circumstances, the Court found there has been a violation of art.10 of the Convention as the domestic courts’ imposition of objective liability on the applicant company was not based on relevant and sufficient grounds and therefore the measure constituted a disproportionate restriction on its right to freedom of expression¹⁸¹⁶.

In addition to the adoption of content by the content provider through the links provided, comments under a content may also be important for the adoption of the content. Because, if these comments are published on the website after editorial control and if the content provider does not take any action regarding these comments despite the statements constituting infringement, it may be claimed that it adopts such content¹⁸¹⁷. But at this point, I think it is necessary to make a distinction. In other words, there is a difference between internet operators such as chat forums or social media platforms that provide only the environment to create content for internet users and internet news portals where the content is made available to the internet by the operator of this portal and users

¹⁸¹⁴ ECHR, Jeti ZRT, 04.12.2018, par.6-22,77

¹⁸¹⁵ who was a leader of the Roma minority local government in Konyar

¹⁸¹⁶ ECHR, Jeti ZRT, 04.12.2018, par.78-85

¹⁸¹⁷ Doğan KILINÇ, Özel Hayatın Korunması, p.613

can leave comments under them. In fact, in a bulletin board or an internet discussion forum, users can freely express their ideas on any topics without the interventions of the forum manager. Likewise, in a social media platform, the provider of the platform does not produce any content. In that regard, they are considered as hosting operators which benefit from the safe harbor of the E-Commerce Directive. On the other hand, internet news portals publish news articles of their own and invites readers to comment on them. In that context, they are considered as publishers together with the publisher of printed media¹⁸¹⁸ and therefore held liable for the publication of the clearly unlawful comments posted by third parties on the articles, even they remove the comments once they were notified by the injured party¹⁸¹⁹.

As stated, social media operators are considered as hosting service providers. However, regarding the responsibility of the account holder on these social media, what would be, for example, the liability of a person who has its own page/account on Facebook for the comments left on these pages? In this case, the account holder will be the content provider of its account/page and will be responsible for the content posted on this page. The question here is whether this content provider will be held liable for third party comments or posts on this page, in other words, whether the third party comments or posts will be considered as the content provider/account owner's own content or third party content to which it provides link. In my opinion, since there is no content produced or provided by the content provider, there is a content to which the content provider provides a link. Therefore, it is a third party content. Such third party content must be adopted by the content provider/account owner in order to be considered within its responsibility. In order for this adoption to take place, in my opinion, the third party content must be published after the approval/verification of the social media page/account holder. Moreover, another question to be resolved is whether "like" or "repost" of a content on social media such as Facebook, Twitter or Instagram means adopting such content. The answer is affirmative as it was indicated in a French court decision in 2017

¹⁸¹⁸ ECHR, Delfi, 16.06.2015, par.116

¹⁸¹⁹ Ibid., par.128, 140; on the same way, for a decision of the Polish Supreme Court decision in 2016, see Michal SALAJCZYK, "Polish Courts Find that Websites are Liable for Reader's Comments", Lexology, 19.06.2017, available at <https://www.lexology.com/library/detail.aspx?g=dc79e871-5ba2-49b4-ab72-b118d8144975> (last accessed on 23.01.2019)

that the "like" on a Facebook wall is not strictly equivalent to a publication on this Facebook wall but makes its author to appear as adhering to the ideas conveyed by the publication "liked", or at least as being interested by these ideas¹⁸²⁰.

In addition, unlawful content can be found in advertisements displayed on a website. For example, companies may advertise on a site owned by the content provider, and the signs used by that advertiser may infringe a third party's trademark. At this point, it should be noted that the website owner cannot be considered as a technical service provider such as hosting provider by only providing a medium for the display of the advertisement. On the contrary, it will be considered as content provider as it receives advertisements for the site of which the content is produced or provided by himself¹⁸²¹. However, in this case, the content provider will not be responsible for the content of the third party advertisement displayed on the site as the content provider is not responsible, in principle, for the content of someone else to which it provides links. However, it will be held liable if it is understood that it adopts the infringing content at issue or aims that the users can access it.

Therefore, in the adoption of third party content, the content provider agrees with and participate to this content by presenting it as if it belongs to him with the words or methods he uses¹⁸²². In addition to the adoption of the third party content, the content provider should also aim that the content is accessed by the internet user and this should be understood from its presentation of the said content. In this regard, presentation of the unlawful content on the website by bringing it to forefront for example will be determinant in the determination of the content provider's liability¹⁸²³.

Finally, it should be pointed out that content provider's removal of unlawful content from the internet does not in principle eliminate its responsibility. Indeed, the publication of content on the Internet may constitute a crime or tort. In this respect, the removal of the content upon receipt of the notice does not relieve the person providing

¹⁸²⁰ Maud COCK, "Lier, Partager, Liker, (re) Tweeter... Quelles Différences Juridiquement?", 21.01.2019, available at <https://www.droit-technologie.org/actualites/liker-partager-liker-retweeter-queelles-differences-juridiquement/> (last accessed on 22.01.2019)

¹⁸²¹ Yarg. 11. HD. 2014/10712 E. 2014/18417 K. 26.11.2014 T.

¹⁸²² Mine KAYA, İnternet Servis Sağlayıcıları, p.753

¹⁸²³ Tamer SOYSAL, Alan Adları Hukuku, p.61

the content. This person is responsible for any content s/he posts on the internet and is directly responsible for the damages resulting from this action. Removing the unlawful content from the internet in a timely manner can only be considered as one of the mitigating reasons for the responsibility¹⁸²⁴.

B. Liability of Technical Intermediaries which Falls outside the Scope of “Safe Harbor”

For there being a trademark infringement, there should be a “use” within the meaning of the trademark law¹⁸²⁵. For example, that element had not being found by the CJEU, not to have been met with regard to search engines and auction platforms. For this reasons, the liability of ISPs such as eBay or Google has not be examined from the angle of direct trademark infringement¹⁸²⁶. Rather, as explained before, service providers which provides technical services such access, caching and hosting service providers are, in principle, subject to the conditional liability regime under the “safe harbor”.

However, these service providers, in some cases, do not comply with the definitions and conditions in the relevant regulations, in particular due to their “active role” with regard to the content at issue. In such situations, although they claim to be an access, caching or hosting service providers, they are not considered under this qualification and cannot benefit from safe harbor regime. For instance, while the online market places such as eBay, is generally accepted as hosting service provider, as it will be explained in detail below, they may not be considered as such when they provide assistance which entails, in particular, “optimizing the presentation of the offers for sale in question or promoting those offers”. Indeed, these activities are not neutral activities but reveal the active role played by the online operator. In such a situation, eBay cannot rely on the exemption from liability referred to in art.14/1 of the E-Commerce Directive¹⁸²⁷.

¹⁸²⁴ Mustafa ATEŞ, p. 75

¹⁸²⁵ C-487/07, L’Oréal, 18.06.2009, par.58-65; C-48/05, Opel, 25.01.2007, par.16-37; C-206/01, Arsenal, 12.11.2002, par.38-62

¹⁸²⁶ Annette KUR, p.530

¹⁸²⁷ C-324/09, eBay, 12.07.2011, par.116

Moreover, there may be held yet liable for direct infringement when they personally involved in the infringement or when, for instance, a search engine does not clearly mark sponsored links in a way that allows users to recognize them as commercial advertisements, as such failure would be inconsistent with the requirement of art.6/a of the E-Commerce Directive and thus result in primary liability¹⁸²⁸. Therefore, the liability of the internet service providers may be due to its complicity to the offense committed by third party, but also due to its own direct infringing activities¹⁸²⁹.

Neither the E-Commerce Directive nor the Turkish legislation does not spell out any of the consequences if these service providers cannot benefit from the conditional liability regime by exceeding the limit of technical activities. Since the general principles of tort law are not harmonized within the EU, the legal grounds on which they will be ultimately held responsible are determined by national law¹⁸³⁰.

Regarding the types of liability, we can count the primary, secondary and injunctive liability. The familiar kind of liability is the *primary liability* which arises when a defendant is a primary wrongdoer, in other words, where a person engages in tortious activity by his or her own acts or omissions and that activity is not excused or otherwise rendered lawful. On the other hand, the *secondary liability* is liability which has one of its preconditions a finding of at least prima facie wrongdoing by a third party. A secondary wrongdoer faces liability either because s/he has causally contributed to wrongdoing by someone else to a degree recognized as legally culpable, or because s/he stands in a recognized relation to the primary wrongdoer (e.g. as employer or principal). Moreover, enforcement against internet intermediaries is increasingly characterized by claims for injunctions. Unlike primary or secondary liability, *injunctive liability* is non-monetary in the sense that an injunction obliges the respondent to comply with its terms, rather than to compensate the successful applicant for loss or repay gains made at his expense¹⁸³¹.

¹⁸²⁸ Annette KUR, p.531

¹⁸²⁹ Mine KAYA, İnternet Servis Sağlayıcıları, p.742

¹⁸³⁰ Annette KUR, p.526

¹⁸³¹ Jaani RIORDAN, The Liability of Internet Intermediaries, Oxford University Press, 2016, p.12-14

Traditionally, the principles of tort law require an element of deliberate contribution to the action of another person, therefore positive knowledge of it. Therefore, as the internet service providers, which act technically, are typically unaware of persons committing infringing acts, tort law principles are of limited value for situation like internet infringement. When the contributor merely provides the technical infrastructures that is used by an anonymous crowd for legitimate purposes or not, the element of “deliberate contribution” or “positive knowledge” is difficult to prove¹⁸³².

In the Turkish Law, the legal liability for trademark infringement is based on the non-contractual liability, except cases where there is a contractual relationship between the trademark owner and the wrongdoer. In this respect, the liability arising from the trademark infringement is based in general on tort liability¹⁸³³. Regarding the tort liability, pursuant to art.49 of the Code of Obligations, any person who, by his faulty or unlawful acts, causes damage to another is obliged to provide compensation. Moreover, when several persons have caused damage together or are liable for the same damage based on different legal grounds, the provisions of joint liability should apply to them (art.61).

The acts constituting infringement of trademark rights are regulated in art.29 of the IPL. Moreover, it is always possible to infringe a trademark by participating to the acts listed in this article. Regarding the liability of internet service providers such as access and hosting service providers when they have not been covered under the “safe harbor” regime envisaged in the Internet Law, the Turkish Supreme Court, considers the content providers as the principal offenders with regard to the content they provide, whereas service providers which provide technical services as intermediaries in the act of infringement within the scope of joint tortfeasors of art.61 of the Code of Obligations¹⁸³⁴. However, since there is basically a tort liability, the responsibility of these actors can only be held if they are found faulty. In this regard, in cases of assistance, inducement and facilitation of trademark infringement, they should be aware of or should be in the

¹⁸³² Annette KUR, p.525

¹⁸³³ Hamdi YASAMAN/Tolga AYOĞLU, Marka Hukuku, p.1010

¹⁸³⁴ Yarg. 11. HD. 2016/1613 E. 2017/6599 K. 27.11.2017 T. (www.kazanci.com)

position to be aware of the fact that the principal offender's act constitutes an infringement¹⁸³⁵.



¹⁸³⁵ TEKİNALP, §30, no.19; Hamdi YASAMAN/Tolga AYOĞLU, Marka Hukuku, p.1020

III. SPECIFIC LIABLE ENTITIES in SPECIFIC CASES

As explained above, there are four actors operating on the internet whose responsibilities can be held due to unlawful contents. These are access/mere conduit, caching, hosting and content providers. However, the qualifications of these internet service providers has to be determined individually in each case.

Within the scope of this thesis, the use of trademark is examined with regard to the uses in domain name, keyword advertising, metatags, online market places and online social media. In cases where a trademark is used as a metatag, it is clear that the person who uses it as such will be directly liable for any infringement. However, in cases where the trademark is used in domain names, keyword advertising, online market places and online social media, other persons other than the principal offender are involved and their responsibilities may be at issue in trademark disputes. In this regard, it will be analyzed below, the entities whose responsibilities may be held in cases of trademark use in domain names (1), keyword advertising such as AdWords (2), online market places (3) and online social media (4).

1. Liability in Domain Name Uses

Regarding the uses which infringe trademark rights in domain names, the entities which are involved in are mainly the persons who register the domain name, namely domain name owners (A), domain name registries (B), new gTLDs registries (C) and domain name buying and selling platforms and parking sites operators (D).

A. Domain Name Owners

In the case of trademark infringement due to a domain name, the trademark proprietor sues in the first place the persons who registered the sign identical with or similar to its trademark as a domain name. If the domain name in question is infringing the trademark, the domain name owner will be the principal offender of such infringement. The responsibility of this person will be determined according to the trademark law, and thus tort liability principles.

B. Domain Name Registries

The persons who register a domain name which infringes trademark rights cannot be easily identified in every cases. For this reason, the trademark owners opt for intermediary service providers to make them liable for infringement. It is the same situation for domain name registries as they function as an intermediary for the registration of the alleged infringing sign as domain name.

In order to hold liable a domain name registry, this latter should use the alleged infringing sign registered as domain name within the meaning of the trademark law. However, they do not use that sign as such. In fact, their intervention is only technical, they do not make use of domain names in the course of trade, they technically allocate these at the request of customers who choose the domain name and will exploit it commercially. Therefore, since a domain name registry does not participate actively in the choice of domain names on the one hand, and it does not exploit them commercially nor take an unfair advantage of the distinctive character of the mark or its fame on the other hand, their liability cannot be held because of the sign allocated by them is infringing a trademark right¹⁸³⁶.

On this point, it should be recalled that most domain name registries do not directly sell the domain names within their top-level domain. Instead, they delegate this responsibility one level below in the hierarchy to so-called “registrars”, who once again offer their own DNS-servers for the domain names under their responsibility. For example, the registry for the .eu top-level domain “EURid” has contracts with around 750 registrars¹⁸³⁷. One of the novelty introduced by the Internet Domain Name Regulation in Turkey is the establishment of registrars for the allocation of domain names with “.tr” ccTLDs within the framework of TRABIS. Registrars are defined as intermediaries for the activities such as application, renewal and cancellation of domain names. Similarly, in France, the registry responsible for the allocation of domain names with “.fr” ccTLDs is AFNIC and there are many registrars such as EuroDNS. Regarding the relationship

¹⁸³⁶ TGI Paris, 3eme ch, 3eme esct., Air France et autres v. EuroDNS, Af niz, 26.08.2009 ; CA Paris, Pole 5, ch. 2, Air France et autres v. Afnic, EuroDNS, 19.10.2012 (www.legalis.net)

¹⁸³⁷ M. TRUYENS, P. VAN EECKE, “Liability of domain name registries: don’t shoot the messenger”, Computer Law & Security Review 32, 2016, p.330

between this registry and registrar in terms of trademark use, the fact that during the registration procedure, the registrar (for example, EuroDNS) acting as agent of its client (for example, in its relations with AFNIC) cannot be considered as making use of domain names in the course of trade, since this procedure has no public character and the domain name allocated has not being commercially exploitable¹⁸³⁸.

In this regard, since domain name registries and registrars do not use the sign in question within the meaning of trademark law, their responsibility cannot be held as a direct infringer. On the other hand, it is not clear whether these registries can be qualified as “intermediary service providers” within the scope of the E-Commerce Directive and thus benefit from the “safe harbor” liability regime¹⁸³⁹. The CJEU has not ruled on this issue yet. However, in a decision of the French Court of Appeal in 2012¹⁸⁴⁰, it has been held that a registrar cannot rely on the mere quality of a technical intermediary within the meaning of the Law of Confidence in the Digital Economy (LCEN) transposing the E-Commerce Directive, in so far as that company does not carry on an activity which (according to the 42nd recital in the preamble to that directive) is “purely technical, automatic and passive, which implies that the information society service provider has no knowledge or control of transmitted or stored information”.

In this regard, the liability of domain name registries is evaluated within the framework of general provisions. For example, in a case before the Paris Court of Appeal mentioned above, concerning the registration of domain names that are identical with or similar to trademarks, the Court dismissed claims for liability under the French Intellectual Property Code and considered the claims on the basis of general principles as the plaintiffs complained of the defendant not to have taken every measures to prevent the reservation of any domain name infringing his “notorious” intellectual property rights. But, the Court indicated that the registrars do not have a prior control obligation, but they can only be imposed an obligation after the registration of the contested domain names.

¹⁸³⁸ CA Paris, Pole 5, ch. 2, Air France et autres v. Afnic, EuroDNS, 19.10.2012 (www.legalis.net)

¹⁸³⁹ SEE Sebastian FELIX SCHWEMER, “On domain registries and unlawful website content. Shifts in intermediaries’ role in light of unlawful content or just another brick in the Wall?”, *International Journal of Law and Information Technology*, Vol.26, Issue 4, 2018; Martin TRUYENS, Patrick VAN EECKE, “Liability of domain name registries: don’t shoot the messenger”, *Computer Law & Security Review* 32, 2016

¹⁸⁴⁰ CA Paris, Pole 5, ch. 2, Air France et autres v. Afnic, EuroDNS, 19.10.2012 (www.legalis.net)

Indeed, the obligation of filtering would impose on a simple commercial company, disproportionately in view of the aim pursued, to resort, beyond reasonable, to a complex, expensive and permanent computer system. Moreover, it would compel that company to make an assessment of the reputation that a trademark may enjoy and it would thus be granted prerogatives that are not vested in administrative bodies at the registration stage, such as the National Institute of Industrial Property. Therefore, the Court refused to hold the liability of the registrar for failing to fulfill a filtering obligation to which he is not bound. On the other hand, as to the alleged diligence of the registrar, the Court considered that it was diligent upon receipt of the document instituting the proceedings as it rendered inactive the domain names in question without waiting for the outcome of the court proceeding.

Similarly, the German Federal Court of Justice has held in several decisions that the German ccTLD-registry, DENIC, is not obliged to check whether a domain name ‘as such’ infringes third parties’ rights and has found that the liability of the registry cannot be engaged as an interferer (according to the German concept of ‘Störerhaftung’). Such a liability can only be held if the registry had been made aware of a “*blatant, and for its employees easily identifiable infringement of rights referring to the name*” and refused to proceed upon such notice¹⁸⁴¹.

Therefore, even though domain name registries do not fall under the category of access, caching and hosting service provider under the E-Commerce Directive, they do not have a direct responsibility for trademark infringements but they have a posteriori responsibility after the infringement notifications has made to them. However, the infringement notified to the domain name registry should be “obviously” understandable from the notification. The mere notification sent to the domain name registries is not sufficient to hold their responsibilities. As a matter of fact, it is accepted, in some EU member countries, that the domain name registries are not obliged to carry out a legal evaluation with regard to the alleged infringing domain names and the filtering or blocking measures can only be applied by the court decision. For example, in France,

¹⁸⁴¹ BGH, 17 May 2001, I ZR 251/99, ambiente.de; BGH, 19 February, I ZR 82/01, kurt-biedenkopf.de; BGH, 27 October 2011, I ZR 131/10, regierung-oberfranken.de; Sebastian FELIX SCHWEMER, p.282-283

concerning requests for blocking domain names, they should only be applied after a court decision following a judicial procedure¹⁸⁴². Similarly, courts in Belgium, hold that the obligation of the registry to act starts only if an infringement is determined by a court ruling¹⁸⁴³.

In Turkey, METU Domain Name Administration (nic.tr), while registering the domain names under the documentary allocation system, requires the right ownership certificate for the domain name requested to be registered. For example, with regard to domain names with “com.tr” ccTLD, for name surname applications, photocopy of the certificate of birth and identity number is required; for legal persons with commercial purpose, commercial activity certificate, trademark registration or application certificate are required¹⁸⁴⁴. In this case, it should be determined whether METU Domain Name Administration is liable for the registration of a domain name infringing the trademark right to another person. In my opinion, for example, if the person who has assigned the domain name with the extension “.com.tr” on his behalf presents the necessary documents to the Administration, it is impossible to wait from the Administration to investigate whether the trademark subject to the trademark registration certificate infringed the trademark right of another person. Because, although the applicant submits the registration certificate, and therefore proves his right on the sign that constitutes the domain name, the Administration cannot know or investigate whether or not this person will operate in relation to the goods or services for which its trademark is registered on the website under the domain name allocated by the Administration. In this respect, the responsibility of the Administration can only be held if it knows that the domain name in question is infringing the trademark of another person and/or registers the domain name even if there is a court decision in this direction. In my opinion, however, METU's responsibility is also possible if the domain name is allocated, although one of the

¹⁸⁴² CA Paris, Pole 5, ch. 2, Air France et autres v. Afnic, EuroDNS, 19.10.2012 (www.legalis.net); in the same way, see

¹⁸⁴³ Sebastian FELIX SCHWEMER, p.282

¹⁸⁴⁴ Nic.tr, <https://www.nic.tr/index.php?PHPSESSID=1554382681859610129179575&USRACTN=ALLCON> (last accessed on 04.04.2019)

documents requested (for example, the trademark registration certificate) has not been submitted by the applicant¹⁸⁴⁵.

Lastly, it should be noted that, as explained in the Social Media section, the signs that the users select and use on their social media sites such as Facebook and Twitter are included in the URL of the relevant account, in the form of www.facebook.com/brandname. In such case, could Facebook or Twitter be defined as a “domain name registration authority”? On this point, it should be pointed out that an entity which has signed a “Registrar Accreditation Agreement” with ICANN is a domain name registrar. On the other hand, Facebook and Twitter, not being authorized by ICANN to allocate neither top level or second level domains, have only the exclusive rights on their second-level domains such as “facebook” and “Twitter” and the faculty of creating third or further domains under this second level domains for their subscribers¹⁸⁴⁶. In this regard, the social media sites such as Facebook and Twitter are not properly domain name registrars.

C. New gTLD Registries

As explained in the previous sections, the program launched by ICANN in 2012 made it possible to allocate an unlimited number of top-level domain names. One of the most important consequence of owning a gTLD is becoming a registry operator and therefore responsible for the performance of the obligations under the registry agreement which it entered with ICANN. In this context, the “Post Delegation Dispute Resolution Procedure” (PDDRP) is designed to hold registry operators liable for their conduct. This may result from the unfair use of a TLD that is identical with or similar to a registered trademark or from a pattern or infringing behavior by the operator¹⁸⁴⁷.

¹⁸⁴⁵ Sefer OĞUZ, Alan Adı, p.375

¹⁸⁴⁶ Natalma M. MCKNEW, “Post-Domain Infringement: in search of a remedy”, Business Law Today, Vol.19, No.4, March/April 2010, p.3 (Sallen v. Corinthians Licenciamentos Ltda, 273 F.3d 14 (1st Cir. 2001) (available at <https://www.americanbar.org/content/dam/aba/publications/blt/2010/03/post-domain-infringement-201003.authcheckdam.pdf>) (last accessed on 07.01.2019)

¹⁸⁴⁷ Dennis S. PRAHL, Eric NULL, p.1785-1786

Indeed, there are three Post-Delegation Dispute Resolution Procedures, which are Trademark PDDRP, Registration Restriction Dispute Resolution Procedure¹⁸⁴⁸ (RRDRP) and Public Interest Commitments Dispute Resolution Procedure¹⁸⁴⁹ (PICDRP). In terms of the subject of the thesis, it will be examined the Trademark PDDRP, which generally addresses a Registry Operator's complicity in trademark infringement on the first and second level of a new gTLD¹⁸⁵⁰.

Regarding an infringing TLD string, a complainant must assert and prove, by clear and convincing evidence, that the registry operator's affirmative conduct in its operation or use of its gTLD string that is identical or confusingly similar to the complainant's mark, causes or materially contributes to the gTLD " (a) taking unfair advantage of the distinctive character or the reputation of the complainant's mark; or (b) impairing the distinctive character or the reputation of the complainant's mark; or (c) creating a likelihood of confusion with the complainant's mark"¹⁸⁵¹.

On the other hand, for infringing SLD, in order to make liable the registry, complainants are required to prove, by clear and convincing evidence that, through the registry operator's affirmative conduct: "*(a) there is a substantial pattern or practice of specific bad faith intent by the registry operator to profit from the sale of trademark infringing domain names; and (b) the registry operator's bad faith intent to profit from the systematic registration of domain names within the gTLD that are identical or confusingly similar to the complainant's mark, which (i) takes unfair advantage of the distinctive character or the reputation of the complainant's mark; or (ii) impairs the distinctive character or the reputation of the complainant's mark, or (iii) creates a likelihood of confusion with the complainant's mark*". Such liability arises, for example, when the registry operator has a practice of consistently and actively encouraging registrants to register second-level domain names and to derive an undue advantage from the trademark in the domain in so far as bad faith is apparent. Moreover, the registry will also be liable when it acts as the registrant of infringing registration to monetize and profit

¹⁸⁴⁸ concerns a community-based new gTLD Registry Operator's conducts

¹⁸⁴⁹ concerns compliance with the Public Interest Commitments in Specification 11 of its Registry Agreement

¹⁸⁵⁰ ICANN, Rights Protection Mechanisms Review, Revised Report, 11.09.2015, p.110

¹⁸⁵¹ New Gtld Applicant Guidebook, Module 5, par.6.1.

in bad faith. On the other hand, it is not sufficient to show that the registry operator is on notice of possible trademark infringement through registrations in the gTLD. The registry operator is not liable under the PDDRP solely because: “(i) *infringing names are in its registry; or (ii) the registry operator knows that infringing names are in its registry; or (iii) the registry operator did not monitor the registrations within its registry*”. Moreover, a registry operator is not liable under the PDDRP for any domain name registration that: “(i) *is registered by a person or entity that is unaffiliated with the registry operator; (ii) is registered without the direct or indirect encouragement, inducement, initiation or direction of any person or entity affiliated with the registry operator; and (iii) provides no direct or indirect benefit to the registry operator other than the typical registration fee*”¹⁸⁵².

D. Domain Name Buying & Selling Platforms and Parking Sites

As in all sectors, there are second markets for domain names. Domain name owners may register a sign as a domain name for only reselling it or may sell it after using it for a period of time. For this purpose, there are platforms on the internet allowing people to buy and sell domain names. One of these is, for example, Sedo which is the world's leading domain name buying/selling platform, facilitating exchanges between the various sales players and offering a secure transaction system. A small start-up founded by four students in 1997, Sedo has become the largest domain name marketplace in the world. It is headquartered in Cologne, Germany and has subsidiaries in Boston and London. Sedo offers services relate to the second market of domain names such as platform for the purchase and sale of domain names, parking domain names, transfer services, valuation and brokerage in domain names¹⁸⁵³.

Domain names subject to the buying and selling transaction may be comprised of a sign which constitutes an infringement of a trademark. In such a case, the proprietor of this infringed trademark may bring the infringement action against the persons who allocates the domain name on its behalf as well as the operator of this buying and selling platforms.

¹⁸⁵² Ibid., par.6.2

¹⁸⁵³ Nathalie DREYFUS, p.249

Normally, as in the cases of the sale of a product on the online social markets, it is possible to offer for sale a domain name on the internet through various websites. In this case, although it is possible to buy and sell domain names through, for example, eBay and Amazon, which are principally neutral technical hosting providers, in some cases, activities exceeding the provider's technical activities are performed on websites such as Sedo. For example, in a case where the owner of the well-known "meridian" mark brought a trademark infringement proceeding against, on the one hand, the one who registered similar domain names and on the other hand against the company Sedo for having played the role of intermediary on the Internet for the resale of these domain names, the French Supreme Court confirmed the decision of the Court of Appeal which rejected the application of the regime of responsibility reserved for technical intermediaries on the Internet because this company Sedo published a website dedicated to domain names that it offered for sale, but also offered expertise to help the determination of value, at the expense of commission in case of sale, and commercially exploited the site www.sedo.fr¹⁸⁵⁴.

Moreover, domain name buying and selling platforms can also provide parking services. Such service is of nature to prevent these platforms to be evaluated as hosting service providers.

A parking site is a page towards which a domain name is pointing and on which appear targeted advertising and commercial links. In general, advertisements are displayed by search engine operators, such as Google, through the selection by the operator of the parking site of a keyword corresponding to the domain name showing, as soon as a user introduces in this search engine a request containing the domain name, promotional links. At no time and in no way the user intervenes in the selection and placement of these advertising links on the parking page of the domain name which he owns. It is the operator of the parking site who has the faculty to check at any time that one or more advertising keywords conform to the respective domain name, it can also at any time modify one or more keywords that it would be unsuitable without even having informed the client of the measures taken. In these conditions, exercising a decisive action

¹⁸⁵⁴ C. Cass., civ, ch com, 21.10.2008, Sedo GmbH v. Hotel Meridien, Stephane H., 07-14.979

on the content of the pages "parking" composed exclusively of keywords triggering commercial links, on the one hand by intervening in the choice of keywords placed online, on the other hand by ensuring the provision of advertising links, all services offered by the parking site operator, whose object is to optimize the presentation of offers of sale and promote these offers, imply on the part of this operator an activity not neutral between the seller and potential buyers, but an active role likely to confer knowledge or a control of the data relating to these offers¹⁸⁵⁵. In this case, such services go beyond a simple technical role of hosting service provider and therefore, the application of the special regime of conditional irresponsibility on the hosting service providers is excluded¹⁸⁵⁶.

This system allows the domain name registrant to earn compensation each time the user clicks on one of the commercial links displayed on the parking page. This is the so-called "pay per click" system. This method of remuneration is very often used by cybersquatters who have reserved domain names reproducing or imitating well-known marks, in order to monetize their domain names. Domain name owners and parking operators share revenue generated by network traffic. For each click on an advertising link contained in the parking page, the domain name owner receives a fee. This phenomenon is indeed very popular insofar as the subscription to the parking sites is free, the domain name owner has only to redirect his domain name to the URL concerned¹⁸⁵⁷.

In principle, the creation and exploitation of domain name parking sites, exclusively composed of sites offering commercial links, are not, in themselves, illegal¹⁸⁵⁸. Moreover, the WIPO Panels consider that this practice is of legitimate interest within the meaning of Article 4(a) of the UDRP Rules in particular because of (i) the genericity or descriptiveness of the term, (ii) the priority of the domain name over the trademark alleged; or (iii) the "construction" site that allows the domain name to be provisionally exploited before the launch of the website¹⁸⁵⁹.

¹⁸⁵⁵ CA Paris, Pole 5, ch 1, 17.04.2013, Sedo GmbH, Sedo.com v. DNXC Corp, MKR Miesen (www.legalis.net)

¹⁸⁵⁶ Céline CASTETS-RENARD, *Droit de l'Internet*, p.325

¹⁸⁵⁷ Nathalie DREYFUS, p.253-254

¹⁸⁵⁸ CA Rennes, 2e ch, 10.10.2006, Régis H. Et Sté Icodia; Nathalie DREYFUS, p.255

¹⁸⁵⁹ Christiane FERAL-SCHUHL, p.1035

However, the responsibility of the parking sites can be retained, for example, in case of reservation a domain name which is composed of a sign identical with or similar to the trademark and which directs the internet users towards a parking page on which the proposed commercial links point towards the sites of a competitor of this trademark¹⁸⁶⁰. For example, in a case where the domain name "bayardjeunesse.com" was pointing to a parking page, operated by the company Sedo, contained links pointing to sites of competitors of the plaintiff company Bayard or to pornographic sites. The judges granted the request of the company Bayard and sentenced the company Sedo to the sum of 30.000 € in compensation for the prejudice suffered for trademark infringement and 20.000 € for unfair competition¹⁸⁶¹.

¹⁸⁶⁰ Nathalie DREYFUS, p.254

¹⁸⁶¹ TGI Paris, 3e ch, 2e sect., 28.03.2008, RG no.06/06799, Bayard Presse SA v. Sedo GmbH; Christiane FERALSCHUHL, p.1035

2. Liability in Online Advertising (*AdWords*)

In online advertising made through keywords, there are two principal actors, which are the advertiser and the referencing service provider who display the advertisement for a fee. In the CJEU's *Google France* case, while the use of the advertiser of the trademark as a keyword has been considered as a "use" within the meaning of the trademark law, it did not consider the use of the referencing provider as a "use" within this meaning. In this regard, the liability of the referencing service provider cannot be held according to the trademark law. However, as these referencing service providers are accepted as hosting service providers, their liability should be evaluated from this angle. In this context, it will be examined below the liability of the advertisers (A) and the referencing service providers (B).

A. Advertiser

As indicated in *Google France* case, the advertiser who uses a trademark belonging to another person without the consent of this person as a keyword would be in a position of infringing this trademark in certain conditions. In case of a finding of an infringement, the liability of the advertiser should be evaluated under the tort liability principles.

Even though the advertiser is liable for the trademark infringement, there may be cases where the advertiser requests from the advertising agency to take down the infringing advertisement and this agency not follows this instruction. For example, in a case where the proprietor of "Mercedes" mark entered into an after-sale services contract with a garage called Együd Garage specialist in the sale of the Mercedes goods and in the supply of related services, the defendant garage was entitled to use the plaintiff mark and to describe itself as "authorized Mercedes-Benz dealer" in its own advertisements. During the contract, the defendant ordered to an online advertising provider the publication of an advertisement which names it as an authorized Mercedes-Benz dealer. After the contract between the plaintiff and the defendant had been terminated, the defendant asked to its online advertising provider to amend the advertisement and requested from other operators of several websites to remove it. Despite this, online advertisements contained such a reference continued to be distributed online and when the keywords "együd" and

“garage” were entered into the Google search engine, list of results displaying such advertisement appeared in the first line naming the defendant as an authorized Mercedes-Benz dealer. In these circumstances, the trademark proprietor brought a trademark infringement action against the defendant garage. While the online publication of an advertisement on a referencing website is attributable to the advertiser who ordered that advertisement, the CJEU held that the advertiser cannot be held liable for the acts or omissions of online advertising service provider who, intentionally or negligently, disregards the express instructions given by that advertiser who is seeking to prevent the use of the mark. Therefore, as long as the online advertising provider fails to comply with the advertiser request to remove the said advertisement, the publication of this can no longer be regarded as use of the mark by the advertiser. Moreover, an advertiser cannot be held liable for the independent action of other economic operators with whom the advertiser has no direct or indirect dealings. Therefore, in these situations, the proprietor of the trademark is not entitled to take action against the advertiser in order to prevent him from publishing online the advertisement containing the reference to its trademark¹⁸⁶².

However, in such a circumstance, the trademark owner can always pursue the operators of the referencing websites that infringe its trademark. Moreover, the proprietor has the possibility to claim from the advertiser, where appropriate, reimbursement of any financial advantage deriving from such use on the basis of national law¹⁸⁶³.

B. Referencing Service Provider

As indicated before, the liability of the referencing service providers is not evaluated under the trademark law but under the liability regime of hosting service providers.

Referencing service providers, such as Google search engine, are considered as a hosting service provider with regard to their “keyword advertising” activities in certain conditions. One of these conditions is to provide an information society service, which encompasses “services which are provided at a distance, by means of electronic equipment for the processing and storage of data, at the individual request of a recipient

¹⁸⁶² C-179/15, Daimler, 03.03.2016, par. 34-37

¹⁸⁶³ Ibid., par. 43

of services, and normally in return for remuneration”. Regarding to Google’s paid referencing service called ‘AdWords’, the CJEU found that that service contains all of the elements of that definition. According to the Court, “it cannot be disputed that a referencing service provider transmits information from the recipient of that service, namely the advertiser, over a communications network accessible to internet users and stores, i.e. holds in memory on its server, certain data, such as the keywords selected by the advertiser, the advertising link and the accompanying commercial message, as well as the address of the advertiser’s site”¹⁸⁶⁴.

However, besides being an information society service provider, in order to benefit from the irresponsibility regime of hosting providers, the activity of that service provider should also be “*of a mere technical, automatic and passive nature*”, implying that the service provider “*has neither knowledge of nor control over the information which is transmitted or stored*”¹⁸⁶⁵.

Regarding the Google’s AdWords activities, the Court held that Google uses the software it has developed to process data entered by advertisers and that it results a display of ads under conditions that Google has control. Thus, Google determines the display order based on, in particular, the remuneration paid by advertisers. However, according to the Court, the mere fact that the referencing service is paid for, that Google lays down the terms of payment, or that it gives general information to its customers, cannot have the effect of depriving Google's derogations from liability under the E-Commerce Directive. Likewise, the concordance between the selected keyword and the search term entered by a user is not in itself sufficient to consider that Google has knowledge or control of the data entered into its system by advertisers and stored on its server¹⁸⁶⁶.

On the other hand, it is relevant, in the context of the examination of the referencing service provider’s liability, the role played by Google in the drafting of the commercial message accompanying the promotional link or in the establishment or

¹⁸⁶⁴ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par. 110-111

¹⁸⁶⁵ Ibid., par.113

¹⁸⁶⁶ Ibid., par.115-117

selection of keywords¹⁸⁶⁷. The court did not pronounce on the liability of Google and left the problem to be solved to the national courts which are best placed to assess whether the role played by Google is neutral or not.

After this CJEU's ruling in Google France case, the case came before the referring French Supreme Court and this Supreme court reversed all the appellate court decision in favor of Google¹⁸⁶⁸. When the decisions made in France after the CJEU's Google France case are examined, it can be seen that the French courts considered, in parallel to the CJEU, Google's AdWords service as a hosting service. In this context, the first-instance court decisions that found Google liable for trademark infringement or unfair competition with regard to its AdWords services have been reversed by appeal or supreme courts as Google AdWords services should be evaluated within the scope of the hosting service provider's liability regime¹⁸⁶⁹.

As indicated in *Google France* case, in order to consider a referencing service provider such as Google as a hosting service provider, one of the important criteria which should be particularly taken in consideration is "the role played by Google in the drafting of the commercial message which accompanies the advertising link or in the establishment or selection of keywords".

On this matter, regarding *the selection of keywords and the creation of ads*, the Appeal Court of Paris considered that Google has developed an automated process by which advertisers select the keywords, write the commercial message and insert the link to their site. In this situation, it has been admitted that it has not demonstrated Google's active role which gives it the knowledge and control of these choices. On the other side, concerning *the suggestion of keywords*, it was admitted that the generator operates automatically from the most frequent requests of internet users, which it is not sufficient to characterize an active role of Google. In fact, according to the court, Google does not

¹⁸⁶⁷ Ibid., par.118

¹⁸⁶⁸ In the case of C-238/08, which was referred to CJEU, the appeal court decision was not reversed in this respect of the advertiser use as it was considered as infringing trademark rights.

¹⁸⁶⁹ TGI Paris, 3eme ch, 3eme sect, 07.01.2009, *Voyageurs du Monde, Terres d'Aventure v. Google et autres* - CA Paris, Pole 5, chambre 1, 09.04.2014, *Google France, Inc et Ireland v. Voyageur du Monde, Terres d'Aventures* ; CA Paris, 4e chambre, *Google France – Home Cine Solutions v. Cobrason*, 11.05.2011 – C. Cass., civile, chambre commerciale, 29.01.2013, 11-21.011 11-24 713; TGI Paris, 17eme ch, 14.11.2011, *Olivier M. v. Prisma Presse, Google* – CA Paris, Pole 2, ch.7, 11.11.2013, *Google Ireland, Google France v. Olivier M.*

intervene differently in the choice made by advertisers than by warning them about the consequences of their choice and the possible presence in the list of terms suggested by the keyword generator, signs covered by an exclusive right. In addition, the match between the selected keyword and the search term used by a user is not sufficient to establish that Google has knowledge of the data entered by advertisers in its system, or control that data. Finally, with regard to *the process of creating the commercial message* accompanying the promotional link, it is acknowledged that it is only the advertiser's act as it is not demonstrated, or even seriously alleged, that Google has actively participated in the drafting of these ads. As a result, it is decided that Google, through its AdWords service, intervenes only as an intermediary provider whose activity is purely technical, automatic and passive, implying the absence of knowledge or control of the data it stores¹⁸⁷⁰.

Google's active role in AdWords services has come to the fore in terms of Google's keyword generator mechanism rather than keyword selection or commercial message. Google keyword generator is a tool that Google provides to potential advertisers to optimize their commercial campaign. When an advertiser entered a keyword, this statistical tool reveals how often this word had been searched for. Moreover, it also lists contextually similar expression and their respective statistical data, irrespective of whether or not these were protected as a trademark¹⁸⁷¹. While the CJEU ignored the keyword generator in determining the alleged infringement claims, the national courts in France for example considered that this tool operates automatically from the most common requests of internet users and is not enough to characterize an active role of Google¹⁸⁷². In fact, Google presents the "keyword generator" as a tool allowing the user to find new keyword ideas and add them to his account, to evaluate the traffic generated by existing and new keywords and, to identify irrelevant terms to use as negative keywords. This tool automatically lists a list of common queries made on the search engine of Google in relation to the keyword that the user entered. So according to the French Court, only the user is responsible for the keyword he chooses with the "keyword

¹⁸⁷⁰ CA Paris, Pole 5, chambre 1, 09.04.2014, Google France, Inc et Ireland v. Voyageur du Monde, Terres d'Aventures

¹⁸⁷¹ Tobias BEDNARZ, p.645

¹⁸⁷² CA Paris, Pole 5, ch.1, 09.04.2014, Google France, Inc et Ireland v. Voyageurs du Monde, Terres d'Aventures (www.legalis.net)

generator"¹⁸⁷³. Similarly, the Italian Supreme Court considers the search engines to be neutral, even if they provide additional services with the aim of improving the search performance, for example via embedding and suggested search capabilities¹⁸⁷⁴.

Therefore, Google search engine is considered as a hosting service provider with regard to its AdWords service and thus benefit from the “safe harbor” regime. However, its liability even under this safe harbor can be held if it does not take down or remove the illegal content as far as it becomes aware of it.

¹⁸⁷³ CA Paris, Pole 5, ch.11, 13.02.2015, *Ami de la 2 CV v. Mehari Evasion* (www.legalis.net)

¹⁸⁷⁴ Simona LAVAGNINI, Alessandro BURO, “Italian Supreme Court Ruling on Liability for Search Engines”, 08.04.2019, available at https://www.lexology.com/library/detail.aspx?g=8e062177-bca6-434e-98a1-f097fac9d9ee&utm_source=Lexology+Daily+Newsfeed&utm_medium=HTML+email+-+Body+-+General+section&utm_campaign=Lexology+subscriber+daily+feed&utm_content=Lexology+Daily+Newsfeed+2019-04-10&utm_term (last accessed on 07.05.2019)

3. Liability in Online Market Places

Online market places pose a danger for trademark owners as the uses infringing trademark rights on these markets may be carried out from all over the world. At this point, two actors appear again in case of trademark infringement. One of them is the third party sellers who make uses which infringe the trademark, and the second is the online market place operators that provide online environment to these sellers. While the responsibility of the sellers is determined according to the general provisions, it is more difficult to determine the responsibility regimes and responsibility principles of the online markets that provide the environment for the infringing activities.

In the trademark infringement proceeding brought by the trademark proprietors against the online market operators, these latter defend themselves as being a hosting service providers, thus not being liable under the safe harbor regime. However, in order for the online market place operator to fall within the ambit of the liability exemption of the safe harbor, these operators should bear the qualification of the hosting service providers. For this, they should function technically, automatically and neutral. Therefore, as long as they stay within this scope, they may be exempted from liability; otherwise if they play an active role, they cannot be considered as hosting service provider and thus exempted from liability for third party seller's infringement.

Therefore, in the first place, it should be determined whether an online market place bears the characteristics of a hosting service provider; and then whether it takes down/removes the alleged illegal content when it becomes aware of it¹⁸⁷⁵.

Regarding whether online market places can be qualified as hosting service provider, the CJEU in the *eBay* case indicated that they may be such under certain conditions. The starting point of this *eBay* decision on the determination of the responsibility regime of online market places by the CJEU started in 2007 when L'Oréal contacted eBay to express its concerns about the transactions on eBay's European sites infringing its intellectual property rights. Having failed to obtain a favorable response, L'Oréal then sued eBay in five European countries, namely France, Germany, the United

¹⁸⁷⁵ Regarding the measures that it should take after taking down the unlawful content in order to prevent future infringements konusunda, see above the liability of hosting service providers

Kingdom, Spain and Belgium¹⁸⁷⁶. It is in the case before the High Court of Justice England and Wales, that it was referred to the CJEU for a preliminary ruling.

In this decision, the Court first examined whether the online marketplace is an “information society service” under the Directive. An internet service consisting of “facilitating relations between sellers and buyers of goods” is, in principle, a service within the meaning of the E-Commerce Directive. Moreover, ‘information society service’ concept encompasses “services provided at a distance by means of electronic equipment for the processing and storage of data, at the individual request of a recipient of services and, normally, for remuneration”. In this context, it has been found that the an online marketplace’s operation can bring all those elements together¹⁸⁷⁷. Therefore, eBay is considered an information society service provider within the meaning of the Directive.

After this, the Court went on to determine whether eBay is a “hosting service provider”. Regarding the storage activities of eBay, it is obvious that eBay stores on its server, data provided by its customers each time this latter opens a seller's account with eBay. Moreover, eBay is normally paid in that it receives a percentage of the transactions made by its customers. However, the fact that the service provided by the operator of an online marketplace includes the storage of the information sent to him by his selling customers is not sufficient in itself to conclude that that service falls, in any circumstances, within the scope of art.14 of the E-Commerce Directive which regulates the liability of hosting service providers¹⁸⁷⁸.

In order for an internet service provider to fall within the scope of Article 14 of the E-Commerce Directive, an intermediary service provider has to limit itself to a neutral supply of the service by means of purely “technical” and “automatic” processing of the data provided by its customers. In case where it plays an “active role” of such a kind as to give it knowledge of, or control over those data, it would not fall within the scope of art.14 of the Directive¹⁸⁷⁹, thus it could not rely on the liability exemption of the hosting

¹⁸⁷⁶ Nathalie DREYFUS, p.244

¹⁸⁷⁷ C-324/09, eBay, 12.07.2011, par.109

¹⁸⁷⁸ Ibid., par.110-111

¹⁸⁷⁹ Ibid., par.113

providers.

Regarding the activities of eBay, it operates an electronic marketplace, which features ads for products offered for sale by people who are registered with eBay and have created a seller account with eBay. eBay charges a percentage of the transactions made. Sellers and buyers are required to accept eBay's online market conditions. These conditions include the prohibition of the sale of counterfeit goods and the infringement of trademarks. Moreover, in some cases eBay helps sellers to optimize their offerings, to create online stores, to promote and increase sales. It does advertise some of the products offered for sale in its online marketplace through an advertisement display by search engine operators, such as Google¹⁸⁸⁰. Therefore, eBay proceeds to a processing of the data introduced by its customers sellers. The sales to which these offers can lead are made according to modalities set by eBay. Where applicable, eBay also provides assistance to optimize or promote certain offers for sale¹⁸⁸¹.

The circumstantial analysis of eBay's activities led to a breakdown of the liability by object and implies a distributive and detailed classification of the responsibility according to the function and no longer the profession¹⁸⁸². According to the Court, the activities of eBay such as *storage* of offers for sale on its server, the fact that it *fixes the terms* of its service, is *paid* for it and *gives general information* to its customers cannot deprive it of the liability exemption. Therefore, regarding these activities, eBay had been found as a “hosting service provider” which can benefit from the liability exemption¹⁸⁸³. However, on the other hand, the fact that the operator provides *assistance* which entails, in particular, “*optimizing the presentation of the offers for sale in question or promoting those offers*”, these activities are found not neutral activities but revealing the active role played by the online operator eBay, giving it the knowledge of, or control over the data relating to those offers for sale. In such a situation, eBay cannot rely on the exemption from liability referred to in art.14/1 of the E-Commerce Directive¹⁸⁸⁴.

¹⁸⁸⁰ Ibid., par.28-31

¹⁸⁸¹ Ibid., par.114

¹⁸⁸² Céline CASTETS-RENARD, Responsabilité des Intermédiaires de l'Internet, p.827

¹⁸⁸³ Ibid., par.115

¹⁸⁸⁴ Ibid., par.116

Therefore, the liability exemption of art.14 of the Directive applies to the online marketplace operator “*where that operator has not played an active role allowing it to have knowledge or control of the data stored. The operator plays such a role when it provides assistance which entails, in particular, optimizing the presentation of the offers for sale in question or promoting them*”¹⁸⁸⁵.

When the French courts’ decisions made after the CJEU’s eBay ruling are examined, it is seen that the courts have concentrated on “passivity” and “neutrality” criteria of the online market places and determined whether these operators can benefit from the responsibility regime specific to the hosting service providers. For example, in a judgment of 23 January 2012¹⁸⁸⁶, the Paris Court of Appeal held that eBay did not have a neutral and passive role between the selling customer and potential buyers in a trademark infringement case. On the contrary, the court considered that eBay played an active role in enabling sellers to take advantage of functional features and facilities to maximize sales. In this regard, eBay had not been considered a hosting service provider and therefore cannot benefit from the special regime of conditional non-liability and is subject to the general regime of civil and criminal liability. Similarly, in a judgment rendered May 3 2012¹⁸⁸⁷, the French Supreme Court refused to confer to eBay a simple role of hosting provider. According to the Court, eBay provides all sellers with information to enable them to optimize their sales and assists them in defining and describing the goods offered for sale by, among other things, proposing them to create a personalized space for sale or to benefit from "assistant sellers", it sends spontaneous messages to the buyers' attention to encourage them to acquire and invites the bidder who has not been able to win an auction to refer to other similar objects selected by eBay. Therefore, the Court inferred that eBay did not exercise a mere hosting activity but that, regardless of any option chosen by the sellers, it played an active role that would give it the knowledge or control of the data that he stored and deprived him of the exemption from liability provided for in Article 14 of the E-Commerce Directive¹⁸⁸⁸.

¹⁸⁸⁵ Ibid., par.123

¹⁸⁸⁶ CA Paris, 23.01.2012, eBay International v. Burberry Ltd et autres

¹⁸⁸⁷ C. Cass, chambre commerciale, financière et économique, 03.05.2012, eBay Inc et eBay International v. LVMH, eu autres

¹⁸⁸⁸ Céline CASTETS-RENARD, Droit de l’Internet, p.324

Similarly, the Court of Appeal of Paris, she refused, in a judgment dating 2010¹⁸⁸⁹, the status of hosting service provider of eBay and found him responsible and sentenced in his capacity as broker. Regarding the qualification of hosting provider status, the Court concluded that eBay plays a role that is not that of a provider whose behavior is purely technical, automatic and passive and, therefore, would not have the knowledge or the control of the data it stores¹⁸⁹⁰. Again similarly, the Reims Court of Appeal in 2010¹⁸⁹¹, ruled that eBay does not have the quality of hosting service provider as its activities are not purely technical, automatic and passive. According to the Court, eBay offered sellers services that gave it a knowledge and control of the stored data. Indeed, when the hosting provider offers a service to take advantage of the attractive value of the data, it is no longer considered neutral in relation to this data and therefore no longer just hosting service provider. In addition, eBay also encouraged the purchase of similar products, boosting sales by providing vendors with tools for marketing and managing their business activities in which they actively participate¹⁸⁹².

On the other hand, in Germany, the dominant view is that “assistance, such as the presentation of offers on an auction site, is not detrimental to the internet service provider’s safe harbor if such assistance is rendered in an automated form; if the assistance merely consists of suggestions proffered by operation of algorithms, there is no basis for concluding that the internet service provider will obtain positive knowledge of, and acquire control over, data relating to the products on sale”¹⁸⁹³.

Therefore, while French courts do not consider the online market place such as eBay as an hosting service provider which can benefit from the liability exemption because of its some activities aiming to increase the sale its customers/users and thus making it involved in infringing content/products of third party seller, on the other hand, German courts are of the opinion that these services of eBay can also be provided in an automated manner, so that eBay do not play an active role in the provision of these

¹⁸⁸⁹ CA, 2e ch., 03.09.2010, Sté eBay Inc et a. v. Stés Parfums Christian Dior, Kenzo Parfums, Parfums Givenchy, Guerlain, no RG:08/12822S, Sté Christian Dior Couture no RG:08/12821, Sté Louis Vuitton Malletier, no RG:08/12820, RLDI 2010/64, no2121

¹⁸⁹⁰ Nathalie DREYFUS, p.242-243

¹⁸⁹¹ CA Reims, 1er ch. Civ., sect. 1, 20.07.2010, eBay France et eBay International v. Hermès International

¹⁸⁹² Nathalie DREYFUS, p.242

¹⁸⁹³ Annette KUR, p.531-532

services. In my opinion, both views have its own merits and need to be examined in each concrete case. In fact, in each case, it is necessary to determine whether the online market operator has an active intervention in the content alleged to constitute an infringement and therefore is aware of the unlawfulness of this content. If it is determined that they are playing an active role, their responsibilities will be determined according to the general provisions and not to the responsibility regime of the hosting service provider. On the contrary if they remain within the boundaries of their technical and neutral functions, they will be held liable only if they are notified of the unlawfulness in question and do not remove such content. At this point, it is important to note that online market place operators are aware of the fact that unlawful or illegal goods such as counterfeit goods are sold on their platform. However, this knowledge, being in general nature, does not imply that the online market place operator has precise information about which content or good constitutes an infringement. In this respect, the awareness of the online market places should be a qualified awareness¹⁸⁹⁴.

While the above mentioned decisions are related to eBay, the same criteria apply to all online market places. As a matter of fact, there have been conflicts regarding the determination of the responsibility of many online market places besides eBay. For instance, by applying these criteria, price comparator sites have not been considered as hosting service provider but as advertising providers by the French courts. In fact, offering priority referencing to the products or services of merchants who enter into contract with them for this purpose, this referencing constitutes indirect advertising and therefore these operators are qualified as advertising providers¹⁸⁹⁵. In this regard, product comparison sites like shopping.com are considered as content providers and therefore cannot benefit from the liability exemption regime of hosting service providers. For example, in a case before the Paris first instance court¹⁸⁹⁶, the Shopping company was operating the site shopping.com which was displaying commercial offers from third-party sites and as part of this service, it was offering advertisers to reference their products. Advertisers who want to benefit from this listing had to write a product file containing

¹⁸⁹⁴ See to that effect the American case Tiffany (NJ) Inc. v. EBay Inc., 600 F.3d 93 (2d Cir. 2010), par.107

¹⁸⁹⁵ Cédric MANARA, p.115 ; C. Cass., ch. Commerciale, 04.12.2012 (www.legalis.net)

¹⁸⁹⁶ TGI Paris, 3eme ch, 4eme sect. 15.12.2011, J.M. Weston v. Shopping Epinions International (www.legalis.net)

the list of products they want to offer and some information about them. The search engine of the site shopping.com draws from the product files the information which it will made appear. However, the fact that Shopping.com makes a preliminary selection on the information provided by the advertisers before reproducing them in the ads has shown that the company Shopping does not perform searches and extractions purely technical of product files established by advertisers but it operates a selection of information that will appear on shopping.com, which implies knowledge and prior control of the content. Therefore, as long as the company Shopping selects the information provided by the product files of the advertisers, adapts and modifies them, it does not limit its services to those of a hosting service provider but it plays an active role in the choice of information that it brings to the attention of Internet users. In consequence, the court held that the company Shopping was subject to the general principle of responsibility and could not benefit from the special regime of responsibility specific to the hosting service providers¹⁸⁹⁷.

The above-mentioned online market place operators' activities concern the display of goods belonging to third parties. However, online market places do not only display these products, but in some cases they carry out stocking and shipping activities on behalf of third-party sellers, such as Amazon's fulfillment service¹⁸⁹⁸. For such a situation, there is no clear regulation or case-law on the responsibilities of these online market places. However, the German Federal Court of Justice has referred to the CJEU on this matter in 2018 and asked whether a provider of fulfilment service should be liable for a third party's trademark infringement, even if it is unaware of that¹⁸⁹⁹.

In cases where an online market place is qualified as a "hosting service provider", for being exempted from liability, it should take down the illegal content as soon as it becomes aware of it. For this purpose, nowadays, most online platforms have the notice and take down (NTD) procedure. However, this procedure is not sufficient to completely eliminate the infringing uses of the trademarks on the internet. This is

¹⁸⁹⁷ the defendant company is not held liable for trademark infringement as being a provider of a referencing service on the internet, and thus it has not made use of the mark as part of its own commercial communication.

¹⁸⁹⁸ See EWHC 181 (ch), Lush, 10.02.2014, par.15, and "Fulfillment Services" at the subsection II/3-B-1-a-bb under the Second Section

¹⁸⁹⁹ C-567/18, Coty Germany, 09.11.2018

because, even if the product subject to the infringement is notified to the platform operator is through the NTD procedure, this product may be sold to the end consumer until the platform operator removes the content. In addition, even if the infringing good is removed from a platform, the infringer may place the product on another platform that does not have an NTD procedure or an effective one. In this regard, it is needed for preventive measures which would prevent the access of the infringing products to online marketplaces. However, while these preventive measures are contrary to the non-general monitoring obligation in the E-Commerce Directive, it creates a costly situation for platform operators, and it may not always produce positive results. Therefore, there is not a single way to solve the problem, but a holistic approach is required. In this regard, there are now more and more voices who call for internet intermediaries, or online platforms, to be more proactive in helping to prevent unlawful content and activity on the internet. In this regard, at collective level, voluntary arrangements of various kinds have been signed. For instance, the European Commission invited internet platforms, right owners and associations to sign a “Memorandum of Understanding on the Sale of Counterfeit Goods via the Internet” (MoU)¹⁹⁰⁰. This MoU which is a voluntary agreement (thus not creating any liability) was first concluded first in 2011 and revised and signed again in 2016. The purpose is “to establish a code of practice in the fight against the sale of counterfeit goods over the internet and to enhance the collaboration between the signatories including and in addition to Notice and Take-Down procedure”. The IP rights covered by the MoU are registered trademarks, registered design rights and copyright set out in applicable Member States or EU law (par.2). As of the first quarter of 2019, there are 16 trademark owners who signed this MoU, such as Adidas, Nike, Chanel, Hermes, Gant, Lacoste, Moncler, Apple, Lexmark, Duracell, Procter&Gamble, Philip Morris. On the other hand, signatory internet platforms include Amazon, eBay, Alibaba, Facebook, Priceminister¹⁹⁰¹.

Within the scope of this MOU, Notice and Take Down (NTD) Procedures and

¹⁹⁰⁰ available at https://ec.europa.eu/growth/industry/intellectual-property/enforcement/memorandum-understanding-sale-counterfeit-goods-internet_en (last accessed on 10.05.2019)

¹⁹⁰¹ available at https://ec.europa.eu/growth/industry/intellectual-property/enforcement/memorandum-understanding-sale-counterfeit-goods-internet_en?fbclid=IwAR3-B_ysxU2QaM9HKQ267eAqNHOeHawTiFSp--a3KT9hglyHyIQRAAQtiE (last accessed on 11.05.2019)

pro-active and preventive measures are regulated. Accordingly, “Internet Platforms commit to offer efficient and effective NTD, which should be accessible via the website of the Internet Platform, understandable, not excessively burdensome and simple to subscribe to, complete and process” (par.13). On the other side, “the rights owners commit to notify in a responsible and accurate way and to avoid unjustified, unfounded and abusive notifications. Otherwise, they may be denied or may have only restricted access to NTD. Moreover, in the case were multiple offers are deleted because of a notification made without necessary care from the right owner, this latter commit to pay to the Internet Platform the listing fee and the commission fee of these offers” (par.16). Having received a valid notification of offers of counterfeit goods, “the Internet Platform commit to remove or disable the notified offer and to take deterrent measure in relation to such sellers. When it has some doubts, the Internet Platform may request additional information from the notifying party. However, this request should not lead to an unreasonable and undue delay in taking down notified offers in response to valid notifications where the internet platform can identify the specific offer at issue” (par.18). Moreover, “relevant sellers should also be informed when its offer has been taken down. This information should include the reasons of take down. This seller is also given the notifying party’s contact details in order to respond him” (par.19)

While NTD is indispensable for the fight against counterfeit goods on the Internet platforms, the MOU envisaged also another measure which is pro-active and preventive, meaning “*any measures, technical or procedural, automated or non-automated, including the associated procedures and processes, by an Internet Platform or a rights owner, aimed at a timely and adequate response to attempts to sell counterfeit goods over an Internet Platform, either prior to the offer being made available to the general public, or as soon as technically and reasonably feasible thereafter, according to respective business models*” (par.6). From the rights owner sides, they commit to actively monitor offers on the website of the Internet Platform in order to identify counterfeit goods and notify them to Internet Platforms. However, this type of notification and information does not constitute “actual or implied notice” or “actual or constructive knowledge” (par.21-22). Moreover, while the active monitoring duty belongs to the right owner, the Internet Platforms has also take into account the general information given by

the right holder on the potential infringing uses. However, this general information shall not lead to a “general obligation” to monitor for them (par.26). Furthermore, the Internet Platforms commit to take “appropriate, commercially reasonable and technically feasible” measures to identify and/or prevent pro-actively the sale of obvious counterfeit goods and to prevent such goods being offered or sold on the platforms. However, these measures shall be at the discretion of the internet platforms (par.27).

Regarding repeated infringements, Internet Platforms commit to implement and enforce deterrent repeat infringer policies, which should include the temporary or permanent suspension or restriction of accounts or sellers. In doing so, it should be taken into account, inter alia, the severity of a violation, the number of alleged infringements, the apparent intent of the alleged infringer and the record of notices and feedback received from right owners. Re-registration of permanently suspended sellers should be prevented (par.35).

This MoU had been followed by an assessment in 2017¹⁹⁰². According to this overview on the functioning of the MoU, there had been positive results regarding cooperation between right owners and internet platforms. However, further progress is still needed as there are still offers of counterfeit goods on the Internet Platforms.

Apart from the voluntary agreements in this way between the rights holders and the internet platforms, individual internet platforms also take some measures with their own initiatives. For instance, in order to reduce the sale of counterfeit goods, Amazon online marketplace put into place a new service called “Amazon Brand Registry¹⁹⁰³” which allows trademark proprietors selling products on Amazon to designate a registered trademark that will be registered and linked to their account. After approval, when a buyer looks for an article on Amazon containing this mark, the system directs them to authentic lists of the original trademark proprietor or of authorized licensees¹⁹⁰⁴.

¹⁹⁰² European Commission, Commission Staff Working Document, “Overview of the Functioning of the Memorandum of understanding on the Sale of Counterfeit Goods via the Internet”, SDW(2017) 430 FINAL, 29.11.2017

¹⁹⁰³ <https://brandservices.amazon.com> (last accessed on 11.05.2019)

¹⁹⁰⁴ Bryan LEAW, “Santa might be bringing fake present this year: protecting brands from online counterfeiting”, available at <https://www.lexology.com/library/detail.aspx?g=1badea4d-1f9c-47e0-bc23-2c8348304520> (last accessed on 11.05.2019)

4. Liability in Social Media

Social media is a term used to describe “web-based technologies that provide a platform for interactive information exchange, user-created content and visible social connections”¹⁹⁰⁵. While, the term “social media” encompasses many websites and applications, within the scope of this thesis, social networking sites (A), virtual world (B) and mobile applications (C) and their liabilities will be examined below.

A. Social Networking Sites

The liability of social media actors can arise from the transmission of content, which can be considered as a tortious act, to the public in the internet environment¹⁹⁰⁶. Infringements on social networks are particularly numerous and the responsibilities are scattered between the different actors: social network operator, user of the account and third-party users posting messages¹⁹⁰⁷. In this regard, it will be examined below the liability of social networking site operators (1) and social networking site users (2).

1. Social Networking Site Operators

In case of trademark infringement on social media, it is sometimes not possible to identify the content provider who infringes the trademark. This may be the case, in particular, when the account may have been registered from a hidden IP address or associated with many users or when the user gives a fake email address, thus an inexistent communication address in his social media account. In this respect, one of the ways in which the trademark owner who cannot reach the content provider to apply to the social media operator and to make him liable for the infringement.

As regards the legal status of these social networking sites, according to the Opinion 5/2009 of the Article 29 Working Group (G29), an independent European advisory body¹⁹⁰⁸, social networks are qualified as “*services of the information society*,

¹⁹⁰⁵ Tiffany MIAO, “Access Denied: How Social Media Account Fall Outside the Scope of Intellectual Property Law and into the Realm of the Computer Fraud and Abuse Act”, *Fordham Intellectual Property, Media and Entertainment Journal*, Vol.23, No.3, 2013, p. 1021

¹⁹⁰⁶ Mustafa ATEŞ, p. 73

¹⁹⁰⁷ Nathalie DREYFUS, p.341

¹⁹⁰⁸ Established pursuant to Article 29 of Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data (Repealed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data)

whose services cover any service normally provided for remuneration, at a distance, by means of electronic equipment for the processing (including digital compression) and storage of data, and at the individual request of a recipient of a service". Therefore, to the extent that the provider of a social networking service simply provides users with an online communication platform, that is, a storage space, they would be hosting service provider. On the other hand, to the extent that the content is generated by social network users, these users would generally be content providers¹⁹⁰⁹. Moreover, the CJEU made it clear in its case-law that the owner of a social network platform which stores on its services information provided by the users of that platform, relating to their profile, is a hosting service provider within the meaning of the E-Commerce Directive¹⁹¹⁰.

As mentioned previously, the sites such as Wikipedia, MySpace, Facebook, Dailymotion, Google Video have been recognized by the French judges as the hosting service providers and not as the content providers¹⁹¹¹. Similarly, the Turkish Supreme Court considers Facebook as a hosting service provider. For example, in a lawsuit filed against Facebook because of the content of a Facebook page, the first instance court held Facebook liable for having caused the plaintiff to become a target by creating headlines about the plaintiff, sharing his personal information and unveiling his name and picture, making it possible for users to comment on them. However, the Supreme Court overturned the decision. According to the Supreme Court, the content provider of the Facebook social networking site "facebook.com/ODATV" should be identified and a decision must be made according to the outcome¹⁹¹². Therefore, the Supreme Court held that the content provider of a page/account owner on social networking site should be determined and the liability of this person should be held and not that of the Facebook which is a hosting service provider.

On this point, it should be pointed out that the fact that the activity of these providers is lucrative does not prevent them from qualifying them as hosting service

¹⁹⁰⁹ Nathalie DREYFUS, p.342

¹⁹¹⁰ C-360/10, Sabam, 16.02.2012, par.27

¹⁹¹¹ TGI Paris, ord. Réf. 29.10.2007, Marianne B. Et autres v. Wikimedia Foundation ; TGI Paris, ord. Réf. 22.06.2007, Jean-Yves L. dit. Lafesse v. MySpace ; TGI Paris, ord. Réf., 09.02.2009, Kimberly v. MySpace ; TGI Paris, ord. Réf. 13.04.2010, Facebook v. Hervé G. ; TC Paris, 16e ch., 27.04.2008, Davis Film v. Dailymotion; TGI Paris, 19.10.2007, Zadig Production et autres v. Google Inc

¹⁹¹² Yarg. 4. HD. 2016/6124 E. 2017/8370 K. 18.12.2017 T. (www.kazanci.com)

providers¹⁹¹³. Moreover, the technical operations of these service providers do not allow to conclude that they intervene on the content and the choice of content posted online. Similarly, the exploitation of the site by the marketing of advertising space does not demonstrate that the provider acts on the content posted online¹⁹¹⁴.

While this is the case, the responsibility of the social networking site operator which is a hosting provider of the site, may be at issue after the infringement has been notified to it. As explained in the previous section, almost all known social media platforms have online procedures to report any violations that may occur and are thus become aware of the infringement in question.

In this regard, in order for a social networking site to be held contributorily liable for the infringement committed by a third-party user, the victim of the jacking has to demonstrate that the site has intentionally instigated the user to infringe a trademark or has continued to provide services to a person of which it knew or had reason to know the user engaged in a trademark infringement. On this last point, it should be pointed out that the social network site must have more than the general knowledge that its users might infringe trademarks of others, it should rather have a specific knowledge of the specific profiles that violate the rights of others¹⁹¹⁵.

Social networking platform that is aware of the infringement in this way is under the obligation to terminate this infringement. At this point, there is again the problem of evaluation for social networking site operators with regard to whether the notified content constitutes an infringement. However, in any case, if the social networking site operator is notified of the infringement by the court decision to terminate the infringement, this must be followed by this operator. Otherwise, it is clear that its responsibility will arise. For instance in a case before the North Ireland Courts¹⁹¹⁶, while the unlawful contents are posted on 11 and 14 September 2013 on Facebook by third party users, the claimant first used the Facebook's reporting mechanism to complain about the postings, but no reply was received from Facebook. Afterwards, the plaintiff, on 13 September 2013, faxed a

¹⁹¹³ TGI Paris, ord. Réf., 09.02.2009, Kimberly v. MySpace

¹⁹¹⁴ C. Cass., 1^{ere} civ. 17.02.2011, no.09-67896; Nathalie DREYFUS, p.343

¹⁹¹⁵ Dan MALACHOWSKI, p.242

¹⁹¹⁶ NICA 48 (North Ireland Court of Appeal), JR20 v. Facebook Ireland Limited, 07.09.2017

letter to Facebook. But again there was no response from Facebook. On 25 September 2013, the claimant applied to the Court for emergency injunctive relief and obtained an ex parte injunction. By 9 October 2013, the relevant posts were deleted by Facebook. In its defenses, Facebook stated that Facebook Community Operation Team was unable to discern, let alone review, any particular post based on the vague information provided by the plaintiff. Moreover, it also alleged that the community operations reviewed the contested pages and determined that it did not violate Facebook's terms of service. Therefore, it alleged on the one hand that the unlawfulness of the posts was not manifest or self-evident, and on the other hand when reviewed, these posts were not contrary to the Facebook's terms of service. In any event, Facebook made a decision not to remove the material when the complaint was made. At this point, the Court did not take into account the fax sent to the defendant by the plaintiff. Because in the said fax, unlawful uses were not mentioned clearly. On the other hand, the Court, on the basis of its decision of 25 September, held liable Facebook as it removed the unlawful contents on 9 October, thus because of its negligence after the court decision¹⁹¹⁷.

Besides being notified by the right holder, the social networking site operators may be ordered by the courts to terminate or prevent further infringement. However, such orders should not be in the form of "general monitoring" obligation¹⁹¹⁸.

2. Social Networking Site Users

Because the content is generated by social network users, these users would typically be content providers who are the one who has the ability to act on the content posted¹⁹¹⁹. In this regard, the social networking site user being the content provider is liable for everything s/he puts on the internet. However, a distinction should be made between commercial and non-commercial uses. Indeed, as long as there is a use in the course of trade, thus a commercial use, the alleged infringed trademark owner can allege trademark infringement. On the other hand, social networking sites are used by user for personal purposes in general. However, it is also very common for companies to advertise

¹⁹¹⁷ Ibid., par.42-44

¹⁹¹⁸ See "Liability of Hosting Providers" at the subsection II/1-C under the Thirs Section. Also see the opinion of AG Szpunar rendered in 04.06.2019 in case C-18/18 relating to a court order to remove defamatory acts from Facebook.

¹⁹¹⁹ Nathalie DREYFUS, p.344

on social networking sites. In this regard, the use of these companies constitutes a commercial use. Therefore, since such use will be use in the meaning of trademark law, in case of any infringing use, there will be liable for the content they share/post on their pages.

On the other hand, users do not only share their own content on social media, they also share the content of other users on their own pages. This is done on Twitter by retweeting, on Facebook or Instagram by reposting the content. In such a case, the user may be held liable not for its own content but for third party content. However, to be held liable this user for third party content that it shares or posts, it must be clearly understood that this user adopts such content and intends other users to access such content. At this point, the question is whether, for example, retweeting unlawful content posted on Twitter by someone else would be considered as adopting this content. Equally, another question is whether likes on social networking sites are be considered as adopting third party content. On this matter, the Appeal Court of Liège held, in a decision dated 2017, that the "like" on a Facebook wall is not strictly equivalent to a publication on this Facebook wall but makes its author to appear as adhering to the ideas conveyed by the publication "liked", or at least as being interested by these ideas¹⁹²⁰.

Therefore, liking a third party content on social networking networks means adopting third party content. In the same way, retweeting or reposting is also considered as adopting such content. On this point, it is worth mentioning a decision of the Turkish Supreme Court even though it is not related to trademarks. In the case, the plaintiff both retweeted and liked the tweets that were qualified to criticize the resistance to the coup attempt of the July 15 on Twitter. Thereupon, the employer terminated the plaintiff's employment contract due to these retweets. The plaintiff brought a reemployment lawsuit for unjust termination against his employer. Even though the Court of First Instance and the Court of Appeals dismissed the case as they considered these tweets as falling within the scope of freedom of expression, the Supreme Court reversed it. Because, according to the Court of Cassation, since the defendant's workplace is a public institution, these

¹⁹²⁰ Maud COCK, "Lier, Partager, Liker, (re) Tweeter... Quelles Différences Juriquement?", 21.01.2019, available at <https://www.droit-technologie.org/actualites/lier-partager-liket-retweeter-queelles-differences-juridiquement/> (last accessed on 22.01.2019)

sharing have caused negativity in the workplace and therefore termination is based on just cause¹⁹²¹. From this decision, it is understood that retweeting and liking a post on Twitter means that the person who retweeted and liked it adopts this content and therefore is liable as a content provider.

B. Virtual Worlds

Virtual worlds are three-dimensional online environments in which users can represent themselves with “avatars” and communicate with others as in the real world. There are two types of virtual worlds: virtual game worlds like *World of Warcraft* and virtual reality worlds like *Second Life*¹⁹²². There are two actors here in terms of responsibility. The first one is the virtual world operators (2) and the second one is the virtual world users (2).

1. Virtual World Operators

Virtual world operators are in principle legal entities and host virtual universes on their servers. Therefore, to the extent that they host and make available content that is mainly created by users, they are Internet hosting service providers¹⁹²³.

As long as they not manufacture or sell the alleged infringing products, but merely provides the platform through which these products are offered for sale, these virtual world operators may rely on the argument that they are mere conduits or hosting providers, and as far as they expeditiously remove infringing content when put on notice, they may benefit from the safe harbor¹⁹²⁴. However, in the event where the infringing content was created by the virtual world operator and not by the user, that operator cannot take benefit from the hosting service provider's safe horror, as it is the content provider itself.

At this point, regarding the liability of these virtual world operators, it should be noted that in order for these operators to be liable, even secondary, in the first place, the

¹⁹²¹ Yarg. 9. HD., 2017/20987 E. 2018/4197 K. 26.02.2018 T. (www.kazanci.com)

¹⁹²² Mine KAYA, Sosyal Medya, p.288-289; Fatma Zeynep ÖZATA, p. 88-90

¹⁹²³ Sevan ANTREASYAN, p.25

¹⁹²⁴ Darren B. COHEN, Meredith D. PIKSER, Jillian L. BURSTEIN, Alexander R. KLETT, Sachin PREMNATH, p.116

user should be primary liable, that is, the user's use must infringe the trademark proprietor's rights. Therefore, for example, the use of a user who does not fulfill the requirement of the "use in the course of trade" will not make this user liable, so the responsibility of the virtual world operator will not arise. For example, in a case of trademark infringement before a US court and filed against a virtual world operator¹⁹²⁵, the court stated that as the claimant did not allege that the game user used the plaintiff's mark in commerce in connection with any sale or advertising of goods and services, it failed to allege any primary infringement for which the defendant company could then be held contributory or vicariously liable¹⁹²⁶.

Similarly, the alleged infringer may use the contentious sign lawfully, if for example it has a registered trademark corresponding to this sign. So as the alleged infringing sign is registered in another country for the alleged infringer, the trademark proprietor located in another country would not be able to prevent such use. In the case where the virtual world operator is notified of this alleged infringing use, he may not block this use and would not be liable for not having blocking such use.

2. Virtual World Users

Regarding the users, in general, they are natural persons. For example, creating an account on the World of Warcraft is only possible for "natural person", on the other hand, corporations, limited liability companies, partnership and other legal or business entities may not establish an account¹⁹²⁷. But on the other side, in Second Life, companies, organizations or other legal entities may use the Second Life¹⁹²⁸.

These users are primarily liable for each content they create as they are content providers. Therefore, in the event where the content created by them infringes a trademark right, these users will be primarily liable.

¹⁹²⁵ Marvel v. NCSOFT, No. CV 04-9253 (C.D. Cal. March 9, 2005)

¹⁹²⁶ Sally M. ABEL, Adrienna WONG, "Is There a Second Life For Trademarks in Second Life?", 2010, p.6, available at https://www.fenwick.com/FenwickDocuments/2010-03-17_Is_There_A_Second_Life.pdf (last accessed on 13.02.2019)

¹⁹²⁷ <https://www.blizzard.com/en-us/legal/fba4d00f-c7e4-4883-b8b9-1b4500a402ea/blizzard-end-user-license-agreement> (par. 1-A-i) (last accessed on 11.02.2019)

¹⁹²⁸ <https://www.lindenlab.com/tos> (par.3.3) (last accessed on 11.02.2019)

C. Mobile Applications

With the emergence of smartphones and touch tablets, mobile application development has become a growing market. In order to promote their own applications and to offer a showcase to third-party developers, several companies have set up mobile distribution platforms for these applications, such as for example, "Android market" of Google, "App Store" of Apple¹⁹²⁹.

In these platforms, there are two actors whose liability can be at issue. One of them is the mobile application platform operators such as App Store and the other one is the application developers/owners.

It is clear that in the event that the app itself creates a trademark infringement, the developers of these apps are responsible as the principal offender as content provider. On the other hand, with regard to platform operators, as the titles and contents of the applications and corresponding pages are determined by the developers, it is clear that these platform operators are not content providers, but provide the environment for the provision of these contents. In fact, an "app store" is an online marketplace where users can download purchased or free apps to their devices¹⁹³⁰. Therefore, these app store operators can be considered as hosting service providers.

However, some platforms have a verification procedure prior to the release of apps. For instance, while Google's platform (Google Play) is an open system in which any apps can be installed on devices, Apple's platform is a closed one, meaning that apps that are available therein should be approved and accepted by Apple before users can install them on their devices¹⁹³¹. As a result, mobile app platforms like Apple's App Store may be subject to the content provider regime, which could make them responsible for the content of their apps¹⁹³². On the other hand, platforms such as Google Play offers developers an automatic submission process, so that apps appear immediately in the store. While this system may lead to low-quality apps appears on such platforms, it is also

¹⁹²⁹ Nathalie DREYFUS, p.265

¹⁹³⁰ OECD, "The App Economy", OECD Digital Economy Papers, No.230, OECD Publishing, Paris, 16.12.2013, p.19

¹⁹³¹ Ibid., p.30

¹⁹³² Nathalie DREYFUS, p.267

possible for them to infringe IP rights¹⁹³³. However, in this case, as there is no prior verification, but a posteriori, this type of platform would be subject to the regime of the hosting service providers. Such a platform must withdraw the contentious content when infringing elements are notified to it¹⁹³⁴.

In this respect, an app market, such as Apple's App Store, since it checks the content of third parties beforehand which gives it the knowledge of the content in question, its role cannot be qualified as purely technical and neutral. Therefore, in such a case, the mobile app market operator will not be considered as a hosting provider, but will be subject to the liability of the content provider. However, the liability of this operator will not rise because of its own content, but third party content. In this respect, for example, according to Turkish legislation, while the content provider is not responsible for the third party content to which it provides links, it can be held responsible for such third party content if it is understood from the presentation format that it adopts this content and aims that other users access to it. Here, the app market's prior verification is a technical verification. Therefore, during this verification, it is not possible for the app market operator to determine whether such app and its content is in violation of another's trademark. Therefore, the app market operator, even it makes a prior verification of technical nature, cannot be considered as making available the app with the knowledge of the alleged infringing use. Moreover, making available the app in the app market does not imply adopting the app and its content. In this respect, in cases where an app market operator cannot be qualified as a hosting provider because of its involvement in the release of the app, I believe that it will not be liable as a content provider for solely making available third party apps. However, if the app market operator makes available an app despite an explicit violation, it is sure will be liable for such infringement. For example, this may be the case if an app under the name "Nike" is developed by a third party and made available in the app market.

Both the Apple App Store and Google Play have illegal content notification procedures. According to Apple's App Store Content Dispute Policy, once an IP holder

¹⁹³³ OECD, "The App Economy", p.31

¹⁹³⁴ Nathalie DREYFUS, p.267

identified the app and described the alleged infringement to Apple via an online form, Apple will put the right holder in direct contact with the provider of the disputed app¹⁹³⁵. Therefore, if Apple Store is notified by the right owner of the infringing situation, it enables the right owner to contact the app developer/owner and does not take any action regarding the infringing app. In contrast, within the framework of the online trademark complaint form for trademark infringement on Google Play¹⁹³⁶, Google reviews the material and consider blocking, removing or restricting access to it¹⁹³⁷.

Finally, it should be noted that some apps may be apps with user generated content. In this case, it is possible that the responsibility of both the app developers and the app store operator may be at issue. Regarding the user generated content, app developers will be responsible for the content to which they provide link. On the other hand, in terms of app market operators, for example, Apple has introduced certain requirements. According to this “apps with user-generated content or social networking services must include: a method for filtering objectionable material from being posted to the app; a mechanism to report offensive content and timely responses to concerns; the ability to block abusive users from the service; published contact information so users can easily reach the app developer”¹⁹³⁸.

¹⁹³⁵ App Store Content Dispute, available at <https://www.apple.com/legal/internet-services/itunes/appstorenotices/#/?lang=tr> (last accessed on 10.05.2019)

¹⁹³⁶ available at https://support.google.com/legal/contact/lr_trademark?product=googleplay&uraw= (last accessed on 10.05.2019)

¹⁹³⁷ Legal Removal Requests, available at https://support.google.com/legal/answer/3110420?visit_id=636930907577333980-2209480273&rd=1 (last accessed on 10.05.2019)

¹⁹³⁸ <https://developer.apple.com/app-store/review/guidelines/#objectionable-content> (last accessed on 10.05.2019)

CONCLUSION

With this thesis, it is aimed at to determine the infringing nature of the uses made on the internet. For this, the trademark uses in domain names, keywords, metatags, online market places and online social media have been chosen to be examined from the angle of the European and Turkish Trademark Law and case-law. In fact, while the Trademark Law of both legislation lays down the general principles to be applied in each situation, the case-law is of a great importance for the application of these general principles of trademark law to the specific cases occurring on the internet. Especially, the CJEU rulings have shed light on the application of these principles on internet uses. An obvious example of this is the *Google France* case of the CJEU concerning AdWords. Indeed, while the use of trademarks as keyword in keyword advertisements such as AdWords had been considered as infringing the rights of the trademark proprietor by the European Union Member States' courts prior to the CJEU's *Google France* case, after this case, the courts changed their case-law and adopted it according to the criteria set forth in *Google France* case.

In this regard, the starting point of this thesis was to examine the application of the general principles of the Trademark Law on internet uses and to compare the application of them by the courts from different jurisdictions, especially by the European Union and Turkish courts.

When the European Union and Turkish Trademark Law and case-law with regard to trademark infringement conditions are compared, they are mainly in the same line, except some differences. However, even though these differences are not numerous in numbers, their consequences make significant differences. Indeed, for example, one of the main difference between these two regulations is that the European law requires for the "identical use" cases that the use should be in such a manner that it affects or is liable to affect one of the functions of the trademark. This requirement is introduced by the CJEU even though the protection under the "identical use" is absolute, meaning that it is not necessary to determine the likelihood of confusion for a finding of infringement. The reason behind this condition is that a trademark proprietor can only prohibit an identical use as long as that use affects his own interests as proprietor of the mark, having regard

to its functions. For this reason, the exercise of that right is reserved to cases in which a third party's use "affects or is liable to affect" the functions of the trademark¹⁹³⁹. On the other hand, there is no such requirement under the Turkish Trademark Law and a use of a sign identical with the trademark in identical goods or service constitutes a trademark infringement without the need for further examination.

The practical consequence of this difference between the European and Turkish legislation is that, for example, while under the European case-law, the use of an identical trademark in identical goods or services as a keyword on the internet does not lead automatically to a finding of infringement, whereas it constitutes automatically an infringement under the Turkish law and case-law. Indeed, under the European Trademark Law and case-law, even an identical sign is used in identical goods or services, it is yet necessary to establish that such use affects or is liable to affect the functions of the trademarks, namely the origin, communication, investment and advertising functions¹⁹⁴⁰.

On the other hand, regarding the general infringement conditions of trademark rights, both the European and Turkish Trademark stipulates that in order to constitute a trademark infringement, the use should be made "in the course of trade", meaning that it must take place "*in the context of commercial activity with a view to economic advantage and not as a private matter*"¹⁹⁴¹. Moreover, another condition for trademark infringement is that uses on the internet should produce a "commercial effect", meaning that the use made on the internet should produce commercial effect on the territory where the alleged infringed trademark is protected. This requirement is particularly of importance for uses of trademarks on the Internet due to the fact that while it is easy to determine the physical borders for application of the principle of territoriality, the internet has no borders and therefore it is necessary to determine whether the use on the internet by someone located anywhere in the world constitutes use within the borders of the territory where the right is protected. Indeed, not each and every use of a sign on the Internet should be treated as taking place in the country/territory concerned, even though the use might be accessible

¹⁹³⁹ C-206/01, Arsenal, 12.11.2002, par.51-54

¹⁹⁴⁰ C-487/07, L'Oréal, 18.06.2009, par.58

¹⁹⁴¹ C-206/01, Arsenal, 12.11.2002, par.40; C-17/06, Céline, 11.09.2007, par.17; C-62/08, UDV North America, 19.02.2009, par.44; C-245/02 Anheuser-Busch, par. 62; C-487/07 L'Oréal, par. 57

to Internet-users based in that country/territory.

In this regard, having taking into account the borderless of the internet, an additional condition has been provided in art.7/3-d of the IPL, which regulates uses on the internet. Accordingly, in order to constitute a trademark infringement, the use on the Internet should produce a “*commercial effect*”. In other words, in order that the uses on the internet may constitute an infringement within the borders where the right is protected, the abovementioned uses in the course of trade and in relation to goods and services must have a commercial effect within those borders. On the other hand, as there is no specific provision for uses made on the internet under the European Trademark Law, consequently there is no such requirement for uses on the internet under the European Law. However, by the application of the principle of territoriality and the fact that internet has no borders and is accessible from all over the world, not every uses on the internet have been accepted as infringing the trademark rights under the European Trademark Law and case-law.

The use of a sign on the Internet that causes commercial effect is contained in the WIPO's report “Joint Recommendation Concerning Provisions on The Protection or Marks and Other Industrial Property Rights in Signs on The Internet” dated 2001¹⁹⁴². According to art.6 of part IV of the report in question, “*use of a sign on the Internet, (...), shall be taken into consideration for determining whether a right under the applicable law of a Member State has been infringed, (...), only if that use constitutes use of the sign on the Internet in that Member State*”. Therefore, in accordance with the principle of territoriality, in order for a finding of an infringement of a right protected in a country or territory, the infringing use should be occurred within the borders of that country or territory. However, due to the nature of the internet, the use on the internet is instantly accessible from anywhere in the World. Therefore, there is two conflicting issue at hand: the global nature of the internet and the territorial nature of the national laws. In this regard, some criterion is needed to to determinate whether the use has been occurred in the borders of this country/territory. This is regulated in art.2 of the WIPO report, entitled “*use of a sign on the internet in a Member State*”. Accordingly, use of a mark on the

¹⁹⁴² WIPO, Joint Recommendation on Internet Uses

Internet should be regarded as use in a particular country *only if the use had “commercial effect” there*. This criterion is identical with that of “use with commercial effect” provided in the IPL. While the WIPO report states the the elements that should be considered in determining whether the uses on the Internet have commercial effect in the country/territory where the right is protected, in parallel to this, the commercial effect has been determined in the European case-law having regard to the concept of “targeting”¹⁹⁴³. Accordingly, the proprietor of a trademark registered in a Member State or of a Community trademark can properly rely on the exclusive right conferred by that trade mark “as soon as it is clear that the offer for sale of a trade-marked products located in a third state is targeted at customers in the territory covered by that trademark”. A mere accessibility of a website in the territory covered by the mark is not sufficient to conclude that the offers for sale displayed there are intended or targeted for consumers located in that territory¹⁹⁴⁴.

While this “use with commercial effect” requirement stipulated expressly in the Turkish Trademark Law and applied equally in the European case-law for uses on the internet, the problem with that requirement is that the Turkish courts and doctrine interpret it in a different manner than its main purpose. Indeed, when the Turkish courts decisions are examined, it is seen that the courts use the term “use with commercial effect” in the meaning of the “use in the course of trade”, even though these two conditions stipulate different situations. For instance, registering a domain name is held as an activity “producing commercial effect” since it has been done for commercial purposes. In my opinion, the misapplication of the “use with commercial effect” requirement by the Turkish courts is due to the fact that the expression of “use in the course of trade” was not mentioned in the legislation at the time of abrogated Decree-Law no 556 and there was only “use with commercial effect” requirement, so the expression “use with commercial effect” has been interpreted in the light of the “use in the course of trade” requirement under the EU legislation. However, with the entry into force the IPL, the requirement of “*ticaret alanında kullanım*” which is the exact match of the expression “use in the course of trade” has been entered into the Turkish legislation.

¹⁹⁴³ EWHC 231 (ch), Argos, 25.02.2017, par.144-145

¹⁹⁴⁴ C-324/09, eBay, 12.07.2011, par.61-65; Joined Cases C-585/08 and C-144/09, Pammer, 07.12.2010, par.74-75

In this regard, it is obvious that “use with commercial effect” does not correspond to the “use in the course of trade”. Accordingly, while the "use in the course of trade" is a criterion which aims to make a distinction between private and commercial uses, on the other hand, the "use with commercial effect" aims to determine whether a use on the “internet” produces commercial effect within the territory of a country and consequently whether a right which is protected within that territory is infringed. Therefore, for the infringement purposes, the use of a sign should be assessed from the angle of the two conditions separately, namely whether it constitutes a use in the course of trade and whether it produces a commercial effect.

Within the scope of the thesis, after established the general criteria of trademark infringement set forth in the European and Turkish Trademark Law and case-law, and their differences, the core of the thesis is the trademark uses on the internet. In that regard, infringement of trademark rights through uses in domain names, keywords, metatags, online market places and online social media have been examined.

Nowadays, domain names, which are symbolic addresses used to make IP number easier to remember, thus intended to perform a technical function, have become distinctive signs as business identifier. The fact that domain names function as distinctive signs has implications for the infringement of trademark rights, especially when a sign identical with or similar to a trademark is used in the domain name by third parties. Moreover, due to the fact that both systems have different allocation/registration processes, in particular the “first come first served” principle for the allocation of domain names paves the way for infringement of the trademark rights. On the other hand, the technological developments that have emerged since the first regulation of trademark law have made these regulations inadequate.

The relationship between domain names and trademarks is a very intertwined relationship. In fact, a trademark can be used as a domain name and a domain name can be registered as a trademark. However, the trademark right on a sign does not provide an automatic right to use this mark as a domain name. Likewise, the use of the domain name does not automatically generate the trademark right on the sign that constitutes the domain name. However, if the conditions are met, the priority right entitles the trademark

proprietor to use the sign as domain name or the domain name owner to have the trademark rights on the sign used as domain name.

Registering a trademark as a domain name is easier than registering the domain name as a trademark. This is because, while the allocation of the domain name is subject to certain technical limitations and the condition that the domain name is not allocated on behalf of someone else, the registration of trademarks is subject to certain conditions stipulated in the Law. The main one is the distinctiveness of the sign. Therefore, except for acquired distinctiveness through use, it may not be possible to register a sign which is easily taken as a domain name, as a trademark due to lack of distinctiveness. However, even if the sign used as a domain name is not registered as a trademark, it may, in some circumstances, grant rights of the registered trademarks (art.6/3 of the IPL, art.5/4-a of the Trademark Directive, art.8/4 of the Trademark Regulation). In fact, if the sign that constitutes the domain name has been used as a trademark and a right on this sign has been obtained with this usage¹⁹⁴⁵ before the registration application of that sign by another person, the domain owner may prevent or may make invalid this registration on the basis of its use.

On the other hand, it is very important for those who have trademark rights on a sign to use it in their domain names. Because, when the internet user searches for a trademark on the internet, s/he makes the search by typing the trademark in the address bar or the search engine and enters the site by clicking on the link with the domain name identical with the trademark. However, due to the principle of “first come first served” for the domain name allocations¹⁹⁴⁶, the person who has trademark rights may not register this sign as domain name. In such a case, the sign constituting the trademark may be registered as a domain name by other right owners or by persons with bad faith, called “cybersquatters”. Regarding other right owners, they may be trademark proprietors of the sign registered in different goods or services, or prior right owners on the sign. As long as these persons use the sign in their domain name for the goods or services for which

¹⁹⁴⁵ For this, it is necessary to use the domain name as a distinctive sign in the course of trade beyond its use of a mere address on the internet.

¹⁹⁴⁶ 43% of the domain names in the world have “.com” extension and the allocation of these gTLDs is done according to the “first come first served” principle. For the domain name statistics, see Domain Name Stat available at <https://domainnamestat.com> (last accessed on 20.05.2019)

their trademarks are registered or they acquired right, there would be no infringement to the other trademark owner's rights.

On the other hand, it is clear that registering a trademark as a domain name by persons who have no right on the sign constitutes bad faith, thus infringement. When this situation is evaluated from the angle of the Trademark Law, problems arise in the application of Trademark Law with regard to domain names that are not allocated and not actually used. Indeed, for there being a trademark infringement, the alleged infringing use should be a use within the meaning of trademark law. For this, such use should be made in the course of trade and in relation to goods or services. In cases where the domain name is merely registered and not actually used, there is no use within the meaning of the trademark law, as it is not used in the course of trade neither in relation to goods or services. In such a case, it is not possible for the trademark proprietor to obtain the transfer the domain name in his name based on the trademark law. Although this is the case, it is necessary to make a distinction between three situations. First, domain names that are merely allocated and not used in any way; second, domain names that are allocated and not actually used, but are offered for sale to the trademark proprietor or third parties for its transfer; the third one is where the domain name is allocated and only parked on parking pages.

Starting from the third situation, it is the case when the domain name is not actually used by the domain name owner for a particular good or service, but is parked on parking sites wherefrom the domain owner receives remuneration per click on the links displayed therein. In such a case, the allocation of the domain name and then parking on the parking sites to provide a profit is considered as a use in the course of trade. However, another problem arises here. Although such use constitutes a use in the course of trade, for there being an infringement, such use should be in relation to goods or services identical with or similar to those for which the alleged infringed trademark is registered. Therefore, if the goods or services subject to the advertising links on the site where the domain name is parked differ from the goods or services of the trademark owner, this latter will not be able to establish the infringement. Therefore, the trademark will continue to be used unfairly by third parties and the trademark proprietor will be

prevented from using the sign consisting of its trademark as a domain name on the internet. On this point, it should be noted that the mere allocation of the reputed trademarks as a domain name constitutes a sufficient element for the infringement, since the acquisition of the domain name by a third party is intended to benefit from the reputation of the trademark, even if it is not actually used.

Regarding the second situation where domain names are allocated and not actually used, but are offered for sale to the trademark proprietor or third parties for its transfer, it is accepted that where the domain name is offered for sale to trademark owner or to third parties, it constitutes use in the course of trade, as the domain holder attempts to extract money from this domain name. Therefore, as long as the alleged infringing domain name is identical with or similar to the trademark, is used in relation to goods or services identical with or similar to the goods for which the trademark is registered, in the event where the trademark owner can establish the use liable to affect the functions of the trademark or likelihood of confusion, trademark infringement can be held.

On the other hand, in the case of the first situation, that is to say when the same or similar domain name with the trademark is not offered for sale to the trademark owner or third parties, nor is it possible to make a profit by parking it on a parking site, it would not be possible to demonstrate the use of that domain name in the course of trade and in relation to goods or services. Therefore, there would not be a use within the meaning of the trademark law which can be prevented by the trademark proprietor. In my opinion, in such a situation, it would be a more appropriate to apply for an ADR procedures instead of applying to the courts where trademark law is applied. Indeed, within the scope of both the ICANN's UDRP for generic TLDs and ADR mechanisms for “.tr” and “.eu” ccTLDs, there is no requirement to use the domain name identical with or similar to the trademark, irrespective of being reputed, in a commercial manner. It is sufficient to prove that the domain owner does not have a legitimate interest in using the domain name and/or the use and/or registration of the domain name is made in bad faith.

In this respect, if the trademark is allocated and used as a domain name by third parties, an assessment should be made according to the characteristics of the concrete case and a solution should be chosen accordingly. Indeed, while it is not possible to meet

certain conditions required by trademark law, it is possible to find solutions within the ADR mechanisms. It should be noted, however, that the ADR mechanisms also have a number of shortfalls. For instance, one of the shortfalls of the ADR mechanisms is that ADR procedures can be stopped by the parties' application to the court and the execution of the panel decision may be suspended. In the event of a ADR procedure referred to the court, the court will make the final decision. In this regard, if the conditions for the infringement of the trademark are met, it is seen as a more precise way to resort to the courts, although it is a long and costly way to resolve the dispute.

For example, a person who has trademark rights in Turkey and thinks that its trademark is used in a domain name with “.tr” ccTLD in a manner that creates infringement, can apply to the ADR mechanism and to the courts. In the event that such a case is filed and a preliminary injunction is obtained from the court, the decision of the panel is not applied and the trial process is expected to be completed. Therefore, the Turkish court will say the last word about the fate of the domain name in question.

However, on the other hand, if the alleged infringing domain name is not a domain name with “.tr” ccTLD, but with “.com” or “.eu” extension, it is not possible to apply to the dispute resolution service provider under the IDNR and IDNDRMC, since these regulations are only related to domain names with “.tr” ccTLDs. In this case, when trademark proprietors bring proceedings before the Turkish courts for the alleged infringed domain names with “.com” or “.eu” extensions, the court order will be limited to the prevention of access of the website under this domain name from Turkey. Therefore, the cancellation of the said domain name or transfer of the trademark owner will not be in question as in the ADR procedures, access to the website from outside Turkey will remain open.

At this point, the question arises whether it is possible for the trademark owner to refer to the UDRP or “.eu” ADR mechanism for infringing uses of domain names with “.com” or “.eu” extensions. Pursuant to art.4/a-i of the UDRP, the complainant must have the right on the sign identical with or confusingly similar to the domain name. Therefore, s/he may apply to the UDRP mechanism on the basis of a registered trademark in Turkey. On the other hand, in case of disputes concerning domain names with the extension “.eu”,

the applicant sign should be a sign in respect of which a right is established by Union or member state law.

Therefore, in the case of the use of an identical or similar sign with the trademark in the domain name, while it is possible for a Turkish trademark proprietor to apply to the UDRP mechanism for infringing domain names with “.com” gTLD, it is not possible to apply to the “.eu” ADR mechanism for the cancellation or transfer of the infringing domain name with “.eu” extension if the Turkish trademark proprietor has not a right established in the EU. However, although the trademark owner may apply to the UDRP mechanism, if he intends to initiate a court process in parallel with that mechanism, the court to which he may apply under the UDRP rules is the court at the location of either the principal office of the registrar or the domain name holder address. The same principle applies also for “.eu” ADR mechanism.

Therefore, if a sign identical with or similar to the trademark is used by third parties in the domain name, there is no single solution in terms of regulations and ways to apply. The main reason of this is the fact that domain names do not have any geographical borders in the face of national scope of trademark protection and trademark law. When this oppositeness is added to the difference in the registration conditions of trademarks and domain names, it becomes difficult for trademark proprietors to protect their rights against unfair domain name uses.

In addition to this, the new gTLDs program launched by ICANN in 2012 allowed the allocation of an unlimited number of domain names, which further intensified the relationship between domain names and trademarks, creating a new space for individuals in bad faith to cybersquat. In fact, trademarks can now be used not only in second-level domain names, but also in first-level generic domain names. In other words, while it could be used the domain name `www.brand.com` until now, the domain name `www.x.brand` can be used from now. Regarding to the trademark infringement, it may occur in the new gTLDs allocation stage as well as during the allocation of the second-level domain names under these new gTLDs. For example, even if the trademark owner registers its trademark as new gTLD, it may be used by third parties in the second-level domain names under a generic or geographic new gTLDs, and thus may infringe the trademark rights.

ICANN has envisaged right protection mechanisms for new gTLDs and their use in second-level domain names. These include three stages, the first of which is pre-delegation dispute resolutions (string confusion, legal rights, limited public interest and community objections); the second is the right protection mechanisms implemented by the new gTLD registry (Trademark clearinghouse, Trademark Claims Service and Sunrise Registration Services) and post-delegation dispute resolution mechanisms (UDRP, URS and PDDRP). However, it cannot be said that these systems are fully preventive of trademark infringement. For example, at the registration stage of second-level domain names under a new gTLDs, the trademark owner who registers his trademark with Trademark Clearinghouse is notified only if a sign “identical” with its trademark is registered as a domain name. Therefore, the notification is not a notification informing the trademark proprietor that a domain name identical with its trademark had been applied for, but a notification informing the sign is already registered by third parties. Moreover, there is only notification, and not blocking of the registration. Indeed, the applicant could continue the application process. On the other hand, another way that the proprietor of the alleged infringed trademark may apply is the URS which provides only the suspension of the applied domain name until the expiration of the current registration period and not the cancellation or the transfer to the right holder. Therefore, after the expiration of the suspension period, the disputed domain name becomes available for registration, thus registerable again for cybersquatters.

Beside the domain names, another type of use which concerns trademark proprietors is the use of their trademarks in the online search-based advertisement as a keyword by third parties. The problem to be solved here is whether such use by third parties constitutes an infringement of trademark rights. The answer is varying as the courts in the European Union and Turkey consider this issue completely in different ways.

According to the case-law of the CJEU, as opposed to the Turkish case-law, the mere use of a sign identical with or similar to the trademark as a keyword in keyword advertising does not constitute an infringement of the trademark right. In order for an “identical” use to constitute an infringement of the trademark right, functions of the trademark should be adversely effected in consequence of that use. The relevant functions

to be considered in the use of keyword advertising are the origin, advertising and investment functions according to the CJEU case-law so far. On the other hand, in order for a “similar” use to infringe the trademark right, there should be a likelihood of confusion in consequence of the use of the trademark as a keyword. At this point, it should be pointed out that the CJEU applies for the likelihood of confusing the same conditions for a finding of uses liable to affect the origin function of the trademark on keyword advertising. Indeed, in case of likelihood of confusion, the trademark’s origin indicating function cannot be performed and thus is damaged. Therefore, the criteria applied in the determination of infringement are the same for both identical and similar uses with regard to the uses liable affect the origin function of the trademark and the uses creating likelihood of confusion. Accordingly, the infringement is held in the case where that advertisement “*does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party*”¹⁹⁴⁷. Here the importance is given to the presentation to the advertisement. In other words, in the determination of whether the use of the trademark as a keyword is liable to affect adversely the origin function of that trademark or creates a likelihood of confusion, the advertising given by using the mark as a keyword itself is evaluated and as a result of this evaluation, it is assessed whether the internet user thinks that there is a relationship between the advertiser and the trademark owner or does not understand clearly whether there is a relationship between them. The question that arises at this point is how should the advertiser edit the ad so that it does not mislead the internet user.

Moreover, with the *Interflora* case, another evaluation criterion was introduced. That is whether the reasonably well-informed and reasonably observant internet user is expected to know, on the generally known characteristics of the market, that the advertiser and the trade mark proprietor have no business connection with one another, but, rather, are in competition. In the event that such general knowledge lacks, it should be determined whether the advertisement allows the internet user to understand that the

¹⁹⁴⁷ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.99; C-278/08, BergSpechte, 25.03.2010, par.39-41

goods or services offered by the advertiser do not originate from the trade mark proprietor or an affiliated enterprise¹⁹⁴⁸.

Therefore, in the determination of the infringement, in addition to the examination of the advertisement itself and whether whether this ad is clear enough for the internet user to understand whether there is a relationship between the advertiser and the trademark proprietor, the general knowledge of the internet user on the market is also taken into consideration. Accordingly, in the event where the internet user is aware of that there is no economic relationship between the advertiser and the proprietor of the trademark s/he is searching for, but rather they are competitors, this prevents the finding of adverse effect on the origin function. On the contrary, if the internet user does not have a such knowledge, it is necessary to determine whether the internet user is likely to be confused because of the advertisement. At this point, many factors are taken into consideration for the assessment. These are the text of the advertisement such as its title, the message message and the URL (the domain name of the ad).

When the decisions of the EU Member States' courts are examined, it is seen that the courts take into consideration the content of the advertisement as well as the environment of this advertisement, such as the placement of the advertisements in a separate place on search results than the natural results. According to the EU Member States' courts the internet user has the knowledge to distinguish between the natural results and the advertisings that they come across as a result of their search. In this respect, when encountered with the links of companies other than the proprietor of the trademark s/he looks for under the advertisement section, internet users will not be confused between these links. Moreover, when an internet user searches for a trademark on a search engine, s/he knows that every results displayed under the natural results do not related to the trademark proprietor.

However, it should be noted that although AdWords ads are located in a different section than natural results, the content of the advertisement will always be of great importance in assessing the adverse effect on the origin function and the likelihood of

¹⁹⁴⁸ C-323/09, Interflora, 22.09.2011, par. 51

confusing. Indeed, if a sign which can be associated with the trademark is mentioned in the in the text of the advertisement, such as in the title, commercial message and URL of the ad, it will have an adverse effect on the origin function and/or create a likelihood of confusion in the mind of the internet user. In that regard, it is generally accepted that where the the trademark used as a keyword appears in the ad text, such use constitutes an infringement. On the other hand, if that trademark does not appear in the ad text, the mere use of the trademark as a keyword is not considered automatically as an infringement and the use is evaluated on the basis of its concrete features. As indicated by the Judge Arnold in *Interflora UK* case, “keyword advertising is not inherently or inevitable objectionable from a trademark perspective. On the contrary, the case law of the CJEU in this field recognizes that, as a general rule, keyword advertising promotes competition”¹⁹⁴⁹.

In this respect, there is no uniform result and each concrete case is evaluated within its own characteristics to determine whether the trademark has been infringed as a result of its use as a keyword. Although this is the case, in Turkey, the mere use of an another person’s trademark as a keyword in advertisement is considered as infringing this trademark pursuant to art.7/3-d of the IPL. For instance, in a case before the Turkish Supreme Court in 2013 where the defendant advertised his website site by using the plaintiff’s trademark as a keyword in Google AdWords, it was decided that there would be confusion on the ground that the parties operate in the same field of activity and that the defendant’s web site and advertisements can be reached through the plaintiff’s trademark so that the defendant’s unfair use of the plaintiff’s mark constitutes infringement¹⁹⁵⁰. Again in a recent case in 2016, the Supreme Court found that the defendant’ use of the plaintiff’s trademark “Tatil Sepeti” for the advertising of the website tatilbudur.com as infringing the plaintiff’s trademark rights¹⁹⁵¹. Contrary to the decisions of the EU member states that apply the CJEU criteria, it is seen that the decisions made in Turkey do not include a detailed assessment according to the nature of each concrete event as stated above. However, the uses made on the internet has many different features

¹⁹⁴⁹ EWHC 1291 (ch), *Interflora*, 21.05.2013, par.288; Judge made reference to par.59 of *Interflora* and par. 69 of *Google France* case of CJEU.

¹⁹⁵⁰ Yarg. 11. HD 2012/12304 E. 2013/14141 K. 03.07.2013 T.; Mehmet Emin BİLGE, p.188

¹⁹⁵¹ Yarg. 11. HD. 2015/12152 E. 2016/9489 K. 12.12.2016 T.; Tamer SOYSAL, “Marka Hukuku Perspektifinden İnternet Ortamında Anahtar Kelime (Meta-Tagging) ve Adwords Reklamcılık Uygulamaları”, *Uyuşmazlık Mahkemesi Dergisi*, Yıl 6, Sayı 12, Aralık 2018, p.718

than the traditional ones encountered so far, and these issues should be taken into consideration in the assessment of the infringement.

On the other hand, another search-based advertisement that concerns the trademark proprietors is the use of their trademarks in metatags by third parties. The difference between use as a keyword and uses in metatags is that when a trademark is used as a keyword, the search result triggered by that keyword is displayed under the advertisement section, whereas when a trademark is used in the metatag of a third party's website's code sources, the search result associated to the term used in the metatags is displayed under the natural results. Therefore, while in both case the trademark is used as a means to trigger the search results, the difference between them lies in the nature of the results, such as natural and sponsored results.

The use of such tags corresponding to the names of a competitor's products and to the commercial name of that competitor will generally have the effect that, "when a user looking for that competitor's products introduces one of these names or this name in a search engine, the natural result displayed by it will be modified for the benefit of the user of these meta tags and the link to its website will be included in the list of these results, in some cases in close proximity to the link to the said competitor's website"¹⁹⁵².

If such an advantage is obtained, is it possible to found automatically an infringement of trademark rights? There is no definite answer to whether such use constitutes an infringement of the trademark used in metatags. While there was a tendency to assume that such use is likely to cause confusion, on the other side, courts in some jurisdiction do not even consider such use as a use within the meaning of the trademark law, as the trademark used in metatags are invisible to the internet user. However, invisibility of the trademark used is not a factor to be taken into consideration as it is stated in the CJEU's case-law that the mere fact that the sign used for advertising purposes by the third party does not appear in the advertising itself cannot mean that that use does not fall within the concept of "use in relation to goods or services"¹⁹⁵³.

¹⁹⁵² C-657/11, *Belgian Electronic Sorting Technology*, 11.07.2013, par.54

¹⁹⁵³ *Joined Cases C-236/08 to C-238/08, Google France*, 23.03.2010, par.65

At this point, the question is whether the criteria applied for keyword advertisements can be applied by analogy to metatag cases. Recently, in particular the French courts have applied the CJEU's keyword advertisement criteria for metatag uses and found that the mere use of another person's trademark in metatags does not constitute an infringement of trademark rights. Accordingly, as applied in AdWords cases, the existence of an infringement will be accepted in cases where the trademark used in metatags of the third party's website's code source is visible to the internet user in the links displayed under the natural results. On the other hand, the mere use of the trademark in a website's source code would not constitute an infringement. In this regard, while the mere use of the trademark as a keyword was considered as infringing trademark rights, but it is not anymore after the CJEU's Google France and consequent cases. In that regard, even though there is no CJEU ruling on metatag uses with regard to trademarks, but by application by analogy the keyword criteria to the metatag cases, the mere use of the trademark in the metatag by the third party may not be considered as it automatically constitutes a trademark infringement.

Indeed, as mentioned above, when an internet user searches for a trademark on a search engine, s/he knows that every results displayed under the natural results do not related to the trademark proprietor. In that regard, as long as the result displayed as a result of the metatag use does not create an affiliation with the trademark or trademark owner, the mere use should not be considered as infringing. What should be taken into account is not the mere use, but the consequences of this use. Therefore, even if the search displayed under natural results are not labeled as "advertisement" as in keyword advertisement, the internet user has a general knowledge that the results displayed under the natural results are not those of the trademark owner, but also third parties. Moreover, as indicated by the CJEU in *Interflora* case for keyword advertising, even though the purpose of using a competitor trademark in order to be placed on the search results is to take advantage of this trademark, such advantage is not unfair as long as it is used to provide goods or services alternative to the goods or services of the trademark owner¹⁹⁵⁴. Therefore, as accepted for keyword uses, using another's trademark to make displayed a

¹⁹⁵⁴ C-323/09, *Interflora*, 22.09.2011, par.91

link of a website on which alternative goods are provided under the natural results can be considered as fair competition. On the other hand, in the event where the purpose of such use is to provide counterfeit goods, such use will inevitably constitute an infringement.

In addition to advertisements on search engines through keywords or metatags, advertiser can also promote their goods or services through online market places. While the main activity of these online market places is to display the goods or services of third parties, thus the main infringement occurred within these online market places is related to the goods or services offered for sale by third parties on these platforms, in some cases, online market place operators may carry out more than display services, such as activities optimizing the presentation of the offers for sale in question or promoting those offers. This is done again through keyword advertising. In such a case, the online market place operators use trademarks of the products sold on their platform in for example Google's AdWords. Moreover, while operators such as Google, Yahoo and Bing are search engines in the classical sense, the online market places have also in their internal structure their search engines. Therefore, while these online market places have created a new and important means for companies and trademark proprietors to introduce their goods or services, they have also created a new environment for trademarks to be used in different ways by third parties without the consent of the trademark proprietors.

On the other hand, online market places constitute an important channel to reach consumer in order to sale or offer for sale counterfeit goods. Regarding the uses made by the third party sellers on these market places, in the event where the good or service offered for sale on an online market place is an infringing good or service, provided that those sales took place in the context of commercial activity, it is obvious that the person who offers them for sale will be liable for infringing uses, can be prevented by the trademark owner. On the other hand, when the goods or services offered for sale on these platforms are not counterfeit or infringing, but genuine, the issue of exhaustion of trademark rights may be at stake and therefore the sale of genuine goods may be prevented in these online market places if the right on that good is not exhausted. This is especially the case for the exhaustion regime applied in the European Union. Indeed, with regard to the Turkish Law, as international exhaustion is accepted, once a trademarked

good is put on the market in anywhere in the world, the trademark rights on that trademark will be exhausted, and any person anywhere in the world can sell or offer for sale on the online market places that trademarked goods as long as it is genuine. On the other hand, regarding the EU, in the event where the genuine goods are not put on the European market, such goods cannot be sold or offered for sale to the customers in the Europe, as the trademark rights are not exhausted within this region. In a case where these goods are *sold* by an economic operator through an online market place to a consumer located in the EU, it is obvious that there is a use with a commercial effect on that territory, so that the proprietor may prevent such use. However, these goods which are located in a third country may only *be offered for sale or advertised* on such a marketplace and may not be forwarded to the EU. For the determination of whether these goods are offered for sale to the customers where the trademark rights are not exhausted, the concept of “targeting” comes into play and the mere accessibility of a website in the territory covered by the mark is not sufficient to conclude that the offers for sale displayed there are intended or targeted for consumers located in that territory where the rights are not exhausted¹⁹⁵⁵.

Moreover, again with regard to third party sellers’ uses, these sellers can carry out some other activities which infringe another’s trademark rights, by, for example, using another sellers’ sale listing. Although there is no much dispute on this issue, it was held by the English courts that while , it is possible to use these listing for the sale of original trademarked products, in case of same kind of products but under different trademarks, use of these lists constitutes trademark infringement¹⁹⁵⁶.

Finally, another medium on which the trademark rights can be infringed is the online social media. While this media encompasses a wide variety of online platforms within the scope of this thesis, social media examined in terms of uses in social networking sites, online virtual worlds and mobile applications.

With regard to social networking sites, more and more companies have started using social networking sites as a means to distribute information to the public about their

¹⁹⁵⁵ C-324/09, eBay, 12.07.2011, par.64

¹⁹⁵⁶ EWHC 1400 (IPEC), Jadebay 13.06.2017; EWHC 26 (IPEC), Birlea, 11.01.2018

product¹⁹⁵⁷ and to strengthen their brand image by communicating with their customers. While this is the case, social networks allow their members to create confusion as to source by using another's trademark without the consent of the proprietor, such as through user names, personalized sub-domain names, and hashtag links to the content posted.

A username is a unique identifier on a social networking site that allows access to a page or an account through a short URL in the form of "socialnetworkingsitename/username". Like the registration of domain names, the allocation of usernames on social networking sites is done on a « first come, first served » basis, the first served being also the only one served for a username. In that regard, as far as it had not been taken by somebody, the user can get any sign as a username. Therefore, if a trademark had not allocated as a username to the trademark proprietor, this can be taken by third parties with bad faith. On the other hand, hashtags, which become a pop culture phenomenon of today's world, and which are a tool that social media and microblogging sites' users can use to facilitate searching and reading messages on a specific topic or theme¹⁹⁵⁸, may pose problems for trademark owners when they are used to direct internet users to the hashtag user's trademark or to its web page under the domain name containing the trademark or to its social media account.

The case-law on the trademark infringement on social networking sites has not been developed so much neither in Europe, in Turkey nor in the United States. One of the reasons for this may be the violation reporting procedures that take place on these sites. However, a satisfactory result may not always be obtained through these mechanisms. In this respect, it will always be the trademark law that the person claiming infringement of his rights will ground on. Nevertheless, some difficulty in the application of the trademark may occur when for example the alleged infringing use is not related to any offer of sale or promotion of a product or service. Indeed, in order to find an infringement of trademark rights, there should be, *inter alia*, a use in the course of trade. Even if this condition is fulfilled, this use may not constitute a use in relation to goods or services. In that regard, for instance, there will be no infringement if the trademark at issue is not used in

¹⁹⁵⁷ Nabil A. ADAWI, p.1

¹⁹⁵⁸ Robert T. SHERWIN, p. 457-458,

connection with the advertising or sale of goods or services, even the use is realized in a commercial context¹⁹⁵⁹. Therefore, the problem which arises with regard to uses on social networking sites is the user names or hashtags corresponding to trademarks, which have been used by persons other than right owners, are not used in connection with any goods or services and there is any content on the page linked to that username or hashtag. This situation happens also in domain name cases. However, for domain name uses, there are alternative dispute resolution mechanisms where an actual use or a use in the course of trade in relation to goods or services is not required. On the contrary, there is no such mechanism for uses on the social networking platforms.

Moreover, another issue concerning the uses made on the social media, is the proof of “commercial effect” of such uses in the country/territory where the alleged infringed trademark is protected. For example, in a case where the page under an alleged infringing username contains contents in Chinese, does such use on that username and on that page constitutes an infringement for a trademark registered and protected in Turkey? On the determination whether such use constitutes an actionable use in the country/territory where the alleged infringed trademark is registered, the nature of the “friends” or “follower” of this page, the language, currency, telephone number used in the relevant page are taken into consideration. Therefore, the mere accessibility to this page from anywhere in the world does not mean that such use constitutes trademark infringement in a given country/territory.

Equally, the “commercial effect” requirement poses some difficulties in terms of the application of the trademark law for uses made on virtual worlds. Virtual worlds are virtual environments where users can represent themselves through avatars in a three-dimensional world and where they can communicate with others as in the real world. For there being a trademark infringement, in addition to use in the course of trade and in relation to goods or services, such use should produce a commercial effect on the country/territory where the alleged infringed mark is protected. In that regard, the question to be solved whether a use of the trademark by third parties in a virtual world

¹⁹⁵⁹ Lisa P. RAMSEY, p. 870, 876

produces commercial effects for example in Turkey so that the Turkish trademark owner can prevent such use? As social networking sites, virtual worlds are open worldwide and any person anywhere in the world can access it. However, it is difficult to determine whether a use on these virtual worlds targets specifically customers in a given country/territory. In my opinion, it should be resolved case-by-case basis and commercial effect, for example, in Turkey may be accepted to occur when the alleged infringing uses targets Turkish players of this virtual world.

Moreover, the uses on the virtual worlds bear other problematic issues as there exist in these virtual worlds both real world trademarks and virtual trademarks and thus the disputes in these virtual worlds can occur between two virtual world competitors, between a real world trademark owner and a virtual world user and between the two real world trademark owners which operate in the virtual worlds. Regarding infringement of real world trademarks in these virtual worlds, it may not be relevant under trademark law because it may not constitute use in the course of trade or use as a trademark due to the fact that the users of virtual world often take part in these worlds to entertain themselves, thus for a noncommercial purpose. However, some virtual worlds such as Second Life is a commercial forum containing its own economy and where currency and virtual goods may be exchanged with real-world currency such as US dollars. Therefore, some users' activities may constitute a use in the course of trade in such virtual worlds. At this point, the problem is that the goods or services subject to commercial transactions are not actually offered for sale in the real world, but only online. Therefore, the question here is whether this difference in nature of the goods (real v. virtual) make difference for finding a use in relation to goods and services. Since "use in relation to goods or services" exists in any event where the third party uses the sign identical with the trademark in such a way to establish "a link" between that sign and the goods marketed or the services provided by the third party¹⁹⁶⁰, use as a distinctive sign is possible in a virtual world. For instance, the affixing of a trademark on a virtual shoe or clothing which is offered for sale for a fee in a virtual world would be in principle a use of the trademark as a distinctive sign¹⁹⁶¹. This difference in nature of the goods is also of importance in the determination

¹⁹⁶⁰ Joined Cases C-236/08 to C-238/08, Google France, 23.03.2010, par.72

¹⁹⁶¹ Sevan ANTREASYAN, p.191-192

of the identity or similarity between the goods or services concerned. In other words, does the fact that a virtual trademark is affixed in a virtual shoes prevent a finding of identity with the real shoes? There is no clear-cut answer to that. If the CJEU's reasoning in Opel case when it compared the cars and scale model case is applied to the virtual world, a virtual shoe would be different from a real world shoe in the same way that a scale model car is different from a real car. On the other hand, when classical criteria for offline situations are applied to virtual world situations, it is also possible to view the virtual goods as *complementary* to the real world products or as being *marketed to the same class of consumers*. Indeed, in the case where a user of virtual worlds wears a X branded shoes in his real life, he will probably purchase the same branded product for its avatar. Therefore, even though the nature of the goods are totally different, the consumer buying the branded goods will be the same, which will increase the risk of association¹⁹⁶². Moreover, as real world marks are sold on the virtual world and virtual goods are sold via online stores, there is an overlap in internet sales and advertising.

Although the case-law on the application of the trademark law to the uses on the internet such as uses in domain names, keywords and metatags is developing or developed, there is no much case-law especially for uses in social media and virtual worlds where there are difficulties in the application of the trademark law principles. This situation arises particularly in satisfying the requirement of use in the course of trade, use in relation to goods or services and use with commercial effect.

In sum, although not generally, but in some cases, trademark law falls short for the uses made on the internet. In that regard, it may be proposed that the classical trademark law should be updated or adapted according to the new uses arising out of new technologies. Moreover, even such uses fall within the ambit of trademark law thus constitutes uses which can be prevented by the trademark owner, there are some exceptions which can be asserted against the trademark infringement claims, such as fair use, freedom of expression and information, exhaustion, prior right ownership, acquiescence and lawful comparative advertisement defenses.

¹⁹⁶² Candidus DOUGHERTY, Greg LASTOWKA, p.786

Finally, having established the uses on the internet which can constitute trademark infringement, the persons who are liable for such uses should be determined. There are indeed four actors whose liability may be held because of the uses made on the internet. These four actors may be grouped into two. One is the person who itself infringed the trademark, namely the content provider and the other one is the intermediaries whose services are used to infringe the trademark, namely the internet service providers (ISPs) such as access, caching and hosting service providers. In general, the anonymity of the content providers makes it difficult for the trademark owner to reach the content providers. Moreover, even if they can be identified, it is also difficult to bring a lawsuit against these persons as they may be located in different countries. For these reasons, it is more practical and effective way for the trademark owners to resort to the internet service providers. In particular, hosting service providers play an important role in combating with unlawful contents, as they store illegal content at the request of their users and make it available to third parties.

The regulations for the liability of the internet service providers which function technically, such as access, caching and hosting service providers, are mostly in favor of these service providers. Both the EU and Turkish provisions E-Commerce Directive and the Turkish Internet Law no. 5651) do not provide for a general liability regime of ISPs. Instead, it provides for a specific system of exemption from liability, known as “*safe harbor*”. This means that in cases where an internet service provider provides a specific service defined by the Law and comply with a set of requirements, it will not be held liable for the infringing activities of third parties to whom it provides services and will not be obliged to pay damages even if its conduct did somehow cause the damage.

Under both the E-Commerce Directive and the Turkish Internet Law, the access and hosting service providers have no “general obligation to monitor” the content which they transmit or store. The same principle applies for the caching service providers for the European regulation. Moreover, these intermediary service providers do not have general obligation to seek actively facts or circumstances indicating illegal activity. However, such exemptions do not preclude national courts from requiring the ISPs the termination or prevention of an infringement which are not based on a fault.

The important point here is that the internet service providers can be exempted from liability as long as they carry out activities that falls within the scope of the activities of these service providers, meaning that, for example, a service provider will not be able to benefit from the liability regime of the access or hosting service providers with regard to it activities that exceed the access or hosting service providers' activities. For this, the role played by the service provider should be neutral, in the sense that its conduct is merely "technical", "automatic" and "passive". Otherwise, if it plays an "active" role in the content transmitted or stored, this would give it knowledge of, or control over those data. Moreover, as long as they become aware of the illegal content, they are under the obligation to take down such content, otherwise their responsibility can be held.

At this point, the difference between the EU and Turkish legislation is that under the Turkish legislation, the hosting service provider is under the obligation to take down the unlawful content as long as it has been *notified of* it, whereas the E-Commerce Directive, unlike of "being notified of" condition stipulated in the Turkish legislation, requires also that the hosting service provider should not be "*aware*" of the illegal content. In other words, even though "being aware" is a result of "being informed", the status of "being aware" without "being informed" is stipulated, in the E-Commerce Directive, as a condition of the liability. The knowledge standard is split into two forms: "*actual knowledge*" and "*awareness of apparent infringement (constructive knowledge)*"¹⁹⁶³. This distinction is of importance especially in compensation claims. Indeed, while as regards claims for damages, the hosting service provider is not liable on the condition that it is not "aware of facts or circumstances from which the illegal activity or information is apparent", on the other hand, in cases where such damage is not claimed, the liability of the service provider depends on "actual knowledge of illegal activity or information". While actual knowledge is generally admitted as a specific knowledge of infringement and notifications have been prevalent to prove an internet service provider had actual knowledge of infringement¹⁹⁶⁴, awareness of apparent infringement is the same as "should have known" or "had reason to know" user infringement, as implemented in

¹⁹⁶³ Mohammad SADEGHI, p. 99

¹⁹⁶⁴ Ibid., p.104-105

tort law's evaluation of constructive knowledge¹⁹⁶⁵ and evaluated on the basis of a “*diligent economic operator*”.

Therefore, a trademark proprietor whose rights are infringed by a third party use can make the internet service provider liable provided that service provider carries out activities that exceed its technical function, thus it plays an active role which gives it the knowledge of the unlawfulness of the content in question and/or that the service provider does not disable access to or take down the unlawful content as soon as it becomes aware of it or is notified of it.

At this point, a distinction should be made between the access and hosting service provider with regard to the notification sent to make them aware of the content which is alleged unlawful. Indeed, the notification sent to these service providers in order to inform them on the unlawful content, is sent by the courts to the access providers, by the right holders to the hosting service providers. Therefore, there are two ways that the persons whose rights are violated may resort in order to take down the infringing content. The first one is to notify the content or hosting service provider of the infringing content through the “*notification method*” mentioned in the Law and thereby request the take down of the said content; the second one is to request blocking access to the content in question directly from the court. The non-compliance with them may give rise to the liability of the internet service providers.

Regarding the notification addressed to hosting service providers, the non-compliance of the hosting provider with the request of the right holder would not generate its liability if the alleged infringing content is in fact not unlawful. However, this may not be easily determined in every cases. While the duty to monitor is certain as soon as a court order is received, the situation is less certain at the preliminary stage of the trial for exaggerated or unfounded rights holders' claims. It is not clearly understood neither from the E-Commerce Directive nor the Turkish Internet Law how the hosting service provider would respond to the notification in such a situation. On the other hand, while some member states, such as the French and English Law on E-Commerce, have regulated in

¹⁹⁶⁵ Ibid., p.112

their law what should the notification addressed to the hosting service provider should contain in order to assume that the hosting service provider is aware of the illegal content, moreover, pursuant the European case-law, the hosting service provider is required to take down only "obviously" illegal content. Equally, pursuant to the case law of the Turkish Constitutional Court, this exceptional measure such as blocking orders can only be applied in cases where it is obviously understood from the content in question that it constitutes an infringement/violation *at first glance*. This is also called the "*infringement at first glance doctrine*"¹⁹⁶⁶. Therefore, when a notification is addressed to the hosting service provider, the allegedly infringing content should be taken down by the service provider if such content constitutes "obviously" an infringement or violation. If the service provider does not take down this content which is obviously unlawful, it will be held liable. Otherwise, even if the hosting service provider does not take down this content which is not obviously illegal, it cannot be held liable for non-taking down the content. However, here the question is that how this "obviously" will be determined. For this, the CJEU has given the diligent economic operator criterion. In this respect, it is necessary to determine whether a diligent economic operator can determine the infringement mentioned in the notification. However, in my opinion, this may lead to very different interpretations. In fact, by setting forth such a general criterion without determining clearly which information should be contained in the notification and what an obvious infringement is, the hosting service provider will be obliged to investigate the source of the infringement if the notification is ambiguous and completely unclear, which is contrary to the absence of the monitoring obligation of the service provider.

On the other hand, the speed of the take down by the internet service provider is of importance for being held liable. Indeed, while the E-Commerce indicates that such removal should be "expeditiously", no guidance is given as to what "expeditious" means which is a source of uncertainty. Moreover, such a liability regime does not speak about any possibility of the provider of the allegedly unlawful content to defend itself before the take-down of this content or about the responsibility of the sender of the notification which is clearly unfounded.

¹⁹⁶⁶ AYM, Ali Kızılcık Application No..2014/5552, 26.10.2017, par.56-63

Even though having being aware or being notified of the alleged infringing content is the principal condition for the hosting service providers' liability, in some cases the hosting service providers have been held liable even if they have not received any notification about the infringing content from the right owner. This is especially the case when the same infringement is repeated. Hosting providers may be ordered by the courts to take measures aiming to terminate the existing infringement, but also to prevent future infringements. However, these measures should not be in the form of active monitoring since such an obligation is contrary to the legislation. Even if hosting providers carry out such active monitoring, it may not be possible for them to detect the illegality in each case. Indeed, even if the hosting provider, once notified by the trademark owner, has become aware of the trademark proprietor's rights subject to the alleged infringement, these right may have expired at a later date. In this respect, the hosting provider cannot be expected to conduct a right ownership investigation on that right. Likewise, the alleged infringed trademark may be used by someone with legitimate interests or rights on that trademark. For example, while the trademark subject to the first notification is used on counterfeit goods, the latter use may be related to second-hand products. In this case also, the hosting provider has no obligation to investigate the lawfulness of this use. As such, it is not possible to impose an obligation on the hosting provider to prevent subsequent violations of the same trademark. For these reasons, the notification will have to be done again in case of re-posting of illegal content. To judge otherwise would be to subject the service providers to a general obligation of monitoring.

Finally, it is necessary to mention the new European Copyright Directive¹⁹⁶⁷, which is subject to much debate with regard to the liability of the internet service providers in the prevention of infringing uses on the internet. Indeed, with this Directive, it is created a new category of internet service providers under the name "online content-sharing service providers" which covers platforms such as YouTube, Instagram. This newly created category of internet service providers have been got out of the "safe harbor" regime of the E-Commerce Directive with regard to copyright-protected works, as pursuant to art.17/3 of the said Directive, "*when an online content-sharing service*

¹⁹⁶⁷ Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directive 96/9/EC and 2001/29/EC (O.J. L130/92, 17.05.2019)

provider performs an act of communication to the public or an act of making available to the public under the conditions laid down in this Directive, the limitation of liability established in Article 14(1) of Directive 2000/31/EC shall not apply to the situations covered by this Article". On the other hand, for being exempted from liability, online content-sharing service providers have to obtain "*an authorization from the rightholders (...) in order to communicate to the public or make available to the public works or other subject matter*". This authorization may be obtained for instance through a licensing agreement. Therefore, while under the "safe harbor" regime of the E-Commerce Directive, the internet service providers were exempted from liability as long as they stay neutral with regard the content they transmit or store and take down the illegal content when they become aware of it, under the new Copyright Directive, online content-sharing service providers are under the obligation to obtain an authorization from the right holders of the works uploaded by users on these online content-sharing platforms even though they do not play an active role with regard to the infringing use. Moreover, in cases where such authorization cannot be obtained, these service providers will be held liable if they have not made their best effort to obtain such authorization and to make unavailable works for which the rightholders have provided necessary information to the service provider; and in any way they did not act expeditiously to disable access to, or to remove from their websites, the notified works upon receipt of the notification from the rightholders and made best efforts to prevent their future uploads (art.17/4).

When we think about the adoptability of this liability regime to the trademark uses on online content-sharing platforms, we think that is not possible due to the different scope of protection of trademark and copyright law. Indeed, while the mere copying of a copyrighted work amounts to infringement, it is not the case for trademarks. For there being a trademark infringement, the mere use of the trademark is insufficient and the use in question should, for instance, be made in the course of trade, in relation to goods or services, have an adverse effect on the functions of the trademark, create likelihood of confusion. Therefore, the protection of trademark rights is less absolute than that of copyright rights, as it depends on a particular context in which it is used. Therefore, the infringement analysis of trademarks is more context specific than that of copyrighted works. In that regard, while the mere appearance, uploading or making available of a

copyrighted work on the internet without the authorization of its right holder may be sufficient for a finding of infringement, thus for a take down; for an infringement of a trademark, thus take down of this infringing use, more in depth analysis of the context specific to the case is required. In such a case, the conditions for being liable should not be the same for trademark and copyright infringement on the internet.



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